



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

PEMBROKE ACADEMY
(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

Pembroke Academy

Recitals:

1. At its February 15, 2018, meeting this board authorized the issuance of a contract to charter as a public school academy to Pembroke Academy. On April 4, 2019, 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 Pembroke Academy.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Pembroke Academy. The term of the contract is recommended for a term not to exceed seven (7) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Pembroke Academy for a term not to exceed seven (7) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Pembroke Academy and the Central Michigan University Board of Trustees, provided that, before execution of the contract, the university president or designee affirms that all terms of the contract have been agreed upon and Pembroke Academy is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: 12/8/22
 Signature: Mary Joanne Flanagan



BOARD OF TRUSTEES

PROPOSAL FOR BOARD ACTION: CONSENT AGENDA

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

Project Description:

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

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

Proposed by: Provost Gealt

PROPOSED RESOLUTION: CONSENT AGENDA

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

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

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

CMU BDT APPROVED

Date: 2/15/18
Signature: My Hangan

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

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

Method of Selection and Appointment

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

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

Date:

2/15/18

Signature:

my Hanagar

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

Length of Term

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

Removal and Suspension

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

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

Number of Directors

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

Qualifications of Academy Board Members

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

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

CMU BDT APPROVED

Date: 2/15/18

Signature: m J. Flanagan

Oath of Public Office

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

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

Amended by Board of Trustees: 18-0215

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

CMU BDT APPROVED

Date: 2/15/18

Signature: my Haneja

TERMS AND CONDITIONS OF CONTRACT

**TERMS AND CONDITIONS
OF CONTRACT**

DATED: JULY 1, 2023

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

CONFIRMING THE STATUS OF

PEMBROKE ACADEMY

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 Pembroke Academy;

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

ARTICLE I DEFINITIONS

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

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

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

- (q) "Reauthorizing Resolution" means the resolution adopted by the Central Michigan University Board of Trustees on December 8, 2022, approving the issuance of a Contract to the Academy.
- (r) "Schedules" means the following Contract documents: Schedule 1: Articles of Incorporation, Schedule 2: Amended Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight, Compliance and Reporting Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, Schedule 7: Required Information for a Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2023, Issued by the Central Michigan University Board of Trustees Confirming the Status of Pembroke Academy as a Public School Academy."
- (x) "The Governor John Engler Center for Charter Schools" or "the Center" means the office designated by the Central Michigan University Board of Trustees as the initial point of contact for public school academy applicants and public school academies authorized by the Central Michigan University Board of Trustees. The Center is also responsible for administering the Central Michigan University Board of Trustees' responsibilities with respect to the Contract.
- (y) "The Governor John Engler Center for Charter Schools Director" or "the Center Director" means the person designated at Central Michigan University to administer the operations of the Center.
- (z) "University" means Central Michigan University, established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.551 et seq.
- (aa) "University Board" means the Central Michigan University Board of Trustees.
- (bb) "University Charter Schools Hearing Panel" or "Hearing Panel" means such persons as designated by the University President.
- (cc) "University President" means the President of Central Michigan University or his or her designee. In section 1.1(bb) above, "University President" means the President of Central Michigan University.

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

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

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

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

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

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

ARTICLE II

RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

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

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

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

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

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

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

ARTICLE III ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

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

Section 4.2. Other Permitted Activities.

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

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

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

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

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

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

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

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

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

ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY

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

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

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

ARTICLE VI OPERATING REQUIREMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE VII TUITION PROHIBITED

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

ARTICLE VIII COMPLIANCE WITH APPLICABLE LAWS

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

ARTICLE IX AMENDMENT

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

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

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

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

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

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

ARTICLE X

CONTRACT REVOCATION, TERMINATION, AND SUSPENSION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

period of time, or for which the Center Director determines that a Plan of Correction cannot be formulated;

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XI
PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE XII GENERAL TERMS

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

If to the University Board:	The Governor John Engler Center for Charter Schools Attn: Executive Director Central Michigan University EHS 200 Mt. Pleasant, MI 48859
General Counsel:	General Counsel Central Michigan University Mt. Pleasant, MI 48859
Chief Financial Officer:	Vice President for Finance and Administrative Services Central Michigan University Mt. Pleasant, MI 48859
If to the Academy:	Academy Board President Pembroke Academy 19940 Mansfield St. Detroit, MI 48235

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 seven (7) academic years and shall terminate on June 30, 2030, 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.

PEMBROKE ACADEMY

By:  _____
Board President

Date: 6-12-23

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By:  _____
Isaiah M. Oliver, Chair

Date: 06/09/2023

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

PEMBROKE ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

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CONTRACT SCHEDULE 1

ARTICLES OF INCORPORATION

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU			
Date Received			
		This document is effective on the date filed, unless a subsequent effective date within 90-days after received date is stated in the document.	
Name		\$2000 Chk# 517 Tran # 22842118 FILED EFFECTIVE DATE APR 18 2018	
Jason Brian Puscas			
Address			
10 Witherell Street, Apt 1203			
City	State	Zip	
Detroit	MI	48226	
			ADMINISTRATOR CORPORATIONS DIVISION

ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations
OF
PEMBROKE ACADEMY

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

ARTICLE I

The name of the corporation is: Pembroke Academy.

ARTICLE II

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

1. The corporation is organized for the purpose of operating as a public school academy in the state of Michigan pursuant to the Code.
2. The authorizing body for the corporation is: Central Michigan University Board of Trustees.

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

ARTICLE III

The corporation is organized on a non-stock basis.

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

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

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

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

The corporation is organized on a directorship basis.

ARTICLE IV

The name of the resident agent at the registered office is Jason Brian Puscas.

