



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

MICHIGAN EDUCATIONAL CHOICE CENTER
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2023

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REAUTHORIZING RESOLUTION

REAUTHORIZATION OF PUBLIC SCHOOL ACADEMY

Michigan Educational Choice Center

Recitals:

1. At its June 28, 2018, meeting this board authorized the issuance of a contract to charter as a public school academy to Michigan Educational Choice Center. On July 1, 2018, the contract was effective.
2. The contract of this academy expires June 30, 2023.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of Michigan Educational Choice Center.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Michigan Educational Choice Center. The term of the contract is recommended for a term not to exceed three (3) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Michigan Educational Choice Center for a term not to exceed three (3) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Michigan Educational Choice Center 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 Michigan Educational Choice Center is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: 12/8/22

Signature Mary Jane Hangan



BOARD OF TRUSTEES

PROPOSAL FOR BOARD ACTION: CONSENT AGENDA

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

Project Description:

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

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

Proposed by: Provost Gealt

PROPOSED RESOLUTION: CONSENT AGENDA

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

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

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

CMU BDT APPROVED

Date: 2/15/18

Signature: M. J. Mangano

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

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

Method of Selection and Appointment

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

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

Date: 2/15/18

Signature: 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, 2023

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

CONFIRMING THE STATUS OF

MICHIGAN EDUCATIONAL CHOICE CENTER

AS A

PUBLIC SCHOOL ACADEMY

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

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

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

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

WHEREAS, the Central Michigan University Board of Trustees has considered and has approved the issuance of a contract to Michigan Educational Choice Center;

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 Michigan Educational Choice Center's status as a public school academy. In addition, the parties agree that the issuance of this Charter Contract is subject to the following terms and conditions:

ARTICLE I DEFINITIONS

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

- (a) "Academy" means the Michigan nonprofit corporation named Michigan Educational Choice Center 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 December 8, 2022, 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, 2023, Issued by the Central Michigan University Board of Trustees Confirming the Status of Michigan Educational Choice Center 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. Upon receipt of the Academy Board’s request for termination, the University Board shall consider and vote on the proposed termination request. The University Board may, in its sole discretion, waive the six (6) month advance notice requirement for terminating this Contract.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XI
PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XII GENERAL TERMS

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

If to the University Board:	The Governor John Engler Center for Charter Schools Attn: Executive Director Central Michigan University EHS 200 Mt. Pleasant, MI 48859
General Counsel:	General Counsel Central Michigan University Mt. Pleasant, MI 48859
Chief Financial Officer:	Vice President for Finance and Administrative Services Central Michigan University Mt. Pleasant, MI 48859
If to the Academy:	Academy Board President Michigan Educational Choice Center 20045 Joann Ave. Detroit, MI 48205

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

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

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

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

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

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

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

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

Is the Academy's academic program successful?

Is the Academy's organization viable?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 12.22. Confidential Address Restrictions.

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

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

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


CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
Isaiah M. Oliver, Chair

Date: _____

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

MICHIGAN EDUCATIONAL CHOICE CENTER

By:  _____
Board President

Date: 6/28/2023

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: Isaiah M. Oliver
Isaiah M. Oliver, Chair

Date: 6.23.23

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.

MICHIGAN EDUCATIONAL CHOICE CENTER

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

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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:	<input type="text" value="800933934"/>
The present name of the corporation is:	<input type="text" value="MICHIGAN EDUCATIONAL CHOICE CENTER"/>
All former names of the corporation are:	<input type="text"/>
The date of filing the original Articles of Incorporation was:	<input type="text" value="5/1/2012"/>

ARTICLE I

The name of the corporation is:

MICHIGAN EDUCATIONAL CHOICE CENTER

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

ARTICLE III

The Corporation is 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:

- A. STATE SCHOOL AID PAYMENTS RECEIVED PURSUANT TO THE STATE SCHOOL AID ACT OF 1979 OR ANY SUCCESSOR LAW.
- B. FEDERAL FUNDS.
- C. DONATIONS.
- D. FEES AND CHARGES PERMITTED TO BE CHARGED BY PUBLIC SCHOOL ACADEMIES.
- E. OTHER FUNDS LAWFULLY RECEIVED.

The Corporation is 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: SCOTT CORBA
2. Street Address: 31440 NORTHWESTERN HIGHWAY
Apt/Suite/Other: SUITE 170
City: FARMINGTON HILLS
State: MI

Zip Code: 48334

3. Registered Office Mailing Address:

P.O. Box or Street Address: 31440 NORTHWESTERN HIGHWAY
Apt/Suite/Other: SUITE 170
City: FARMINGTON HILLS
State: MI Zip Code: 48334

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. THE AUTHORIZING BODY FOR THE CORPORATION IS: CENTRAL MICHIGAN UNIVERSITY.

ARTICLE VI

THE CORPORATION AND ITS INCORPORATORS, BOARD MEMBERS, OFFICERS, EMPLOYEES, AND VOLUNTEERS HAVE GOVERNMENTAL IMMUNITY AS PROVIDED IN SECTION 7 OF ACT NO. 170 OF THE PUBLIC ACTS OF 1964, BEING SECTION 691.1407 OF THE MICHIGAN COMPILED LAWS.

ARTICLE VII

BEFORE EXECUTION OF A CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY BETWEEN THE CORPORATION AND CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (THE "UNIVERSITY BOARD"), THE METHOD OF SELECTION, LENGTH OF TERM, AND THE NUMBER OF MEMBERS OF THE BOARD OF DIRECTORS OF THE CORPORATION SHALL BE APPROVED BY A RESOLUTION OF THE UNIVERSITY BOARD AS REQUIRED BY THE CODE.

ARTICLE VIII

THE BOARD OF DIRECTORS SHALL HAVE ALL THE POWERS AND DUTIES PERMITTED BY LAW TO MANAGE THE BUSINESS, PROPERTY AND AFFAIRS OF THE CORPORATION.

ARTICLE IX

THE OFFICERS OF THE CORPORATION SHALL BE A PRESIDENT, VICE PRESIDENT, SECRETARY AND A TREASURER, EACH OF WHOM SHALL BE A MEMBER OF THE BOARD OF DIRECTORS AND SHALL BE SELECTED BY THE BOARD OF DIRECTORS. THE BOARD OF DIRECTORS MAY SELECT ONE OR MORE ASSISTANTS TO THE SECRETARY OR TREASURER, AND MAY ALSO APPOINT SUCH OTHER AGENTS AS IT MAY DEEM NECESSARY FOR THE TRANSACTION OF THE BUSINESS OF THE CORPORATION.

ARTICLE X

NO PART OF THE NET EARNINGS OF THE CORPORATION SHALL INURE TO THE BENEFIT OF OR BE DISTRIBUTABLE TO ITS BOARD, DIRECTORS, OFFICERS OR OTHER PRIVATE PERSONS, OR ORGANIZATION ORGANIZED AND OPERATED FOR A PROFIT (EXCEPT THAT THE CORPORATION SHALL BE AUTHORIZED AND EMPOWERED TO PAY REASONABLE COMPENSATION FOR SERVICES RENDERED AND TO MAKE PAYMENTS AND DISTRIBUTIONS IN THE FURTHERANCE OF THE PURPOSES SET FORTH IN ARTICLE II HEREOF). NOTWITHSTANDING ANY OTHER PROVISION OF THESE RESTATED ARTICLES, THE CORPORATION SHALL NOT CARRY ON ANY OTHER ACTIVITIES NOT PERMITTED TO BE CARRIED ON BY A GOVERNMENTAL ENTITY EXEMPT FROM FEDERAL INCOME TAX UNDER SECTION 115 OF THE IRC, OR COMPARABLE PROVISIONS OF ANY SUCCESSOR LAW.

TO THE EXTENT PERMITTED BY LAW, UPON THE DISSOLUTION OF THE CORPORATION, THE BOARD SHALL AFTER PAYING OR MAKING PROVISION FOR THE PAYMENT OF ALL OF THE LIABILITIES OF THE CORPORATION, DISPOSE OF ALL OF THE ASSETS OF THE CORPORATION TO THE UNIVERSITY BOARD FOR FORWARDING TO THE STATE SCHOOL AID FUND ESTABLISHED UNDER ARTICLE IX, SECTION 11 OF THE CONSTITUTION OF THE STATE OF MICHIGAN OF 1963, AS AMENDED.

ARTICLE XI

THESE RESTATED ARTICLES OF INCORPORATION SHALL NOT BE AMENDED EXCEPT BY THE PROCESS PROVIDED IN ARTICLE IX OF THE TERMS AND CONDITIONS INCORPORATED AS PART OF THE CONTRACT. THIS PROCESS IS AS FOLLOWS:

THE CORPORATION, BY A MAJORITY VOTE OF ITS BOARD OF DIRECTORS, MAY, AT ANY TIME, PROPOSE SPECIFIC CHANGES TO THESE RESTATED ARTICLES OF INCORPORATION OR MAY PROPOSE A MEETING TO DISCUSS POTENTIAL REVISION TO THESE RESTATED ARTICLES OF INCORPORATION. THE PROPOSAL WILL BE MADE TO THE UNIVERSITY BOARD THROUGH ITS DESIGNEE. THE UNIVERSITY BOARD DELEGATES TO THE GOVERNOR JOHN ENGLER CENTER FOR CHARTER SCHOOLS' ("THE CENTER") EXECUTIVE DIRECTOR THE REVIEW AND APPROVAL OF CHANGES OR AMENDMENTS TO THESE RESTATED ARTICLES OF INCORPORATION. IN THE EVENT THAT A PROPOSED CHANGE IS NOT ACCEPTED BY THE CENTER'S EXECUTIVE DIRECTOR, THE UNIVERSITY BOARD SHALL CONSIDER AND VOTE UPON A CHANGE PROPOSED BY THE CORPORATION FOLLOWING AN OPPORTUNITY FOR A WRITTEN AND ORAL PRESENTATION TO THE UNIVERSITY BOARD BY THE CORPORATION.

AT ANY TIME AND FOR ANY REASON, THE UNIVERSITY BOARD OR AN AUTHORIZED DESIGNEE MAY PROPOSE SPECIFIC CHANGES TO THESE

RESTATED ARTICLES OF INCORPORATION OR MAY PROPOSE A MEETING TO DISCUSS POTENTIAL REVISION. THE CORPORATION'S BOARD OF DIRECTORS MAY DELEGATE TO AN OFFICER OF THE CORPORATION THE REVIEW AND NEGOTIATION OF CHANGES OR AMENDMENTS TO THESE RESTATED ARTICLES OF INCORPORATION. THE RESTATED ARTICLES OF INCORPORATION SHALL BE AMENDED AS REQUESTED BY THE UNIVERSITY BOARD OR AN AUTHORIZED DESIGNEE UPON A MAJORITY VOTE OF THE CORPORATION'S BOARD OF DIRECTORS.

AMENDMENTS TO THESE RESTATED ARTICLES OF INCORPORATION TAKE EFFECT ONLY AFTER THEY HAVE BEEN APPROVED BY THE CORPORATION'S BOARD OF DIRECTORS AND BY THE UNIVERSITY BOARD OR THE CENTER'S EXECUTIVE DIRECTOR, AND THE AMENDMENTS ARE FILED WITH THE MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, BUREAU OF COMMERCIAL SERVICES. IN ADDITION, THE CORPORATION SHALL FILE WITH THE AMENDMENT A COPY OF THE UNIVERSITY BOARD'S OR THE CENTER'S EXECUTIVE DIRECTOR'S APPROVAL OF THE AMENDMENT.

UPON TERMINATION OR REVOCATION OF THE CONTRACT, THE ACADEMY MAY AMEND ITS ARTICLES OF INCORPORATION AS NECESSARY TO ALLOW THE ACADEMY BOARD TO: (A) TAKE ACTION TO APPOINT ACADEMY BOARD MEMBERS IN ORDER TO HAVE A QUORUM NECESSARY TO TAKE ACADEMY BOARD ACTION; OR (B) EFFECTUATE A DISSOLUTION, PROVIDED THAT THE ACADEMY BOARD MAY NOT AMEND THE ARTICLES OF INCORPORATION WITH REGARD TO THE DISPOSITION OF ASSETS UPON DISSOLUTION.

ARTICLE XII

THE DEFINITIONS SET FORTH IN THE TERMS AND CONDITIONS INCORPORATED AS PART OF THE CONTRACT SHALL HAVE THE SAME MEANING IN THESE RESTATED ARTICLES OF INCORPORATION.

Article XIII

Effective Date: 07/17/2018

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 6/29/2018, 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 17th Day of July, 2018 by:

Signature	Title	Title if "Other" was selected
James Schelberg	President	

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

MICHIGAN EDUCATIONAL CHOICE CENTER

ID Number: 800933934

received by electronic transmission on July 17, 2018 ***, is hereby endorsed.***

Filed on July 19, 2018 ***, by the Administrator.***

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



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 19th day of July, 2018.

Julia Dale, Director
Corporations, Securities & Commercial Licensing Bureau

CONTRACT SCHEDULE 2

AMENDED BYLAWS

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AMENDED BYLAWS
OF
MICHIGAN EDUCATIONAL CHOICE CENTER

ARTICLE I
NAME

This organization shall be called Michigan Educational Choice Center (the "Academy" or the "corporation").

ARTICLE II
FORM OF ACADEMY

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

ARTICLE III
OFFICES

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

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

ARTICLE IV
BOARD OF DIRECTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE V MEETINGS

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

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

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

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

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

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

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

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

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

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

ARTICLE VI COMMITTEES

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

ARTICLE VII OFFICERS OF THE BOARD

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IX INDEMNIFICATION

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

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

ARTICLE X FISCAL YEAR

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

ARTICLE XI AMENDMENTS

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

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

ARTICLE XII TERMS AND CONDITIONS DEFINITIONS

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

CERTIFICATION

The Board certifies that these Amended Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 28th day of June, 2023.



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 Michigan Educational Choice Center ("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 Michigan Educational Choice Center.

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

Date: February 14, 2023

CONTRACT SCHEDULE 4
OVERSIGHT, COMPLIANCE
AND REPORTING AGREEMENT

SCHEDULE 4

OVERSIGHT, COMPLIANCE AND REPORTING AGREEMENT

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

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III **RECORDS AND REPORTS**

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

ARTICLE IV
MISCELLANEOUS

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

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

Section 4.3. Audit and Evaluation. The Academy:

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

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

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

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

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

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

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

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

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

Reporting Structure

All positions are employed by Entrepreneurial Ventures in Education (EVE) 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.

EDUCATION SERVICES PROVIDER AGREEMENT

This Education Services Provider Agreement (the “Agreement”) is made and entered into as of the 1st day of July 2023, by and between **Entrepreneurial Ventures in Education, Inc.** (“EVE”) (Phalen Leadership Academies is a subsidiary of the non-profit entity Entrepreneurial Ventures in Education “EVE”), a Massachusetts based non-profit corporation, and **Michigan Educational Choice Center** (“MECC” or the “Academy” and together with EVE, the “Parties”), a Michigan non-profit corporation and public school academy formed under Part 6A of the Revised School Code, as amended (the “Code”).

WHEREAS, MECC operates under the direction of a Board of Directors (the “Board”) and is authorized pursuant to a contract (the “Charter Contract”) issued by the Central Michigan University Board of Trustees (“Authorizer”).

WHEREAS, EVE is a Massachusetts based non-profit corporation authorized to transact business in the State of Michigan, and providing direct educational services to public school academies. EVE has the ability to implement a comprehensive educational program and training methodologies for MECC; and

WHEREAS, MECC desires to engage EVE to perform those services as a direct educational service provider pursuant to this Agreement.

WHEREAS, it is intended that MECC shall accomplish its mission by utilizing the services of EVE. MECC hereby acknowledges this intent and approves this Agreement for direct educational services of MECC by EVE.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE I:

CONTRACTUAL RELATIONSHIP

A. **Authority.** MECC has been granted the Charter Contract by the Authorizer to organize and operate a public charter school, together with the powers necessary or desirable for carrying out the educational program set forth in the Charter Contract. MECC is authorized to contract with a private entity to provide educational services, provided that the management agreement shall comply with the Authorizer’s Educational Services Provider requirements (the “ESP Policies”).

B. **Agreement.** Acting under and in the exercise of such authority, MECC hereby contracts with EVE for specified functions relating to the provision of direct educational services and school support activities of MECC.

C. **Status of the Parties.** EVE is a Massachusetts non-profit corporation and is not a division or a part of MECC. MECC is a public charter school authorized by the Code, and is not a division or part of EVE. The relationship between EVE and MECC is based solely on the terms of this Agreement. The Parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor, and that, except as expressly set forth in paragraph D below, no employee of EVE shall be deemed to be an agent of MECC. EVE is solely responsible for its acts and the acts of its agents, employees, and subcontractors. Employees of EVE, even those assigned to work exclusively at MECC, are not employees of MECC.

D. **Designation of School Officials for Purposes of FERPA.** Agents and employees of EVE having a legitimate educational interest in student record information, are hereby designated by the Board as “school officials” of MECC such that they are authorized access to educational records of the MECC’s students under 20 U.S.C. § 1232g, the Family Educational Rights and Privacy Act (“FERPA”). “Legitimate educational interest” shall be defined as having a responsibility for helping the student achieve one (1) or more of the educational goals of MECC or if the record is necessary in order for the employee to perform an administrative, supervisory, or instructional task or to perform a service or benefit for the student or the student’s family. Except as set forth in this paragraph D, no agent or employee of EVE shall be deemed to be an agent of MECC.

ARTICLE II:

WARRANTIES AND REPRESENTATIONS

A. **Representation.** MECC represents that it has the authority under State law to execute, deliver, and perform this Agreement, to incur obligations provided for under this Agreement, to incur obligations provided for under this Agreement and to contract with EVE for EVE to provide the services set forth in this Agreement on behalf of the Academy.

B. **Certification As to Pending Claims.** MECC certifies that, as of the date of this Agreement, there are no pending actions, claims, suits, or proceedings, to the knowledge of the Academy, threatened or reasonably anticipated against or affecting the Academy, which if adversely determined, would have a material adverse effect on the ability of the Charter Academy to perform its obligations under this Agreement. Further, the Academy warrants that the information in has furnished EVE concerning the Academy’s facilities, finances, revenues, student enrollment and staffing is accurate and the latest information available at the time of the execution of this Agreement.

C. **Authority of EVE.** EVE represents and warrants that it is a non-profit corporation organized and existing under the laws of the State of Massachusetts, with lawful power and authority to enter into this Agreement, acting by and through its duly authorized officers.

ARTICLE III:

TERM

A. **Term.** This Agreement shall become effective July 1, 2023 and shall expire on June 30, 2026. However, the term of this Agreement is subject to a continued Charter Contract from the Authorizer and continued state per capita funding.

B. **Renewal.** At the end of the Term, MECC and EVE may mutually agree to extend the Agreement which shall be documented in a written amendment to this Agreement signed by both parties and will be done in a manner consistent with the Authorizer's ESP Policies. Under no circumstances, however, shall this Agreement extend beyond the term of the Charter Contract.

ARTICLE IV:

FUNCTIONS OF EVE

A. **Responsibility.** Under the direction of the Board, EVE shall be responsible for providing direct educational services to MECC. Such functions include but are not limited to:

1. Implementation and administration of the educational program.
2. Pupil accounting;
3. Budget preparation, including preparing the proposed annual budget as set forth in this Article, Paragraph O, and proposed amended budgets throughout the year, as necessary, and financial management services, as defined in this Agreement;
4. Financial services including accounting, bookkeeping services, accounts payable, and accounts receivable;
5. Acquisition of instructional and non-instructional material, equipment and supplies and the maintenance of an inventory system of all equipment;
6. Selection and supervision of all teachers and staff and the personnel management services (recordkeeping, wage and benefits administration, training, and technical assistance) necessary to support those employees;
7. Supervision of the school support services programs including food service and facilities maintenance;
8. Preparation of required authorizer, local, state, and federal reports with prior review by the Board.
9. Information and technology system development and management.

10. Preparation of applications for grants and special programs as requested by the Board.
11. Processing funding applications for special programs and facility improvements as requested by the Board.
12. Management of the Academy's marketing and communications which shall include enrollment campaigns and tools.
13. Administration of extra-curricular and co-curricular activities and programs approved by the Board.
14. Development of critical processes and procedures governing operations of the Academy as determined by the Parties and as approved by the Board.
15. Provision of special education and English Language Learners services to students who attend the Academy in conformity with the requirements of applicable law, regulations and Board policies.
16. Participation in strategic planning with the Board for the continuing educational and financial benefit of the Academy.
17. Implementation and enforcement of student codes of conduct.
18. Any other function necessary or expedient for the administration of the Academy with prior approval from the Board.

C. Educational Goals and Program. EVE shall implement the educational goals and programs set forth in the Charter Contract, including, but not limited to, methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade classifications for pupils to be enrolled, and methods to be used to monitor performance towards targeted educational outcomes. In the event that EVE determines that it is advisable to modify the educational goals and programs set forth in the Charter Contract, EVE will provide written notification to the Board specifying the proposed changes it recommends and the reasons for the proposed changes. No changes in the educational goals and programs shall be implemented without the prior written approval of the Board and a Charter Contract amendment approved by the Board and Authorizer. EVE shall provide the Board with periodic written reports specifying the level of achievement of each of the Academy's educational goals set forth in the Charter Contract and detailing its plan for meeting any educational goals that are not being attained, such reports to be submitted on a regular periodic basis and upon request of the Board.

D. Subcontracts. It is anticipated that EVE will utilize subcontracts to provide some of the services it is required to provide to the Academy under this Agreement. EVE may not subcontract the management, oversight, or operation of the teaching and instructional program without the specific prior written approval of the Board. Except as described in the previous sentence, Board approval of subcontracts is not required unless the cost for these subcontracted services exceeds the funds appropriated for that purpose of the Academy's approved budget or Board approval is required by the Charter Contract or by the Board's procurement policy. EVE

will receive no additional fee as a result of subcontracting of any services, all of which shall be provided without markup. Any services to be provided by EVE that are included in the management fee, but are performed by a subcontractor, shall not be charged to, reimbursed by or passed through as an additional cost to the Academy.

E. **Place of Performance.** Instructional services other than field trips will normally be performed at the facilities of the Academy. EVE may perform functions other than instruction, such as purchasing, professional development, and administrative functions at off-site locations, unless prohibited by applicable law. The Academy shall provide EVE with the necessary office space at the sites to perform all services described in this Agreement.

If the Academy should expand to other locations in the future, such expansion will be accomplished by amendments to this Agreement and the Charter Contract.

F. **Acquisitions.** All acquisitions made by EVE for the Academy using any funds belonging to 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. EVE 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, 124) as if the Academy were making these purchases directly from a third-party supplier or vendor. EVE will not add any fees or charges to the cost of the equipment, materials, and supplies purchased from third Parties when it seeks reimbursement for the cost of these acquisitions from the Academy. All supplies, materials, and equipment procured for the Academy by EVE shall be inventoried by an acceptable method of inventory, and an inventory of the Academy equipment shall be maintained so that it can be clearly established which property belongs to the Academy.

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

H. **Student Recruitment.** EVE shall be responsible for the recruitment of students subject to the provisions of the Charter Contract and the policies adopted by the Board. Students shall be selected in accordance with the procedures set forth in the Charter Contract and in compliance with the Code and other applicable law. EVE shall follow all applicable procedures regarding student recruitment, enrollment, and lottery management, and shall be responsible for publication of appropriate public notices and scheduling of open houses, as may be required.

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

J. **Legal Requirements.** EVE shall provide educational programs that meet the requirements imposed under the Code and the Charter Contract, unless such requirements are or have been waived.

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

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

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

N. **Additional Programs.** The services provided by EVE to the Academy under this Agreement include, but are not limited to, providing the educational program described in the Charter Contract, as the same may change from time to time. The Board may decide to provide additional programs, including, but not limited to, summer school. The Academy may also purchase additional services from EVE at a mutually agreeable cost which will be documented in a written amendment to this Agreement.

O. **Annual Budget Preparation.** EVE will prepare and provide the Board with a proposed annual budget that shall conform to the State of Michigan's requirements and in a form satisfactory to the Board and to the Authorizer. The budget shall contain object level detail and comply with public accounting standards. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy and the educational program including, but not limited to, the projected cost of all services and educational programs provided to the Academy, rent and lease payments, debt service, maintenance and repairs to the 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. EVE nor any owner, officer or employee of EVE shall be designated as the Chief Administrative Officer ("CAO") of the Academy, but an EVE employee may assist the CAO in carrying out their duties.

The proposed budget shall be submitted to the Board for approval not later than thirty (30) days prior to the date when the approved budget is required to be submitted to the Authorizer. EVE may not make deviations from the approved budget between major function areas without the prior approval of the Board.

P. **Academy Financial Health.** EVE shall do all things reasonably and professionally required to prevent the Academy's finances from experiencing any operating or fund balance deficits and shall do all things reasonably and professionally required to keep the Academy solvent.

Q. Disclosure of Information Pursuant to MCL 388. On an annual basis, EVE 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.

R. Restriction on Providing Personally Identifiable Information. Except as permitted under the Code, EVE shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of a Academy student's education records. If EVE receives information that is part of a Academy student's education records, EVE 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.

S. Procedures for Addressing Breach of Protected Information. Immediately upon discovery of a confirmed or suspected Breach, EVE shall report both orally and in writing to the Academy. In no event shall the report be made more than two (2) business days after EVE knows or reasonably suspects a breach has or may have occurred. In the event of a suspected breach, EVE shall keep the Academy informed regularly of the progress of its investigation until the uncertainty is resolved. EVE's report shall identify: (i) the nature of the unauthorized access, use or disclosure, (ii) the Protected or Private Information accessed, used or disclosed, (iii) the person(s) who accessed, used and disclosed and/or received Protected or Private Information (if known), (iv) what EVE has done or will do to mitigate any deleterious effect of the unauthorized access, use or disclosure, and (v) what corrective action EVE has taken or will take to prevent future unauthorized access, use or disclosure. (vi) EVE shall provide such other information, including a written report, as reasonably requested by the Board.

(1) Coordination of Breach Response Activities. In the event of a breach, EVE will: a. Immediately preserve any potential forensic evidence relating to the breach; b. Promptly (within 2 business days) designate a contact person to whom the Academy will direct inquiries, and who will communicate EVE's responses to Academy inquiries; c. As rapidly as circumstances permit, apply appropriate resources to remedy the breach condition, investigate, document, restore the Academy's service(s) as directed by the Academy, and undertake appropriate response activities; d. Provide status reports to the Academy on breach response activities, either on a daily basis or a frequency approved by the Academy; e. Coordinate all media, law enforcement, or other breach notifications with the Academy in advance of such notification(s), unless expressly prohibited by law; f. Make all reasonable efforts to assist and cooperate with the Academy in its breach response efforts; and g. Ensure that knowledgeable EVE staff are available on short notice, if needed, to participate in Academy-initiated meetings and/or conference calls regarding the breach.

T. Compliance with the Charter Contract and ESP Requirements. EVE agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by Central Michigan

University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement.

(i) 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 this 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.

ARTICLE V:

OBLIGATIONS OF THE BOARD

A. **Board Policy Authority.** The 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, or en route to, school, and policies and regulations governing the procurement of supplies, materials, and equipment to be used at the Academy. The Board shall exercise good faith in considering the recommendations of EVE on issues including, but not limited to, policies, rules, regulations, procedures, curriculum, and budgets, subject to the constraints of law and the requirements of the Charter Contract.

B. **Building Facility.** The Board is responsible for the acquisition by either purchase or lease of building facilities that comply with all of the requirements of the Charter Contract and applicable law.

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

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

E. **Legal Counsel.** The Board shall select and retain legal counsel to advise it regarding its rights and responsibilities under the Charter Contract, this Agreement, and applicable law. Such legal counsel shall advise on the negotiation of this Agreement and shall not represent EVE or any EVE owner(s), director(s), officer(s), or employee(s). While the Board's counsel and EVE's counsel may meet and confer on issues, the Board shall not seek direct advisement from EVE's legal counsel.

F. **Audit.** The Board shall select and retain the independent auditor to perform the annual financial audit in accordance with the Charter Contract and applicable state law. The Board and previous management company shall retain full responsibility for managing and

completing the audit and Form 990.

G. **Budget.** The Board is responsible for adopting a budget in accordance with the relevant provisions of applicable law and asserts that it has adequate resources to fulfill its obligations under the Charter Contract, including, but not limited to, its oversight of EVE, the organization of the Academy, negotiation of the Charter Contract and any amendments, payment of employee costs, insurance required under the Charter Contract and this Agreement, the annual financial audit, and retention of the Board's legal counsel and consultants. In addition, the 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 Board.

H. **Academy Funds.** The Board shall determine the depository institution of all funds received by the Academy. All funds received by the Academy shall be deposited in the Academy's depository account. Signatories on Academy Board accounts shall solely be Board members and/or properly designated Academy Board employees. Administrative/view online access to the Board/Academy depository account and any other Board controlled accounts shall also be given to Board-designated EVE employees. All interest or investment earnings on Academy accounts shall accrue to the Academy. The Board shall pay its obligations under this Agreement on a consistent and timely basis. No provision of this Agreement shall alter the 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.

I. **Governmental Immunity.** The Board shall have the sole power to determine when to assert, waive, or not waive its governmental immunity.

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

K. **Evaluation of EVE.** The Board will evaluate the performance of EVE to provide EVE with an understanding of the Board's view of its performance under this Agreement. All evaluations conducted by the Board or a representative of the Board will be provided to EVE in writing, no later than thirty (30) days following the conclusion of the evaluation. EVE will be provided thirty (30) days to respond to the evaluation in writing, if it wishes to do so. Special evaluations may occur at any time at the discretion of the Board.

ARTICLE VI:

FINANCIAL ARRANGEMENT

A. **Academy's Source of Funding.** The major source of funding for the Academy is State School Aid received pursuant to the State School Aid Act, Act 94 of 1979, as amended ("State School Aid"). State School Aid payments are based upon the number of students enrolled

in the Academy. The Academy will also receive 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 Board and EVE, with prior Board approval, shall endeavor to obtain revenue from other sources. In this regard:

1. The Academy and/or EVE shall solicit and receive donations consistent with the mission of the Academy.
2. The Academy and/or EVE may apply for and receive grant money, in the name of the Academy. EVE shall provide advance written notification to the Board of any grant applications it intends to make.
3. To the extent permitted under the Code, EVE may charge fees to students for extra services such as summer programs, after school programs, and athletics, and EVE may charge non-Academy students who participate in such programs.
4. All funds received by EVE or the Academy from such other revenue sources shall inure to and be deemed the property of the Academy.

C. Compensation for Services. The Academy shall pay EVE an annual management fee for each school year during the term of this Agreement. The amount of this annual fee shall be twelve percent (12%) of the sum of: (a) all funds the Academy receives directly or indirectly under Paragraph A attributable to the school year during which EVE provides services under this Agreement less amounts retained by the Authorizer, plus (b) all funds that the Academy receives directly or indirectly under Paragraph B (except for individual donations, obtained without the assistance of EVE, that are made to the Academy). The amount of the annual fee is subject to reduction in a mutually agreeable amount by the Parties in any school year if extenuating circumstances make payment of the entire annual fee inappropriate.

EVE's annual management fee shall be paid in twelve (12) installments, which shall be made on or about the 20th day of the months of July through June for the school year of MECC during which EVE provides services under this Agreement. EVE will cooperate with the Academy to modify the exact date of any monthly installment payment to coordinate with the timing of the funds received by the Academy, provided that all monthly installment payments must be remitted within thirty (30) days of the original payment date of such monthly installment payment.

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

E. Payment of Educational Program Costs. In addition to the Academy's obligation to reimburse EVE for the compensation of certain EVE employees under Article VII, all costs reasonably incurred in providing the educational programs at the Academy shall be paid by the Academy in accordance with the annual budget approved by the Board. Such costs shall

include, but shall not be limited to, curriculum materials, professional learning and development required by the state or other governmental entities, textbooks, library books, computers and other equipment, software, and supplies utilized at the Academy for educational purposes, services provided pursuant to subcontract that are not included in the management fee, building payments, maintenance, utilities, capital improvements, and marketing and development costs. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program, and shall not include any costs for the marketing and development of EVE. The Board shall pay or reimburse EVE monthly for approved fees and expenses upon properly presented documentation and approval by the Board. In paying costs on behalf of the Academy, EVE shall not charge any additional amounts or markups. Any costs reimbursed to EVE 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 EVE. No corporate costs of EVE shall be charged to, or reimbursed by the Academy. Furthermore, all costs for the educational program, marketing, and/or development costs as described supra, shall be aligned with the Academy's budget.

F. **EVE Costs.** The annual management fee set forth in Article V, Section C is intended to compensate EVE for all expenses it incurs for the administrative, financial, and management services EVE is required to provide under this Agreement, including, but not limited to, expenses associated with budgeting, accounting, board support, employee recruitment, hiring, and training, and compliance. EVE will provide sufficient professional and non-professional staff in these areas and is responsible for their compensation. The costs to be paid by EVE under this Paragraph do not include payments for personnel provided pursuant to Article VI (B), (C), and (D) that are to be reimbursed by the Academy under Article VI (A) or educational program costs under Article V (E).

G. **Other Public School Academies.** The Academy acknowledges that EVE has entered, or will enter into, management agreements with other public/charter school academies. EVE shall separately account for reimbursable expenses incurred on behalf of the Academy and other public school academies, and only charge the Academy for expenses incurred on behalf of the Academy. EVE must maintain separate accounts for the receipt of the Academy funds and payment of expenses. Comingling of the Academy funds with EVE funds or funds of other schools is strictly prohibited.

H. **Financial Reporting.** At least monthly, EVE shall provide the Board with a monthly cash flow analysis, an aged report of accounts payable, a bank reconciliation, and a written report detailing the status of the budget to actual revenues and a detailed schedule of expenditures at an object level for review and approval by the Board. EVE shall present the Board with a balance sheet and a statement of revenues, expenditures, and changes in fund balance at each regularly scheduled meeting. All financial reports must explain any variances from the approved budget and shall contain recommendations for necessary budget corrections. These reports shall be provided to the Board finance committee and the Board members at least one week prior to each regularly scheduled Board meeting. EVE shall provide special reports as necessary to keep the Board informed of changing conditions.

I. **No Other Financial Relationships.** Other than the financial arrangements described in this Agreement, EVE and the Academy shall have no other financial relationships.

No lease, promissory notes or other negotiable instruments, lease-purchase agreements, or other financing agreements between the Academy and EVE shall be permitted, and such arrangements are strictly prohibited.

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

K. **Audit Report Information.** EVE will make all finance and other records of EVE related to the Academy available to the Academy, the Academy’s independent auditor selected by the Board and the Authorizer upon request. EVE staff will fully cooperate with the Academy’s independent auditor.

L. **Bankruptcy of ESP Principal or Officer.** EVE shall notify the Academy’s Board if any principal or officer of EVE, or EVE (including any related organizations or organizations in which a principal or officer of EVE served as a principal or officer) as a corporate entity, has filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer.

L. **Conflict of Interest.** EVE shall have a written conflict of interest policy, a copy of which shall be made available to the Board upon request. EVE shall not execute contracts with any third Parties for services to be provided to or on behalf of the Academy where there is a conflict of interest between EVE and the third party or the Academy and the third party.

ARTICLE VII:

PERSONNEL AND TRAINING

A. **Personnel Responsibility.** EVE is responsible for providing the Academy with qualified Administrators and teachers, instructional support, pupil support, food service, secretarial, security, and other staff required to operate the Academy within the staffing and compensation levels approved by the Board in its annual budget (the “School Employees”). EVE shall have the authority to select, evaluate, assign, discipline, transfer, and terminate the employment of all School Employees, with the exception of the Board employees, if any, consistent with applicable law and the provisions of this Agreement. EVE, in its sole discretion, may subcontract with an employee leasing agency (the “Leasing Agency”) to provide the School Employees; such School Employees will be employees of the leasing agency. EVE shall make payments to the retirement plan for school staff that is approved by the Board. Prior to the first payroll, EVE will provide the Board with a detailed listing of the anticipated compensation and fringe benefit costs for all School Employees.

B. **Payroll.** The Board will reimburse EVE for the cost of the salaries, fringe benefits, and social security withholdings of employees assigned to the Academy, provided that these costs are not higher than anticipated and approved in the annual budget. EVE 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 EVE receives an advancement of its costs or the payment of services from the Academy. At the request of the Board, EVE will provide payroll services for employees of the Board. All records pertaining to teacher and administrator certification, as well as a copy of the employee handbook, shall be maintained physically on site or be directly accessible at all the Academy’s facilities. Neither EVE, nor the leasing agency shall execute contracts with its staff assigned to the Academy that contain non-compete agreements of any nature.

C. **Criminal Background Checks.** EVE agrees that no individuals shall be assigned to perform any services under this Agreement that has not cleared the requisite criminal background check pursuant to applicable law. The Board may require that the results of criminal background checks are received, reviewed, and used (subject to a verification process) by a qualified governmental employee acting on behalf of the Academy and/or the Board, only as permitted by law to confirm that the individual does not have a criminal history in violation of the Code. The Board shall require the qualified governmental employee to provide a letter with a determination for assignment indicating if the individual is in compliance with the requirements of the Code or not. EVE shall not assign to the Academy any individual for whom EVE has received determination of non-assignment. Additionally, EVE shall perform unprofessional conduct checks on each Academy employee pursuant to 1230(b) of the Code.

D. **School Leader.** EVE will have the authority, consistent with applicable law, and with input from the Board, to select and supervise the School Leader (“School Leader”) and to hold that individual accountable for the success of the Academy. At the request of the Board, EVE will review the performance of the School Leader with the Board. The School Leader may be a EVE employee, or an employee of the Leasing Agency. EVE agrees to provide the Board an

opportunity to meet with the School Leader prior to placement and to inform the Board in advance prior to taking any action that would alter the employment status of the School Leader. Upon receipt of written notification indicating that the Board is not satisfied with the performance of the School Leader, EVE agrees to review the School Leader's performance and report its findings to the Board. If EVE concurs with the Board findings and there is no resolution to the problems, EVE will provide a replacement School Leader. The School Leader shall have an administrator's certificate covering the applicable grade levels of the Academy. The employment agreement with the School Leader and the duties and compensation of the School Leader shall be determined by EVE, but that individual must be assigned on a full-time basis to the Academy and may not be providing services to any other school or academy without the prior approval of the Board. If the Superintendent of EVE is designated as the School Leader, the Superintendent need not be assigned to the Academy on a full-time basis.

E. Teachers. As part of the annual budgeting process, EVE shall make a recommendation to the Board regarding the number of teachers and the applicable grade levels and subjects required for the operation of the Academy pursuant to the Charter Contract. EVE shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy. The Board, however, shall ultimately decide the number of teachers, the applicable grade levels, and subjects taught at Academy as prescribed in the Charter Contract. Such teachers may, at the discretion of EVE, work at the Academy on a full or part-time basis. If assigned to the Academy on a part-time basis, such teachers may also work at other schools operated by EVE in the same city. Each teacher assigned to or retained by the Academy shall be a highly qualified teacher with a valid teaching certificate or temporary special permit issued by the Michigan Department of Education under the Code, to the extent required under the Code and the Every Student Succeeds Act. Teachers employed by the Leasing Agency shall not be considered teachers for purposes of continuing tenure under applicable law, and shall not be considered employees of the Academy or the Board.

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

G. Training. EVE shall ensure training is provided to the School Leader, teachers, and paraprofessionals on a regular and continuing basis and shall insure that School Employees receive all training required by law. The School Leader, teachers, paraprofessionals, and other support staff employees shall receive such other training as EVE determines is reasonable and necessary under the circumstances.

ARTICLE VIII:

TERMINATION OF AGREEMENT

A. **Termination by the School for Cause.** This Agreement may be terminated by MECC for a material breach of this Agreement, as well as, violation of the charter contract, state or federal law. If the agreement is cancelled for any other reason (except for reasons defined in this section and section C below), the management fee for the remainder of the term shall be payable upon termination.

This Agreement may be terminated by the School for cause prior to the end of the term specified in Article III in the event that EVE should fail to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than sixty (60) days after notice from the School. A material breach by EVE 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 Board; failure to account for its expenditures or to pay operating costs (provided funds are available to do so); or violating the Charter Contract or applicable law. Any action or inaction by EVE that is not cured within sixty (60) 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 Central Michigan University is a material breach. In order to terminate this Agreement for cause, the Board is required to provide EVE with written notification of the facts it considers to constitute material breach and the period of time within which EVE has to remedy this breach. If the material breach is not remedied, then once the established time in which to cure the material breach has expired, the Board may terminate this Agreement by providing EVE with written notification of termination consistent with the dispute resolution provisions contained in Article VIII, Paragraph L of this Agreement. However, if EVE has substantially cured the issue within the time period provided, the contract shall remain in full force and effect. If the Parties do not agree upon whether a material breach of contract has in fact occurred, the Parties shall submit to a dispute resolution process as outlined in Article XIII, section L below.

B. **Termination by EVE for Cause.** This Agreement may be terminated by EVE if MECC defaults on payments to EVE pursuant to Article VI or if the Board fails to give consideration to the recommendations of EVE regarding the operation of MECC. EVE will act in accordance with the dispute resolution provisions contained in Article VIII, Paragraph L of this Agreement. In the event of termination under this clause, EVE will endeavor to work with MECC to transition services to a new provider in a manner that is minimally disruptive to the operation of the School, consistent with subparagraphs F and H below.

C. **Revocation or Termination of Charter Contract.** If the Academy's Charter Contract issued by the Central Michigan University Board of Trustees is revoked, terminated or a new charter contract is not issued to the Academy after expiration of the Academy's Charter Contract, this Agreement shall automatically terminate on the same date as the Academy's Charter Contract is revoked, terminated or expires without further action of the parties.

D. **Change in Law.** If any federal, state, or local law, 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 to the other, may request renegotiation of the

Agreement. If the Parties are unable or unwilling to renegotiate the terms within ninety (90) days after said notice, the party requesting the renegotiation may terminate this Agreement on one hundred-twenty (120) days further written notice.

E. **Academy Site Closure.** In the event the Academy is (i) to close an Academy site pursuant to a notice issued by the Michigan Department of Education under Section [507] [528] [561] of the Code, MCL [380.507][380.528][380.561]; or (ii) to undergo a reconstitution pursuant to Section [507][528][561] of the Code, MCL [380.507][380.528][380.561], and the Charter Contract, and such closure of a 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 EVE shall have no recourse against the Academy or the Authorizer for implementing such site closure or reconstitution.

F. **Effective Date of Termination.** In the event this Agreement is terminated by either party prior to the end of the term specified in Article III, absent unusual and compelling circumstances or pursuant to section C of this Article, the termination will not become effective until the end of the school year in which this Agreement was terminated.

G. **Rights to Property upon Termination.** Upon termination of this Agreement, anything purchased with state school aid funds (or other Academy funds) shall remain the exclusive property of the Academy. EVE shall have the right to reclaim any usable property or equipment (including, but not limited to, desks, computers, copying machines, fax machines, and telephones) that were purchased by EVE with EVE funds. Fixtures and building alterations or any kind are the sole property of the Academy.

H. **Transition.** The Academy Board and EVE agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Academy Board and EVE agree to work cooperatively to transition management and operations of the school without disrupting the school's operations. Upon termination or expiration of this Agreement or if this Agreement is terminated due to a Charter Contract revocation, reconstitution, termination or non-renewal, EVE 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 the ESP 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.

ARTICLE IX:

PROPRIETARY INFORMATION

A. **Copyright and Proprietary Information.** All instructional materials, training materials, curriculum, lesson plans, and any other materials developed by EVE, its employees, agents, or subcontractors, or by any individual working for or supervised by EVE, which (i) were directly developed and paid for by the Academy, or (ii) were developed by EVE at the direction of the Board using Academy funds, shall be considered “work made for hire” as such term defined in Section 101 of the Copyright Act, 17 U. S. Code, Section 101 and the Academy shall own all copyright and other proprietary rights to such instructional materials, training materials, curriculum, lesson plans, and any other materials. EVE reserves its right to restrict the Academy’s proprietary rights over curriculum or educational materials previously developed or copyrighted by EVE.

B. **Required Disclosure.** EVE acknowledges that educational materials and teaching techniques utilized by the Academy are subject to disclosure under the Code and the Freedom of Information Act. The Academy shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching techniques or methods to the Authorizer and to the Michigan Department of Education, which teaching techniques or methods may thereafter be made available to the public.

ARTICLE X:

INDEMNIFICATION

A. **Indemnification of EVE.** To the extent permitted by law, the Academy shall indemnify and hold EVE (which term for purposes of this Paragraph A, includes EVE’s officers, directors, and employees) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, employment of former employees, prior relationships with vendors and 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 Board contained in or made pursuant to this Agreement. In addition, and to the extent permitted by law, the Academy shall reimburse EVE for any and all reasonable 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 EVE.

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

C. **Indemnification of the Academy.** EVE shall indemnify and hold the Academy (which term for purposes of this Paragraph C, includes the Academy’s officers, directors, agents, and employees) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any noncompliance by EVE with any agreements, covenants, warranties, or undertakings of EVE contained in or made pursuant to this Agreement and any misrepresentation or breach of the representations and warranties of EVE contained in or made pursuant to this Agreement. In addition, EVE shall reimburse the Academy for any and all reasonable 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 of Central Michigan University.** The parties acknowledge and agree that Central Michigan University, its Board of Trustees, and its members, officers, employees, agents or representatives (collectively “University”) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, EVE 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, EVE’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 EVE, or which arise out of EVE’s failure to comply with the Contract or applicable law. The parties expressly acknowledge and agree that the University may commence legal action against EVE to enforce its rights as set forth in this section of the Agreement.

E. **Indemnification for Negligence.** To the extent permitted by law, the Academy shall indemnify and hold harmless EVE, and EVE’s Owners, Board of Directors, partners, officers, employees, agents, and representatives, from any and all claims and liabilities which EVE may incur and which arise out of the negligence or intentional activity of the Academy’s directors, officers, employees, agents, or representatives. EVE shall indemnify and hold harmless the Academy, and the Academy’s Board, officers, employees, agents, and representatives, from any and all claims and liabilities which the Academy may incur and which arise out of the negligence or intentional activity of EVE’s owner, directors, officers, employees, agents, or representatives.

ARTICLE XI:

INSURANCE

A. **Insurance for the Academy.** The Academy shall secure and maintain such policies of insurance as required by the Contract. This coverage shall include the building and related capital facilities if they are the property of the Academy. The Academy shall maintain

such insurance in amounts and on such terms as required by the provisions of the Charter Contract, including the indemnification of EVE required by this Agreement. The Academy shall, upon request, present evidence to EVE that it maintains the requisite insurance in compliance with the provisions of this paragraph. EVE shall comply with any information or reporting requirements applicable to the Academy under its policy with its insurer(s), to the extent practicable.

B. **Insurance for EVE.** EVE shall secure and maintain such policies of insurance as required by the Authorizer and the Charter Contract, with the Academy listed as additional insured. EVE shall maintain such insurance in amounts and on such terms as are reasonably acceptable to the Academy and as required by the provisions of the Charter Contract and the Michigan Universities Self-Insurance Corporation (“M.U.S.I.C.”). In the event the University or M.U.S.I.C. requests any change in coverage by ESPs, EVE agrees to comply with any change in the type of or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change. The ESP’s insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Charter Contract.

C. EVE shall, upon request, present evidence to the Academy and Authorizer 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 EVE under EVE’s policy with its insurer(s), to the extent practicable. Any policy of insurance maintained by EVE must include coverage for sexual molestation or abuse, must name the Academy as an additional insured, and shall not be changed, revoked, or modified absent thirty (30) days’ notice to the Academy and the Authorizer. In the event the Authorizer modifies the level, type, scope, or other aspects of such coverage, then EVE shall undertake like and similar modifications within thirty (30) days of being notified of such change.

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

ARTICLE XII:

COMPLIANCE WITH CHARTER CONTRACT

A. **Charter Contract.** The Parties hereby agree to comply with the Charter Contract and the ESP Policies.

B. **Academy Board Due Diligence.** The Board hereby agrees to perform the necessary due diligence of EVE and provide all information to the Authorizer pursuant to the ESP Policies, if any.

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

D. **ESP Agreement.** This Agreement is an arms-length, negotiated agreement between an informed Board and EVE. The Board shall not approve this Agreement until all Board members have been given the opportunity to review the Agreement with the Academy’s legal counsel. Prior to the Board's approval of this Agreement, the Board shall obtain a legal opinion from its legal counsel, in the form provided in the ESP Policies. The Board shall only approve this Agreement with a formal vote at a public board meeting. Prior to the Board's vote on this Agreement, the Board shall provide an opportunity for public comment on this Agreement.

E. **Information Reporting.** EVE is hereby required to make information concerning the operation and management of the Academy, including, but not limited to, information in the Charter Contract, including all exhibits, attachments, and the like, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Charter Contract. EVE shall make information available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its transparency reporting under the Charter Contract, and also at least the information that a school district is required to disclose under applicable law for the most recent fiscal year for which that information is available.

ARTICLE XIII:

MISCELLANEOUS

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

B. **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 EVE:
Earl Martin Phalen, CEO
1001 Marina Drive Apt. #410
Quincy, MA 02171

If to Academy:
MECC - Trix Academy
20045 Joann St
Detroit, MI 48205

And a copy to EVE’s counsel:

Nicole J. Scott, Esq.
4919 Cooper Road
#42634
Blue Ash, OH 45242

And a copy to Board’s Attorney:

C. **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.

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

E. **Entire Agreement.** This Agreement is the entire agreement between the Parties relating to the services provided and to the compensation for such services by the Parties. Any modification to this Agreement must be made in writing, approved by the Board and EVE, and signed by a duly authorized officer of each and must be done in a manner consistent with the Authorizer's ESP Policies.

F. **Amendments and Modifications.** The Board must submit any and all amendments or modifications of this Agreement to the Authorizer not less than 45 days prior to the Board's approval of such amendments or modifications. No amendment or modification of this Agreement shall be effective unless and until the Authorizer has notified the Academy in writing that it does not disapprove of the modification.

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

H. **Assignment.** EVE may not assign this Agreement without the prior written approval of the Board and prior written notification to Authorizer. Any assignment must be done in a manner consistent with the Authorizer's ESP Policies.

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

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

K. **Compliance with Law.** The Parties agree to comply with all applicable laws and regulations in their performance of this Agreement.

L. **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. 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, and 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. A judgment on the award rendered by the arbitrator may be entered in any court having appropriate jurisdiction and shall be binding upon the Parties. Any such judgment shall require a cause opinion as to the final decision and shall be made available to the Authorizer upon request. The cost of arbitration, not including attorney fees, shall be paid by the losing party. It shall be in the discretion of the arbitrator to award reasonable attorney fees to the prevailing party, to be paid by the losing party, if awarded.

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

ENTREPRENEURIAL VENTURES IN EDUCATION, INC.

By: Earl Martin Phalen

Earl Martin. Phalen, CEO

Dated: 07/10/23

MICHIGAN EDUCATIONAL CHOICE CENTER

By: Lee P. Zita
Board President

Date: 7/10/2023

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CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

PHYSICAL PLANT DESCRIPTION

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

Physical Plant Description	6-1
Site Plan	6-3
Floor Plans	6-4
Lease Agreement	6-6
Bureau of Fire Safety Inspection Report	6-7
Certificate of Use and Occupancy	6-8

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 Michigan Educational Choice Center (the "Academy") is as follows:

Address: 20045 Joann Ave.
Detroit, MI 48205

Description: The Site is located on Joann Avenue between Bringard Drive and Fairmount Drive. Located on this Site is a two-story brick building that contains approximately 36,000 square feet of space. Also located on the Site is a separate building that is used as a community center by St. Raymond-Our Lady of Good Counsel Catholic Church, which is also located on the same block as the Academy's facility.

The Academy leases the two-story, 36,000 square foot building. The building includes 23 classrooms, eight restrooms, a multipurpose room with a stage, a kitchen, and several offices.

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

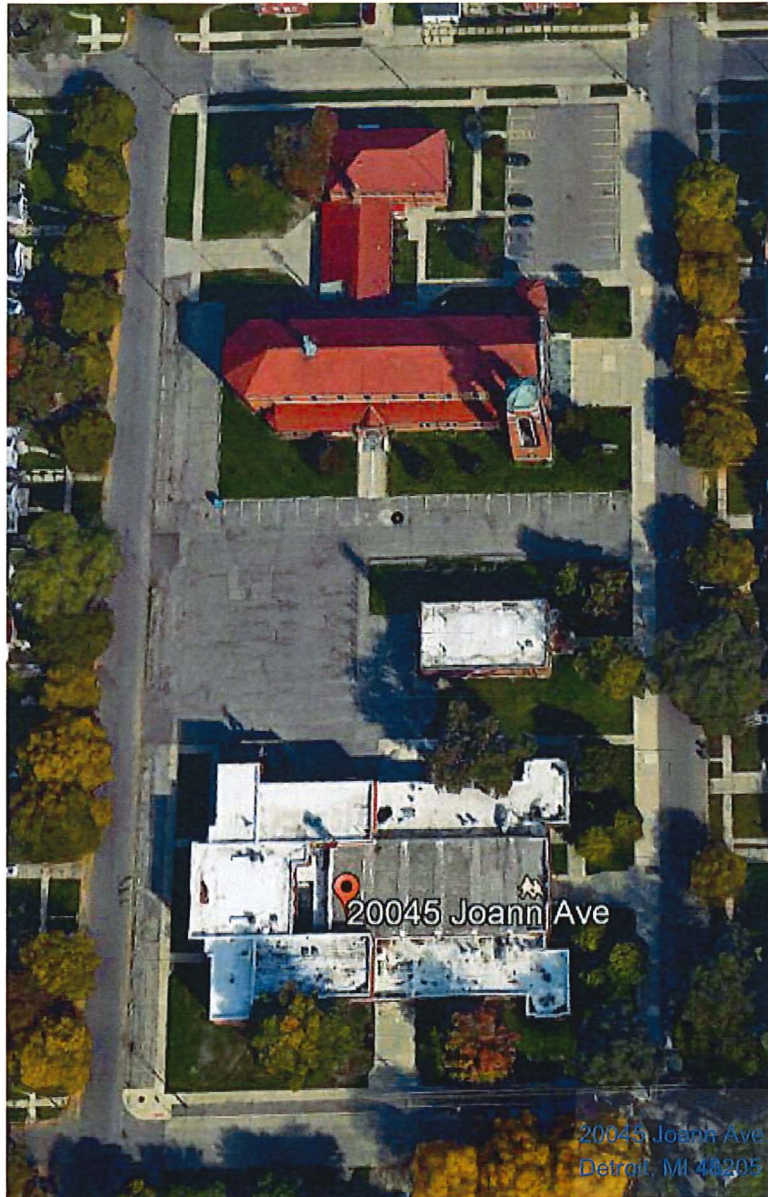
3. It is acknowledged and agreed that the information identified below, about this Site, is provided on the following pages, or must be provided to the satisfaction of the University Board or its designee, before the Academy may operate as a public school in this state.

- 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.





FIRST FLOOR PLAN
SCALE: 1/4" = 1'-0"

- KEYED NOTES:
1. REPLACE BROKEN WINDOW
 2. REPAIR WATER DAMAGE TO CEILING
 3. REFINISH FLOORING
 4. PAINT WALLS

NOTE:
NEW FIRE ALARMS TO BE
INSTALLED THROUGHOUT

CONSULTANTS
 CONSULTANT: [Name]
 CONSULTANT: [Name]
 CONSULTANT: [Name]

PROJECT
 ST. RAYMOND SCHOOL

OWNER
 3001 GRAND STREET
 ST. RAYMOND, MI 48083
 Owner: [Name]

ARCHITECT
 PARK
 10000 GRAND AVENUE
 ST. RAYMOND, MI 48083
 ARCHITECTS
 PROJECT ARCHITECT: [Name]
 PROJECT ARCHITECT: [Name]

GENERAL CONTRACTOR
 SECOND LEVEL
 EXISTING PLAN

DATE
 0704
SCALE
 A1.2

FIRST AMENDMENT TO LEASE AGREEMENT

THIS FIRST AMENDMENT TO LEASE AGREEMENT (“Amendment”) is made as of June 30, 2023, by and between St. Raymond – Our Lady of Good Counsel Parish Detroit, a Michigan nonprofit corporation (“Landlord”), and Michigan Educational Choice Center, a Michigan non-profit corporation (“Tenant”).

R E C I T A L S:

A. Landlord’s predecessor in interest, Allen H. Vigneron, Roman Catholic Archbishop of the Archdiocese of Detroit, and Tenant entered into a Lease Agreement dated as of July 27, 2018 (the “Lease”) with respect to the former St. Raymond – Our Lady of Good Counsel School Building, located in the City of Detroit, County of Wayne and State of Michigan, as more particularly described in the Lease (“Leased Premises”).

B. Tenant and Landlord desire to amend the Lease as hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and undertakings hereinafter set forth, and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

1. The term of the Lease is extended to expire on June 30, 2026. There shall be no extension options with respect to the term of the Lease.

2. Anything in the Lease to the contrary notwithstanding, in no event shall Monthly Base Rent be less than an amount calculated under Section 5 of the Lease based on the following: from September 1, 2023 through June 30, 2026, 324 students.

3. The parties acknowledge the provisions of Section 14(a) of the Lease remain in effect. Without limiting the foregoing, any play space and fencing contemplated thereby are subject to all of the terms and conditions of Sections 14(b) through (d) of the Lease. Tenant acknowledges that such terms and conditions include, without limitation, Landlord’s prior written consent to such alterations, additions and improvements, and all such alterations, additions and improvements shall be at the expense of Tenant.

4. Notwithstanding anything in Section 8 of the Lease to the contrary, Tenant agrees to reimburse Landlord for 50% of the cost of Landlord’s maintenance, repairs and replacements of the boiler and electrical systems located in the Building at any time and from time to time during the period from the date of this Amendment through the expiration of the term of the Lease as extended by this Amendment. Such reimbursements shall be made within ten (10) days of Landlord invoicing Tenant for such costs. Such reimbursements shall be additional rent under Section 17 of the Lease.

5. Section 36 of the Lease is amended and restated to read in its entirety as follows:

36. **Reserved.**

6. Section 41 of the Lease is amended and restated to read in its entirety as follows:

41. **Reserved.**

7. Capitalized terms not defined herein shall have the meaning ascribed to them in the Lease.

8. Except as specifically amended by this Amendment, all of the terms and conditions of the Lease are hereby ratified and confirmed by Landlord and Tenant as being in full force and effect. In the event of any conflict between the terms of the Lease and this Amendment, the terms of this Amendment shall control.

9. This Amendment shall be binding upon, and the benefits hereof shall inure to, the parties hereto and their respective successors and assigns.

10. This Amendment may be executed in electronic form (e.g., by pdf) and in counterparts, each of which, for all purposes, shall be deemed to constitute an original and all of which counterparts, when taken together, shall be deemed to constitute one and the same Amendment.

[remainder of page intentionally left blank]

THIS AMENDMENT has been entered into and effective as of the date and year first set forth above

Landlord:

ST. RAYMOND - OUR LADY OF GOOD
COUNSEL PARISH DETROIT

By: *J.M. [Signature]*

Its: *PASTOR*

Tenant:

MICHIGAN EDUCATIONAL CHOICE
CENTER

By: *[Signature]*

Its: *Board Chair*

LEASE AGREEMENT

This Lease Agreement (hereinafter called the "Lease") is entered into as of July 27, 2018, by and between ALLEN H. VIGNERON, ROMAN CATHOLIC ARCHBISHOP OF THE ARCHDIOCESE OF DETROIT ("Landlord"), whose address 12 State Street, Detroit, Michigan 48226, and MICHIGAN EDUCATIONAL CHOICE CENTER, ("Tenant") whose address is c/o Collins & Blaha, P.C. 31440 Northwestern Highway, Ste. 170 Farmington Hills, MI 48334 (herein called "Tenant").

Landlord and Tenant agree as follows:

1. **The 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 part of the real property situated in the City of Detroit, County of Wayne and State of Michigan commonly known as 20045 Joann Avenue, Detroit, Michigan and referred to as the former St. Raymond – Our Lady of Good Counsel School Building, as more particularly depicted on the attached Exhibit A (the "Leased Premises"). The improvements on the Leased Premises consist of an approximately 36,000 square foot school building. (the "Building"). The leased premises shall include Tenant's right to use the parking lot and other common areas of the Building in common with the Landlord, which common areas shall be deemed appurtenances to the leased premises, but such spaces shall not be deemed part of the "leased premises" hereunder in order that the respective obligations (repairs, maintenance, insurance, etc) of the parties as to the "leased premises" shall not be confused.

(a) Parking. Subject to the terms and conditions of this Lease, Tenant shall have full access to any and all parking spaces available at the Building. Tenant acknowledges that said parking lot and/or parking spaces are for joint use by the Landlord and Tenant and their guests and invitees and that there are no designated or reserved parking spaces.

2. **Landlord's Work; Occupancy.**

(a) Prior to or concurrent with the execution hereof, or thereafter at such times and in such installments as the parties may mutually agree in writing, but in any event no later than August 31, 2018, Tenant shall pay or cause to be paid to Landlord by federal wire transfer of immediately available funds Three Hundred Seventy Five Thousand and 00/100 Dollars (\$375,000.00) (the "Leasehold Improvement Funds"). Landlord agrees to construct the repairs and replacements to the Building (the "Landlord's Work") described on the plans attached as Exhibit B attached hereto (the "Plans") using the Leasehold Improvement Funds. If the cost of the Landlord's Work exceeds, or in the determination of the Architect (as defined below) will exceed, the Leasehold Improvement Funds, then Tenant shall, within ten (10) days' of written demand by Landlord, pay to Landlord such additional sums as shall be necessary to increase the Leasehold Improvement Funds so that they will equal the cost of the Landlord's Work (and any reference to "Leasehold Improvement Funds" herein shall include such additional payments made by Tenant to Landlord). Landlord acknowledges that Tenant reserves the right to modify any and all Plans related to the repairs to the Building, subject to approval of the Landlord as described in section 14(b) infra. If Landlord completes all Landlord's Work and pays all costs of such Landlord's Work in full and there remains an unused balance of

Leasehold Improvement Funds, provided no Event of Default exist under this Lease, promptly after completion of the Landlord's Work, Landlord shall pay over such unused balance of the Leasehold Improvement Funds to Tenant (and any reference to "Leasehold Improvement Funds" herein shall exclude such unused balance paid over to Tenant).

(b) Tenant shall use its best efforts, at its sole cost and expense, to obtain all Michigan Department of Education and charter school authorizer approvals to operate the Building for the Permitted Use (as later defined) (collectively, the "School Approvals"). Tenant shall promptly notify Landlord when Tenant has obtained the School Approvals. If, despite such efforts by Tenant, Tenant does not obtain the School Approvals by August 20, 2018, then Tenant shall have the right to terminate this Lease on ten (10) days' notice to Landlord, unless within said ten (10) day period Tenant obtains the School Approvals. If, but only if, this Lease is terminated by Tenant as provided in the preceding sentence, then Tenant agrees that Tenant shall be responsible for payment of fifty percent (50%) of the cost of all Landlord's Work. If, at the time of such termination, the amount of Leasehold Improvement Funds paid by Tenant to Landlord exceeds fifty percent (50%) of the cost of all Landlord's Work, then Landlord shall return such excess to Tenant. If, at the time of such termination, the amount of Leasehold Improvement Funds paid by Tenant to Landlord is less than fifty percent (50%) of the cost of all Landlord's Work, then upon ten (10) days written demand by Landlord, Tenant shall pay to Landlord the balance due Landlord so that Tenant has paid to Landlord fifty percent (50%) of the cost of all Landlord's Work.

(c) Landlord agrees to use commercially reasonable efforts to complete the Landlord's Work as soon as practicable after the date of this Lease. Landlord shall not be liable to Tenant if for any reason Landlord's failure to complete the Landlord's Work results in the refusal of applicable governmental agencies or authorities to issue the School Approvals. However, Landlord acknowledges and agrees to reimburse Tenant fifty percent (50%) of the cost of all Landlord's Work in the event that School Approvals are not issued timely by the requisite agencies or authorities. The Landlord's Work shall be completed using standard building materials as determined by Landlord. It is understood and agreed by Tenant that any minor changes from the Landlord's Work shall not affect or change this Lease or invalidate same, and that Landlord shall be the sole judge of what are "minor changes" and whether they are "necessary." In no event shall Landlord have any obligation for any defects in the Leased Premises or any limitation on its use.

(d) Upon obtaining the School Approvals, Tenant shall have the right to take full and exclusive occupancy of the Leased Premises for the Permitted Use, subject to Landlord's right to complete the Landlord's Work and the other terms of this Lease. The Tenant shall provide to the pastor ("Pastor") of St. Raymond-Our Lady of Good Counsel Catholic Parish ("Parish") keys and all access codes, if applicable, for the Leased Premises.

3. **Term.** The term of this Lease shall commence on the date hereof and shall expire on August 31, 2023, unless earlier terminated as expressly provided herein.

4. **Use.** The Leased Premises are to 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 except as otherwise expressly provided in Section 5(d) below, as rental for the Leased Premises ("Base Rent"), on the first day of each and every month, in advance, commencing September 1, 2018, 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"), (ii) tuition, (iii) funding received from the State of Michigan or the United States Government, and/or (iv) grants.

(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 ("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 which shall be determined in October, and the winter count which shall be determined 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: (i) from the September 1, 2018 through August 31, 2019, 185 students, (ii) from September 1, 2019 through August 31, 2020, 213 students, (iii) from September 1, 2020 through August 31, 2021, 245 students, (iv) from September 1, 2021 through August 31, 2022, 281 students, and (v) from September 1, 2022 through August 31, 2023, 324 students.

(d) With respect to the first One Hundred Thousand Dollars (\$100,000) of the Leasehold Improvement Funds paid by Tenant to Landlord, the first twenty-four (24) Monthly Base Rent payments shall be reduced by Four Thousand One Hundred Sixty-Six and 67/100 Dollars (\$4,166.67) as a 100% reimbursement for such Leasehold Improvement Funds. With respect to all Leasehold Improvement Funds paid by Tenant to Landlord in excess of the first One Hundred Thousand Dollars (\$100,000), Landlord agrees to reimburse Tenant for fifty percent (50%) of such Leasehold Improvement Funds by reduction of the Monthly Base Rent payments for the first thirty-six (36) Monthly Base Rent payments due under this Lease, provided that if the amount of the Leasehold Improvement Funds changes as provided in Section 2(a) hereof, then the reduction in Monthly Base Rent Payments for the remainder of such thirty-six (36) Monthly Base Rent payments shall be adjusted so as to fully fund such reimbursement by the end of such thirty-six (36) month period.

Notwithstanding anything in this Lease to the contrary, in no event shall the aggregate amount of Monthly Base Rent payments for any Lease Year (as defined below) exceed Two Hundred Fifty Thousand Dollars (\$250,000) (the "Annual Base Rent Cap"), and once Tenant has paid Monthly Base Rent payments for a Lease Year in the amount of the Annual Base Rent Cap, Tenant shall not be required to pay further Monthly Base Rent for the remainder of such Lease Year. As used herein, "Lease Year" shall mean (i) the period from the Rent Commencement Date through August 31, 2019, and (ii) commencing on September 1, 2019 and at all times thereafter, the one (1) year period commencing on September 1 of such year and ending on August 31 of the following year.

(e) All checks for payment of Monthly Base shall be payable to "St. Raymond-Our Lady of Good Counsel Catholic Parish" and shall be mailed to: Pastor, St. Raymond-Our Lady of Good Counsel Catholic Parish, 20103 Joann, Detroit, Michigan 48205. 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. **Utilities.** Tenant shall pay all charges for all utilities used by Tenant or charged to the Leased Premises during the term of this Lease, including, without limiting the generality of the foregoing, for gas, water, sewer, electricity and heating service ("Utility Charges").

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

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

(a) Except for the express obligations of Landlord set forth in Section 8(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). 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 structural elements of the Building, including roof, four outer walls, floor slab, brick replacement and HVAC, boiler, electrical and plumbing systems (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.

9. **Licenses.** If the nature of the Tenant's business requires licensure, Tenant shall keep in effect a valid license to operate the Leased Premises for that purpose and provide Landlord with a current copy of the required license.

10. **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, 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.

11. **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.

12. **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 Landlord is entitled to recovery for the negligence of Tenant even though Landlord 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. Tenant shall reimburse Landlord or the Parish during the term hereof, as additional rent, for the insurance premiums for such casualty insurance carried by Landlord or the Parish covering the Leased Premises ("Insurance Charges"). Such payments shall be made by Tenant to Landlord or the Parish within thirty (30) days after receipt by Tenant of an invoice for such premiums.

13. **Indemnity.** 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) arising from or related to

(a) the occupancy, condition, operation or use of the Leased Premises, (b) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the Leased Premises, (c) use or misuse of any portions of the Leased Premises by a 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. 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.

14. **Tenant Alterations.**

(a) Landlord hereby grants permission for Tenant to create a play space for students on the leased premises. Said play space will require erection of fencing on the premises. Therefore, both parties shall work collaboratively, pursuant to sections (b) through (d) of this clause, toward the development said play space on the leased premises.

(b) 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 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. Upon vacation of the Leased Premises, said improvements, additions and alterations shall, at Landlord's option, become the property of the Landlord. 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. 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.

(c) 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.

(d) 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"). Tenant shall indemnify Landlord Parties from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien.

15. **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.

16. **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 any property of which they are a part, 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.

17. **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, Insurance Charges, Taxes, Reimbursable Expenses and Lien 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 non-payment, Landlord shall have all the rights as herein provided for failure to pay Monthly Base Rent.

18. **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.

19. **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, business licenses or charters.

20. **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, 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 21 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 therefore), 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.

21. **Recovery of Damages upon Termination.** Upon termination of this Lease by Landlord pursuant to Section 20(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.

22. **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.

23. **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, Insurance Charges, Taxes, Reimbursable Expenses and Lien 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.

24. **Landlord's Rights and Non-liability.** Landlord shall have the right from time to time, without notice to Tenant, 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.

25. **Controlling Law; No Other Agreement or Representatives; Time of Essence.** This Lease shall be governed by the laws of the State of Michigan. 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. Time is of the essence in this Lease.

26. **Non-Waiver; Modifications.** 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 rent installment(s) due Landlord hereunder shall not constitute a waiver of default hereunder for nonpayment of rent. The acceptance of all or part of a rent installment(s) due Landlord hereunder shall not constitute a waiver of any other type of default hereunder. No 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.

27. **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. Raymond-Our Lady of Good Counsel Catholic Parish
20103 Joann
Detroit, Michigan 48205

and

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

To the Tenant at:

Michigan Educational Choice Center
c/o Collins & Blaha, P.C.
31440 Northwestern Highway, Ste. 170
Farmington Hills, MI 48334

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. **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 12 of this Lease and such destruction renders the Building partially or totally untenable, 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 12 of this Lease, such destruction renders the Building partially or totally untenable 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 untenable 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 12 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.

30. **Right to Terminate.** This Lease may be terminated at any time by Landlord upon one hundred twenty (120) days written notice to Tenant in the event Landlord makes the determination to suppress, merge or close St. Raymond-Our Lady of Good Counsel Catholic 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. This Lease shall also immediately terminate on the effective date of any revocation of Tenant's Charter unless such termination is attributable to the intentional acts or negligence of Tenant. Landlord and Tenant acknowledge that the reimbursement shall be based upon unamortized costs incurred by the school using a five (5) year amortization schedule.

31. **Right of First Refusal.** Provided Tenant is in possession of the Leased Premises and no Event of Default or condition or event which, with the giving of notice or passage of time, or both, would constitute an Event of Default, has occurred or exists, if at any time during the term of this Lease, Landlord receives from any third party a bona fide offer to purchase the Leased Premises at a price and on terms acceptable to Landlord, Landlord shall give written notice of the offer to Tenant. Within fifteen (15) days after Landlord gives Tenant written notice of the third-party offer, Tenant shall have the right to purchase the Leased Premises the same price and on the same terms and conditions as set forth in the third-party offer. To exercise its right, Tenant must, within the same fifteen (15) day period, give Landlord written notice of the same. In the event Tenant fails to exercise the right to purchase in accordance with the provisions of this Section, Landlord may sell the Leased Premises to the third party making the offer on the same terms and conditions set forth in that offer. If for any reason the Leased Premises is not sold to the third party making the offer, Landlord shall give Tenant the same right to purchase the Leased Premises on receiving any subsequent offer from any third party

that is acceptable to Landlord. Notwithstanding anything contained herein to the contrary, the terms of this Section and the right of first refusal hereunder shall not apply to : (a) transfers of the Leased Premises to a member, parent, subsidiary, or party related to or affiliated with Landlord, (b) transfers of the Leased Premises to any joint venture (whether in the form of a limited liability company, a limited partnership or otherwise), in which any of Landlord or its members has an interest, (c) a sale and leaseback transaction, (d) a foreclosure sale or a deed in lieu of foreclosure of a mortgage secured by the Leased Premises, (e) transfers by operation of law, (f) a lease or license of the Leased Premises or any part thereof, (g) a purchase agreement or deed executed as part of a merger, consolidation or change in ownership of Landlord, (h) exchange of the Leased Premises y, (i) a condemnation or transfer in lieu of condemnation, or (j) a purchase agreement or transfer of the Leased Premises as part of a Portfolio Transaction; but the right of first refusal will continue to apply to after any such event. As used this subsection a "Portfolio Transaction" shall mean a contemplated transfer of the Leased Premises to a third party, together with one or more additional properties that are owned by Landlord or any of its members or affiliates.

32. **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.

33. **"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.

34. **Security Deposit.** The Landlord herewith acknowledges the receipt of Fifteen Thousand Dollars (\$15,000) which he is to retain as security for the faithful performance of all of the covenants, conditions, and agreements of this Lease, but in no event shall the Landlord be obliged to apply the same upon rents or other charges in arrears or upon damages for the Tenant's failure to perform said covenants, conditions, and agreements; the Landlord may so apply the security 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. 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 said security 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 said security upon all damages suffered to the date of said repossession and may retain the said security 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 said security as a separate fund but may mix the said security with its own funds nor shall Landlord be required to obtain or account for any interest on said funds.

35. **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.

36. **Options to Renew.** Provided an Event of Default has not occurred, Tenant shall have one (1) option to extend the term of this Lease for an additional three (3) year period from and after the expiration of the original term of this Lease. 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. Within sixty (60) days following Tenant's notice to Landlord of the exercise of such right to extend the term, Landlord shall notify Tenant of Landlord's determination of the Monthly Base Rent (including Annual Base Rent Cap) to be charged by Landlord during such option term with respect to the Leased Premises. If 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 Tenant 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.

37. **Brokers.** The parties hereto each represent to one another that no real estate brokers are involved in this transaction. 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.

38. **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.

39. **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) 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.

40. **Asbestos.** Tenant, at Tenant'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, including, but not limited to, performing all of Landlord’s obligations. All obligations of Tenant under this Section must be performed by accredited contractors approved by Landlord, in its sole and absolute discretion, and all contracts with such contractors shall expressly provide that Landlord is a third party beneficiary of such contract. Tenant hereby indemnifies and holds Landlord harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of Tenant’s failure to comply with this Section and/or the Asbestos Laws.

Conversely, Landlord acknowledges that any work completed to the Building by the Landlord, during Tenant’s occupancy, shall be in compliance 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”). Landlord hereby indemnifies and holds Tenant 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 Landlord’s failure to comply with this Section and/or the Asbestos Laws.

41. **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.

42. **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.

43. **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 an estoppel certificate in form satisfactory to Landlord or any mortgagee of Tenant.

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

45. **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 City of Detroit ordinances 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, 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.

46. **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, or (c) any action brought against Tenant in which Landlord is made a party, Tenant shall reimburse Landlord upon demand for any and all attorneys' fees and expenses so incurred by Landlord.

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.

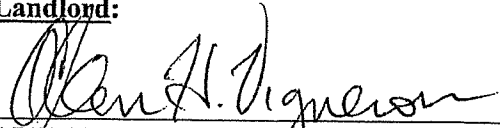
48. **Jury Waiver.** LANDLORD AND TENANT ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES 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.

49. **Severability; Authority.** 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. 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.

[remainder of page intentionally left blank]

In witness whereof, the parties hereto have executed this Lease the day and year first written above.

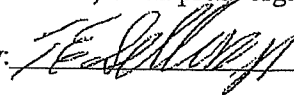
Landlord:



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

Tenant:

**MICHIGAN EDUCATIONAL CHOICE
CENTER, a non-profit organization**

By:  for Michigan Educational
Choice Center

Its: Treasurer

Bringard-Dr

Exhibit A

St Raymond- Our Lady of Good Counsel

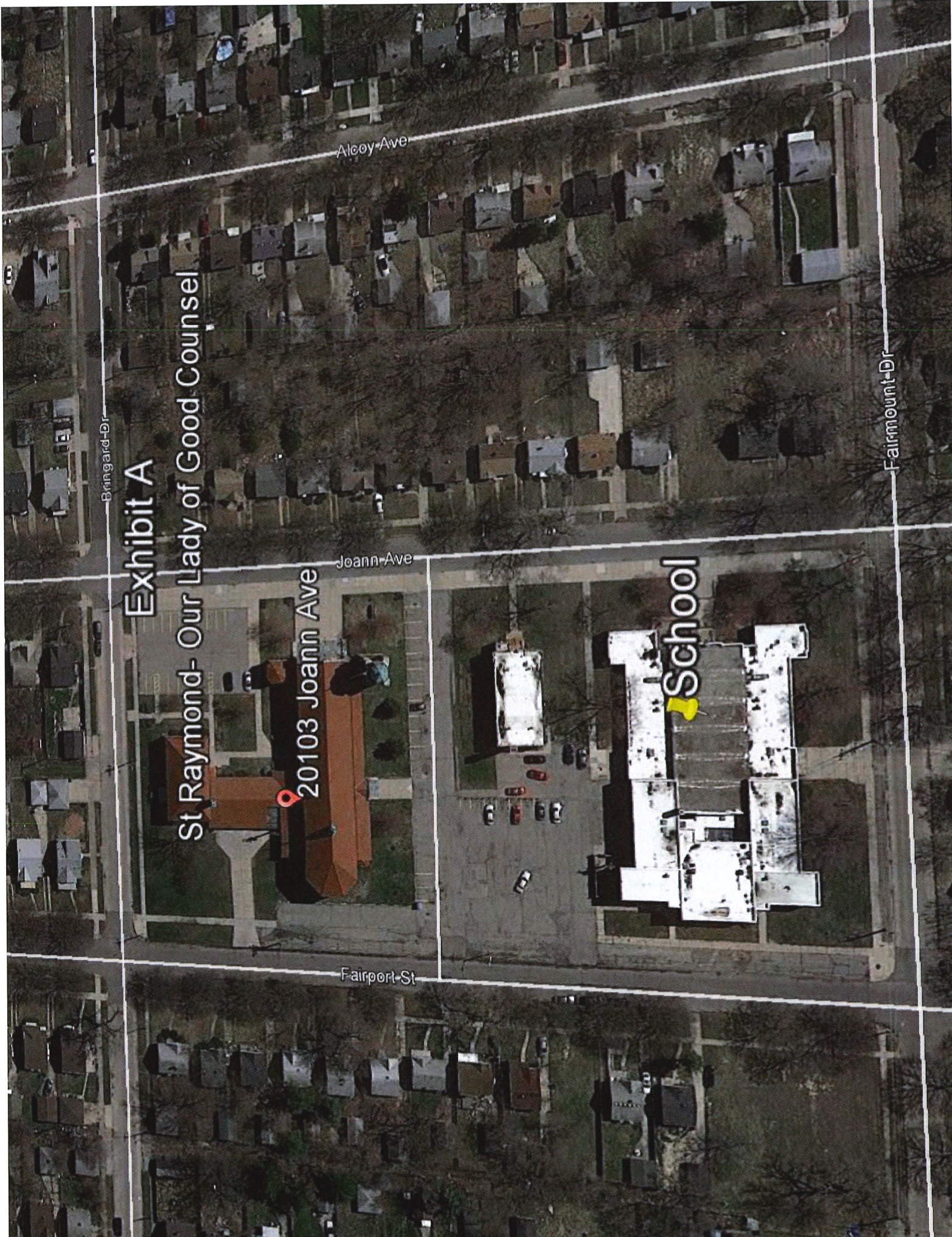
20103 Joann Ave

Joann-Ave

Fairport-St

Fairmount-Dr

School



INSPECTION REPORT
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF FIRE SERVICES
FIRE MARSHAL DIVISION

FACILITY NAME Trix Academy	INSPECTION DATE February 1, 2019	COUNTY Wayne	PROJECT 163887
ADDRESS 20045 Joann Street	FACILITY TYPE School-Charter	RULES/CODES School/College 2016	JOB/LIC/FAC. NO. N/A
CITY, STATE ZIP CODE Detroit, MI 48205	FACILITY REPRESENTATIVE Mary McCormick		INSPECTION TYPE Follow-up
FACILITY PHONE 313-574-7356	FACILITY FAX 313-234-8704	FACILITY E-MAIL mcmccormick@cm-partners.net	

Re: Recheck Fire Safety Inspection


A follow-up fire safety inspection was completed on this date. All deficiencies have been satisfactorily corrected.

Fire Alarm BFS-12A 2018-003661 received 02/01/19

cc:

Mary McCormick
mcmccormick@cm-partners.net

Detroit Fire Dept.

FIRE SAFETY CERTIFICATION Approved	PROJECT STATUS Closed	REVIEWED BY
INSPECTING OFFICIAL Larry DeWachter, State Fire Marshal Inspector	ADDRESS	3101 Technology Blvd., Suite H Lansing, MI 48910
SIGNATURE OF OFFICIAL 	TELEPHONE	(248) 888-8761
	FAX	(517) 332-1427
	E-MAIL	dewachterL@michigan.gov
The Department of Licensing and Regulatory Affairs will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.		Authority: PA207 of 1941, as amended Completion: Required Penalty: Misdemeanor

BFS-40 (Rev. 1/07)

Distribution: Architect, BFS Central/Field Office, BHS/DHS/DOC/DOE, Facility, Local Fire Department

CERTIFICATE OF USE AND OCCUPANCY

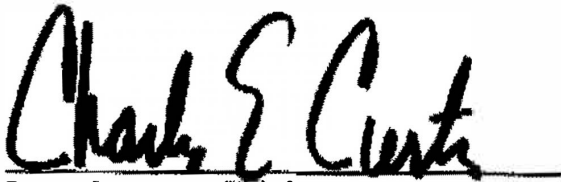
PERMANENT

Michigan Department of Energy, Labor & Economic Growth
Bureau of Construction Codes/Building Division
P. O. Box 30254
Lansing, MI 48909
(517) 241-9317

Building Permit No. B027282
Saint Raymond School/Nsoroma Academy
20045 Joann
Detroit, Michigan
Wayne County

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

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 110.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.



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

February 5, 2010

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7

REQUIRED INFORMATION FOR A PUBLIC SCHOOL ACADEMY

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

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

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

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

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

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

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

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

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

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

Educational Goal to be Achieved

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

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

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

Measure 1: Student Achievement

The academic achievement of **all students who have been at the academy for one or more years¹** in grades 3-8 will be assessed using the following measures and targets:

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

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

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

Measure 2: Student Growth

The academic growth of all students in grades 3-8 at the Academy will be assessed using the following measures and targets:

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

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAMS

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

Overview

Michigan Educational Choice Center (“Academy”) is a charter school serving kindergarten through eighth grade students. The Academy is located on the East Side of Detroit and aims to provide a quality education to all students. The Academy creates a positive, safe and nurturing environment for children. The core elements of our Academy are exceptional educators, rigorous instruction, stimulating enrichment, blended learning and fostering partnerships with families. We believe that with the right education, all children can fulfill their tremendous innate potential.

Mission

The mission of Michigan Educational Choice Center is to ensure that all children meet high academic and social standards, and thrive as leaders at home, in their communities and in the world.

Vision

The Academy’s ultimate vision is that our scholars master key academic skills and demonstrate strong character and values, including honesty, service to others, a superior work ethic and a strong vision for and belief in their futures. The Academy aims to ensure all children attending the Academy have access to a rigorous, personalized education, as well as opportunities that support their growth as individuals.

Educational Belief Statements

- We believe all children can learn and accept the responsibility for ensuring quality learning occurs.
- We believe in academic, social and personal success for each of our students.
- We believe clear, focused and measurable educational goals are necessary to guarantee student achievement.
- We believe education is a collaborative process between staff, students and families.
- We believe parental involvement is an integral part of student success.
- We believe in putting Children First. We work to ensure that all interactions and decisions put our scholars first.
- We believe in Respect. We show it, and we expect it from others.
- We believe in continuous improvement. All students and staff should try to get better and better every day.
- We believe with superior effort, we can achieve all things.
- We believe in gratitude: demonstrating gratefulness for all that we have done and the opportunity to serve.

The Academy’s educational program utilizes best practices in data-driven instruction and differentiated learning to deliver instruction in core subject curricula and to create a uniquely rigorous and personalized learning experience for every child. Scholar academic success is the

Academy's primary focus. The core pillars of the Academy's evidence-based educational program include:

Highly effective, data-driven educators

The Academy focuses on selecting and developing exceptional educators who are able to use assessment data to continuously improve the quality of instruction. New teachers and leaders are hired and are able to meet the Academy's standard of excellence through a very rigorous, multi-stage screening process that consists of an online application; phone interview; in-person interviews; observation of the candidate's classroom teaching; modeling of data-driven teaching; and completion of intensive pre-service professional development. The Academy ensures educators have the skills needed to deliver data-driven instruction through regular feedback from exceptional school leaders, mentoring from highly effective peers and coaches and ongoing professional development. In this way, the Academy places or supports the development of an effective and data-driven teacher in every classroom. Researchers have consistently found that a teacher's level of effectiveness and data competency have a direct influence on student achievement (Carlson, Borman, & Robinson, 2011) and the racial achievement gap in metropolitan districts (Hanushek et al. 2005).

Rigorous, frequent assessments

Based on scope and sequence documents, teachers implement regular formative and benchmark assessments to evaluate student mastery of content in reading, writing and math. Assessments are designed to be both highly rigorous and to align to state standards. Academy teachers also gain a holistic look at children's progress through state assessments; Common Formative Assessments ("CFA") tied to state standards; Checking for Understanding ("CFU") exit tickets and quizzes that target specific standards; as well as diagnostic assessments and qualitative data (such as scholar, parent and teacher surveys). Consistent and rigorous evaluation of student performance is correlated with both higher quality instruction and higher academic achievement (Delisio, 2007; Peariso, 2006; Rothman, 2006). A study by Shanahan, Hyde, Mann, and Manrique (2005), conducted for students from an urban school district, found that combining standards-based curriculum guides with benchmark assessments was correlated with a statistically significant gain in student achievement.

Extensive differentiated, small-group, and standards-aligned instruction

One of the unique core components of the Academy, beyond the regular assessments implemented, is the time scholars spend in small-group and one-to-one instruction. Consistently providing differentiated instruction that targets specific standards, based on the results of assessment data, has been one of the core reasons for the strong growth of Academy scholars. The impact of providing extensive differentiated instruction on elementary students' achievement is well-documented. In a study of third grade students receiving differentiated instruction, researchers found that these students increased scores on the state exam (Parsons, 2004; McAdamis, 2001). Beecher & Sweeney (2008) found that using differentiation with all students drastically reduced racial achievement gaps and improved attitudes about school.

Rigorous and aligned curricula

The Academy utilizes cumulative, rigorous, standards-aligned and evidence-based academic curricula to push students to perform beyond the required expectations of the assigned grade level in the main subject areas of literacy and math. The Academy uses research-based, vertically-

aligned curricula, such as Houghton Mifflin Harcourt™ (“HMH”) Into Reading® and Into Literature®, Eureka Math™, Amplify science and FOSS® Next Generation™ Science and MAISA social studies, which have been developed by some of the nation’s leading researchers and have a proven track record of raising student achievement for all student populations (Educational Research Institute of America, 2009). Teachers utilize or develop customized pacing guides for English language arts (“ELA”) and math that align with the Michigan Academic Standards (“MAS”), and these plans guide the specific skills taught and the academic standards a child should master each week.

Enrichment experiences

The extensive amount of experience within Academy staff has proven that children learn most effectively when engaged. Each day, scholars may take courses in art, music and physical fitness. In addition, scholars may also hear from inspirational guest speakers; participate in educational field trips to college campuses, professional workplaces, museums and cultural landmarks; and lead service projects to build connections to communities and the future. In an intensive, longitudinal study following students attending an urban elementary school (Beecher and Sweeny, 2008), researchers found that enrichment learning resulted in increased positive attitudes toward school, increased student engagement in learning and increased student performance on district and state assessments. Students also made significant gains on closing the achievement gap between ethnic and socioeconomic groups.

Strong Partnership between the Academy and Home

A strong partnership between the Academy and home is critical to the individual success of each student. The Academy has established programs and practices to enhance parent involvement and reflect the specific needs of students and families. The Academy recognizes the importance of family engagement on student achievement and has a proven process for engaging families. Some of the elements of this process include training teachers to effectively communicate with parents; creating a welcoming environment for families; holding regular meetings with parents where families and teachers dive in depth into a scholar’s academic and behavioral progress; and hosting fun events throughout the year that celebrate student progress. Research bears out the importance of parental involvement. When parents are involved, students have higher test scores, increased motivation and better attendance (Rose, Gallup, & Elam, 1997). Family participation is in fact twice as predictive of students’ academic success as family socioeconomic status (Walberg, 1984).

Evidence and research tell us that the educational program outlined above will ensure academic success for scholars at the Academy.

Curriculum

Consistent with the Academy’s evidence-based and data-driven approach, curricula are selected through a rigorous vetting process that examines each curriculum’s evidence base and ease of use in differentiation. The Academy’s curricula aligns with the MAS, and these standards are followed in determining the subject area content and skills scholars should master for each grade level.

To engage students in learning, the Academy promotes positive teacher-student interactions by working together to create a safe and orderly learning environment. Teachers support and extend students’ learning by engaging students in instructional dialogue. Students are also supported

through the Positive Behavioral Intervention and Supports (“PBIS”) framework. This proactive, team-based framework for creating and sustaining safe and effective schools helps prevent problem behavior, develop pro-social skills and use data-based problem solving for addressing existing behavior concerns.

The Academy believes in providing and ensuring high quality services to students of all populations in the following ways:

Serving Students of Color

The Academy is one of the very few organizations dedicated to serving children of color whose senior leaders are primarily of leaders of color. The Academy’s commitment guides the approach to staffing, in that there is a highly rigorous selection process for educators who understand the scholars’ needs and who have a track record of improving outcomes for students of color. The Academy selects educators who have high expectations for all children, and the Academy model is built to help scholars value self-worth and elevate confidence. The Academy supports all children in achieving at high levels by utilizing mastery-based academic scaffolding; providing personalized and data-driven instruction; acknowledging scholars for demonstrating academic growth and not just absolute grades; and helping scholars prepare for postsecondary education from a young age. The Academy approach has been highly successful at raising the achievement of African American scholars.

Serving Economically Disadvantaged Students

At the Academy, the vast majority (95%) of the children served come from low-income families. The Academy is dedicated to providing children in under-resourced communities with access to a high quality education. Many students come to the Academy having previously attended under-resourced schools, and so may be performing multiple years below grade level. The Academy ensures students receive the care and support needed to overcome these challenges. The staff selection process focuses on ensuring that caring educators with a deep commitment to and a proven track record in helping raise the achievement of economically disadvantaged students are hired. A level of personalization is provided that children need, through data-driven small-group and one-to-one intervention, to catch up academically. Additionally, out-of-class learning opportunities are provided that help scholars envision successful futures, and form partnerships with local service providers to help children and families living in poverty overcome the challenges faced each day.

Serving Students with Disabilities and Special Education Students

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the Individualized Educational Program (“IEP”) team, and together the team will make decisions that are subject to requirements regarding provision of the least-restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

The Academy implements policies and procedures to ensure all students with disabilities and special education students are served as required by law. Additionally, built into the Academy's model are several components that ensure all scholars' needs are identified and met. These include (1) providing a response to intervention ("RtI") system to identify the specific special education interventions needed by each scholar; (2) ensuring that general educators are participants in the development, review, implementation and revision of the IEP for each scholar with a disability; and (3) providing targeted professional development workshops that convey best practices for working with special scholar populations. In addition, the Academy provides a range of additional services to retain students from special populations at high rates that may include: (1) social-emotional instruction that targets key skills; (2) partnerships with local service agencies such as mental healthcare providers and specialized therapy providers; (3) utilizing a school-wide behavior management system that utilizes fair and consistent rules, aligned incentives and positive reinforcement to promote pro-social behavior; and (4) partnering effectively with parents to ensure a child's specific needs are being met.

Serving Limited English Proficiency/English Language Learner ("ELL") Students

The Academy has a series of strategies in place for meeting the needs of ELL students, and ensures the Academy's approach is appropriate according to Michigan standards. ELL scholars spend as much time in the mainstream classroom as possible, to ensure the greatest academic and social achievement for ELL students. Teachers are given extensive, ongoing professional development on how best to serve ELL scholars. ELL scholars are assessed using the LAS Links standardized test to determine English capabilities. If it is determined the scholar meets the legal definition of ELL, then the scholar will have access to services designated for ELL students, including auxiliary texts, supplemental curricular tools and time with staff members specifically trained in best practices to serve ELL scholars. Special education staff or providers also consider the language needs of the child as those needs relate to the child's IEP.

Curriculum Flexibility

The Academy's curriculum is flexible to meet the needs of all learners (e.g., advanced, below grade level, special education and ELL). Teachers provide accommodations, adapt instructional methods and make conscious modifications to lesson plans to meet individual needs. The

curriculum provides students with access to content material combined with engaging instruction and thoughtful assignments. The flexibility within the curriculum allows teachers to implement best practice instructional strategies as well as to approach higher level thinking skills.

As a Title I building, the Academy provides supplementary assistance when needed to ensure each student's success. Additionally, the curriculum covers comprehension, phonics, basic fact understanding and skills. The Academy also tries to stretch student's intellectual growth by working with the student's existing knowledge base to modify, combine and extend or deepen understanding.

Multi-Tiered Systems of Support (“MTSS”) Teams

The MTSS teams are organized, representative groups that collaborate and communicate to ensure that learners are provided with whole child support and coordinate and evaluate activities across the system. The teams create sustainable and engaging school climates to support successful implementation of the MTSS and learner achievement. (As referenced in the Michigan Department of Education's Practice Profile for Multi-Tiered Systems of Supports, Version 4.5.)

Reading and Math Interventions

The Academy provides Reading and Math Interventions utilizing a variety of methodologies, strategies and programs.

- ***Small Group Instruction-Reading***: Students are assessed and placed into small groups for specific, targeted, systematic intervention instruction. These intervention lessons take place 5 days per week, for 30 minutes per lesson. Resource Programs utilized include Fountas and Pinnell's Leveled Literacy Intervention and Direct Instruction Corrective Reading.
- ***Small Group- Pull-Out Instruction-Math***: Students are pulled out or aside in the classroom into small groups for specific, targeted, small group instruction lessons based on the students' CFU and CFA data. These intervention lessons take place 2-3 days per week, for 15-30 minutes per lesson.
- ***Blended Learning***: Academy students are engaged in a Blended Learning environment to actively and regularly participate in differentiated activities through on-line learning platforms. Students utilize the online learning programs for at least 30 minutes per week. Resource Programs utilized include Edgenuity and Reading A-Z (Raz Kids)
- ***Small Group Instruction-In Class***: K-5 Academy classes have a designated daily workshop block when teachers conduct guided reading and math lessons for targeted small groups of students in class. Reading and Math Workshop blocks are at least 60 minutes, daily. Grades 6-8 Academy classes have a designated daily intervention block when teachers conduct intervention lessons and activities for targeted small groups of students in class. (Reading and Math) Intervention blocks are between 45-60 minutes, daily.

Tutoring Programs

After-School Tutoring: Classroom teachers and support staff offer specialized instruction to students in order to facilitate mastery of content standards. Instructional staff extend the content of the regular curriculum by providing after school tutoring opportunities for students. Edgenuity programs are incorporated for student enrichment and practice.

In-School Tutoring: The Academy hires qualified Teacher Assistants and Teacher Interns who provide additional small group lessons and instruction both in the classroom as a push-in intervention support and pull-out small group lessons.

Assessments

The Academy implements state-mandated standardized assessments, norm-referenced tests and computer adaptive assessments as required.

Summative Assessments

Students are assessed utilizing the NWEA® MAP® Growth™ annually, in the fall and spring. Students in grades 3-8 take the ELA, mathematics and science assessments. Students in grades kindergarten-2 take the ELA and mathematics assessments. All 3rd-8th grade students take part in the state assessment program. Students in grades 3, 4, 6 and 7 complete the ELA and mathematics assessments and students in grades 5 and 8 will complete the ELA, mathematics, science and social studies assessments. Students identified as needing alternate state assessments take the MI-Access™ assessment. ELL students are given the WIDA™ Access for ELLs each winter.

Formative Assessments

Classroom assessments are formative in nature and are used by teachers and administrators to determine student acquisition of knowledge. These assessments align with the overall instructional plan, and include program based assessments and daily CFU assessments. Teachers utilize these assessments to determine reteaching and remediation necessities. The NWEA MAP Learning Continuum is used to identify skills for small group instruction.

Fountas and Pinnell Benchmark Assessment System (“BAS”)

Benchmark screening takes place 3 times per year to identify students with needs and to compare results to targets. The Fountas & Pinnell BAS evaluates student reading and comprehension ability with reliable and robust universal screening that is aligned to the Leveled Literacy Intervention System, and determines each child's instructional level for guided reading.

Common Formative Assessments (“CFA”)

CFAs are completed weekly in math and reading. Math CFAs are fluency and standards based. Reading CFAs include cold or fresh reads, paired reading, close reading and vocabulary. Both Reading and Math CFAs include constructed response questions or performance tasks.

Students with special needs are assessed utilizing a variety of specific assessments for occupational therapy, social work, speech and psychological screenings. Academics are assessed via the Brigance Assessment. Teachers are expected to identify formative assessments in lesson plans and conduct regular checks for understanding during instruction. Students are also taught how to use formative feedback to maximize their own learning:

- **Questioning:** Teachers are trained to use appropriately rigorous levels of questioning based on Bloom’s Taxonomy and Webb’s Depth of Knowledge to ascertain students’ content knowledge and conceptual understanding.

• **Observation:** Teachers are expected to document anecdotal evidence of student learning, especially through interactions during one-on-one conferencing and small group instruction.

• **Adaptive software assessments:** Computer-based content offer built-in assessments that provide immediate feedback. This allows both students and teachers to determine mastery and pace instruction appropriately. Moreover, parents can monitor students’ learning and administrators can evaluate programs and teachers.

Assessment	Timeframe	Targeted students
NWEA MAP-Reading and Mathematics	Fall, Spring	Kindergarten-8th grade
NWEA MAP-Science	Fall, Winter, Spring	3rd-8th grade students
M-Step-ELA and Math	Spring	3rd-8th grade students
M-Step Science	Spring	3rd, 4th, 6th, and 7th grade students
M-Step Social Studies	Spring	5th and 8th grade students
MI-Access	Spring	Special Education Students with MI-Access on their IEP
WIDA Screener/Access	Winter	English Language Learners
Fountas & Pinnell Benchmark Assessment Systems: Universal Screening - Collect, analyze and report data on individual and class literacy levels	Fall, Spring	All students
Fountas and Pinnell Progress Monitoring - Determine the growth of students’ instructional and independent reading levels over time	Ongoing throughout the year	Tier II and Tier III/IV students
Classroom Program Assessments	Ongoing throughout the year; weekly	All students
Intervention Program Assessments	Ongoing throughout the year	Tier II and Tier III

All of these layers of assessment help the Academy keep building on scholar growth, and ensure strong ongoing monitoring, tracking and adjustments throughout the year.

The Academy uses assessment data to enhance student achievement in the following ways:

First, on regular basis, student achievement data is aggregated and student learning trends are assessed. Grade-band Cluster teams use the results of assessment data to conduct formal “data-dives” and create concrete action plans for raising student achievement. Explicit training are provided to teachers and grade-level teams on how to properly administer assessments, collect data, analyze results and develop action and/or reteach plans. In these meetings, teachers and grade level teams carefully structure all lesson plans in core subjects to align to the MAS, as well as to provide a clear progression of skill based on scholars’ beginning of year testing scores. Scholars’ performance on the state assessment and on other diagnostic and summative assessments are then used during quarterly meetings to evaluate scholar growth.

Secondly, teachers utilize the results of assessment data during weekly grade-level planning meetings, where the data are disaggregated based on student groups, need and proficiency. During weekly planning sessions, Academy educators analyze assessment data to identify struggling students who need remediation or advanced students who need additional challenges; to design weekly lessons based on clear skills and objectives outlined by pacing guides in math and ELA; and to identify the best resources to use to meet student needs during the upcoming week.

On a daily basis, teachers use assessment data to ensure scholars receive multiple, personalized and data driven touch points. Within small group sessions, teachers are able to differentiate assignments by assigning specific standards to work on according to each scholar’s performance on assessments. Based on the results of interim assessments, for example, educators are able to categorize each scholar’s mastery of key skills and standards in core subjects as “green,” “yellow,” or “red,” which indicate a child’s level of academic need. Using data generated by these assessments, teachers are able to group scholars according to the color-coded “performance band” and provide curriculum-based, skill-building exercises that target specific standards and skill deficits. Scholars who have mastered standards are able to expand the breadth of knowledge through guided assignments in teacher-led small groups; rigorous assignments that tap into student interests during independent study; and higher grade-level materials that teachers provide for students to work on at home.

The Academy also knows that parents play a critical role in ensuring a child’s achievement. That is why parents are provided with regular communications summarizing their child’s performance on assessments. Additionally, newsletters and progress reports are sent home to families regularly and parents are encouraged to utilize the PBIS management system and Student information system for on demand student academic and behavioral reports. Parents of scholars who are referred to MTSS are notified upon creation of the Scholar Action Plan and are updated as new interventions are implemented. In addition, families are engaged through monthly family events.

Transition

To ensure incoming sixth grade students make a successful academic transition, Academy leaders and teachers implement activities and structures to address social, developmental and learning

needs of young adolescents. Academy support staff provide comprehensive orientation programs for teachers, students and families, including older siblings, who strongly influence attitudes and perceptions of transitioning students. During professional development sessions and grade level meetings, the teaching staff becomes more knowledgeable about the needs and concerns of young adolescents in transition. The Academy leadership supports teachers' efforts to address transitioning students' social, developmental and academic needs. The goal is to create a climate that values students as well as helps students understand and cope successfully with the challenges of transition. To address gaps in reading, the Academy implements the Corrective Reading program to increase the reading decoding and comprehension skills of transitioning students. Additionally, the Academy institutes tutoring sessions, small group intervention sessions and sometimes one on one academic support in reading and mathematics. As the Academy fully implements and delivers the Educational Program and provides additional support services, learning gaps will diminish and the confidence of transition students will grow.

Educational Development Plans (“EDP”)

Seventh graders are introduced to the software program Career Cruising (“CC”) in a workshop during the homeroom class period. Students take an interest inventory, pick two career pathways and list short and long term goals. The interest inventory called “Matchmaker” generates a potential career list. Students can then explore these careers using the extensive database in the program. All of this information is saved in a password protected electronic file called an EDP. Students can access their personal file at the Academy or at home using a computer, an internet connection and their personal login information. CC components that support the Michigan EDP include:

- A variety of online skill and interest assessments, including Career Matchmaker;
- Opportunities to search hundreds of careers of interest to students;
- An "electronic filing cabinet" in which to record work and volunteer experiences, awards and certificates;
- A vehicle to identify personal and career goals;
- A huge catalog of post-secondary education options, including the military, trade schools, community colleges and universities.

Program Evaluation

The Academy utilizes several strategies to determine the effectiveness of the implementation, delivery and support of the Educational Program. As a part of the Phalen Leadership Academies (“PLA”) network, Academy teachers set goals that must be approved by the building leadership each fall. These goals are input into the PLA Coaching Cycle Platform. Goals include one academic scholar growth goal and one educator development goal connected to feedback from the PLA Coaching Cycle Domains. Each teacher has an announced, scheduled Mid-Year Evaluation, which includes a 30-45 minute classroom observation, and a Final Evaluation conducted near the end of the academic year and includes an unannounced 30-45 minute observation. Within a week of both observations post-observation conferences take place with the teacher and building leader. During this meeting it will be determined if goals were met. These steps are all documented in the Coaching Cycle Platform. Ongoing observation and coaching takes place throughout the year for all teachers utilizing the PLA Coaching Performance Level Indicators Rubric and Platform. Teachers are given a comprehensive score for each indicator, and are Tiered into 3 levels to determine frequency of coaching and observation

support. Coaching conversations take place after each observation and bite-sized goals are developed together based on rubric indicators and goals.

Another mechanism used to gather information is surveys. The Academy administers surveys to staff, parents and students to collect perception data. Perception data may be used to inform curricular and instructional decisions, instituting changes or modifications to courses that serve to improve the academic needs of all students.

The Academy has a defined meeting rhythm that allows for not only efficient teamwork, but also for thoughtful deliberation over school programming and instruction. Daily Huddles take place with the leadership team members to identify the top priorities for the day. Weekly Tactical meetings with the PLA network allows leaders to identify top 2 metrics and quarterly priorities and to identify challenge areas and brainstorm solutions. Quarterly Step-Back meetings help to determine areas of improvement and steps to move forward. Annual Planning, School Improvement Team (“SIT”), PLC, PBIS, MTSS and Cluster Team Meeting minutes are used to evaluate the Educational Program and, when necessary, assist in designing programmatic revisions.

The program evaluation also focuses on three major goals, the desired outcomes, activities and indicators of success as identified in the Academy’s School Improvement Plan (“SIP”). The SIP is designed to improve the quality of teaching and learning in the Academy so greater numbers of students achieve proficiency in the core academic subjects. The SIP also provides a framework for analyzing problems and addressing instructional issues. The program goals, along with the planned interventions, activities and indicators for success (referenced in the Academy’s SIP) are considered ambitious but achievable.

In addition, the Academy examines assessment data (e.g., perform item analysis) as a tool to determine academic interventions and curricular changes. Staff reviews assessment data from NWEA MAP to decide where students have misconceptions, determine what each grade level needs to be prepared for the next grade level and prepare lessons and assessments to meet these identified areas.

Finally, the Academy takes part in the PLA Instructional Review Process. This review provides proactive academic support for the Academy, through a process that occurs at the beginning of each school year as well as the end of each school year and finalizes the School Quality Review (“SQR”). The Instructional Review is conducted by members of the National PLA Team and focuses on the six domains of the Academic Priorities for Success: Effective Leadership, Effective Instruction, Climate and Culture, Collaborative Staff, Curriculum, Assessments, and Interventions and Support Systems. The process includes a survey that is sent out to staff, leadership self-assessment, leadership interview, observations of all classrooms, discussion of alignment and next steps with school leaders and identification of SQR score.

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 Houghton Mifflin Harcourt™ (“HMH”) Into Reading® and Into Literature®, Great Minds® Eureka Math™, Oakland Schools K-12 Public Rubicon Atlas, Amplify science and FOSS® Next Generation™ science, Michigan Model for Health™, and Academy written curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- HMH Into Reading/Literature <https://www.hmhco.com/ui/login>
- Great Minds Eureka Math <https://greatminds.org/resources/login>
- Oakland K12 Public Atlas <https://oaklandk12-public.rubiconatlas.org/Atlas/Public/View/Default>
- Amplify Science <https://amplify.com/programs/amplify-science/>
- FOSS Next Generation <https://www.fossweb.com/home>
- Michigan Model for Health <https://www.michiganmodelforhealth.org/>

Elementary

The following subjects/courses are offered at the Academy.

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

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

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

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

Academic Assessments to Be Administered:

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

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

APPLICATION AND ENROLLMENT OF STUDENTS

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

Enrollment Limits

The Academy will offer kindergarten through eighth grade. The maximum enrollment shall be 500 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, 2023 Contract to Charter
A Public School Academy and Related Documents

Issued To

MICHIGAN EDUCATIONAL CHOICE CENTER
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)


CONTRACT AMENDMENT NO. 1

MICHIGAN EDUCATIONAL CHOICE CENTER

In accordance with Article IX of the Terms and Conditions of the Contract (the “Contract”), dated July 1, 2023, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the “University Board”) to MICHIGAN EDUCATIONAL CHOICE CENTER (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 X, Section 10.4. Grounds and Procedures for Academy Termination of Contract and Section 10.5. Grounds and Procedures for University Termination of Contract, with the corresponding language attached as Tab 1.
- 2.) Amend Schedule 2: Amended Bylaws, by replacing the language contained within Article XIII, Section 6. Contracts Between Corporation and Related Persons, with the language attached as Tab 2.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of July 1, 2024.



Dated: 05/31/2024

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



Dated: 17/05/2024

By: Monifa Gray, Board President
Michigan Educational Choice Center
Designee of the Academy Board

Michigan Educational Choice Center

Contract Amendment No. 1

Tab 1

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.

Michigan Educational Choice Center

Contract Amendment No. 1

Tab 2

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.