The address of its registered office in Michigan is: 10 Witherell Street, Apt 1203, Detroit, MI 48226.

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

ARTICLE V

The name and address of the incorporator is as follows:

Jason Brian Puscas
10 Witherell Street, Apt 1203
Detroit, MI 48226

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

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

ARTICLE XI

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

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

ARTICLE XII

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

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

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

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

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

ARTICLE XIII

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

These Articles of Incorporation are hereby signed by the incorporator on this 18th day of April, 2018. These Articles of Incorporation shall become effective upon filing. However, the corporation shall not carry out the purposes set forth in Article II unless the University Board issues to the corporation a Contract to operate as a public school academy, and the Contract is executed by both the corporation and the University Board.

By: 

Jason Brian Puscas, Incorporator

CONTRACT SCHEDULE 2

AMENDED BYLAWS

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PEMBROKE ACADEMY

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AMENDED BYLAWS
OF
PEMBROKE ACADEMY

ARTICLE I
NAME

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

ARTICLE II
FORM OF ACADEMY

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

ARTICLE III
OFFICES

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

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

ARTICLE IV
BOARD OF DIRECTORS

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

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

- a. The University Board shall appoint the initial and subsequent Academy Board by resolution, except as prescribed by subparagraph d. The Center Director shall recommend qualified individuals to the University Board.

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

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

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

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

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

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

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

Section 8. Removal and Suspension. If the University Board determines that the service in office of a Director of the Academy Board is no longer necessary, then the University Board may remove

the Academy Board member with or without cause and shall specify the date when the Academy Board member's service ends. The Academy Board member may also be removed from office for cause by a two-thirds (2/3) vote of the Academy's Board.

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

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

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

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

ARTICLE V MEETINGS

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

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

Section 3. Notice; Waiver. The Academy Board must comply with the notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each Director stating the time and place of the meeting, delivered personally, mailed, or sent by facsimile or electronic mail to the Director's business address. Any Director may waive notice of any meeting by written statement, facsimile or electronic mail sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

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

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

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

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

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

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

ARTICLE VI COMMITTEES

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

ARTICLE VII OFFICERS OF THE BOARD

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

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

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

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

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

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

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

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

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

shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Academy Board may by resolution otherwise determine.

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

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

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

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

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

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

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

Section 5. Voting of Gifted, Bequested or Transferred Securities Owned by this Corporation. Subject always to the specific directions of the Academy Board, any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security

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

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

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

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

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy Board employee;

- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

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

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

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 12th day of June, 2023.



Academy Board ~~Secretary~~ President

CONTRACT SCHEDULE 3

FISCAL AGENT AGREEMENT

SCHEDULE 3

FISCAL AGENT AGREEMENT

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

Preliminary Recitals

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

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

"Agreement" means this Fiscal Agent Agreement.

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

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

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

"State" means the State of Michigan.

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

ARTICLE II

FISCAL AGENT DUTIES

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

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

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

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

ARTICLE III

STATE DUTIES

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

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

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

ARTICLE IV **ACADEMY DUTIES**

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

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

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

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

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

ARTICLE V **RECORDS AND REPORTS**

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

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

ARTICLE VI

CONCERNING THE FISCAL AGENT

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

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

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

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

ACKNOWLEDGMENT OF RECEIPT

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

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 Pembroke Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

- a. Monitor and evaluate if the Academy Board is properly governing the Academy and following the Amended Bylaws set forth in the Contract.
- b. Monitor and evaluate the Academy's academic performance and progress toward achieving the educational goal and related measures set forth in Contract Schedule 7b.
- c. Monitor and evaluate the Academy's implementation, delivery, and support of the educational program and curriculum as set forth in Contract Schedules 7c and 7d, respectively.

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

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

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

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

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

ARTICLE III **RECORDS AND REPORTS**

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

ARTICLE IV

MISCELLANEOUS

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

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

Section 4.3. Audit and Evaluation. The Academy:

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

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

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

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

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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 National Heritage Academies, Inc., and are outlined in the Educational Service Provider Agreement included in this Schedule.

Position Responsibilities

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

School Administrator(s)

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

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

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

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

Instructional Staff

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

Non-Instructional Staff

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

SERVICES AGREEMENT

THIS SERVICES AGREEMENT (“**Agreement**”) by and between National Heritage Academies, Inc., a Michigan corporation (“**NHA**”), and Pembroke Academy, a body corporate and public school academy (the “**School**”) is effective July 1, 2023 (the “**Effective Date**”). For purposes of this Agreement, NHA and the School shall be referred to collectively as the “**Parties**.”

RECITALS

WHEREAS, the School’s Charter Contract was renewed or is anticipated to be renewed by the Central Michigan University Board of Trustees (the “**Authorizer**”) to operate a school of excellence pursuant to the Michigan Revised School Code (the “**Code**”); and

WHEREAS, the Parties desire to continue to work together to promote educational excellence and innovation based on NHA’s school design, comprehensive educational program and management principles; and

WHEREAS, the Parties desire to set forth the terms and conditions of such a relationship in this Agreement;

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

ARTICLE I

CONTRACTING RELATIONSHIP

A. Services. Subject to the terms and conditions of this Agreement, and as permitted by applicable law, the School hereby contracts with NHA for the provision of certain educational, business administration, facility, and management services, including without limitation, all labor, equipment, and materials necessary for the provision of the same, as set forth herein (collectively, the “**Services**”).

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

C. Independent Contractor. NHA shall provide the Services as an independent contractor, and not as an employee, partner, agent, or associate of the School. This independent contractor relationship shall extend to the officers, directors, employees, and representatives of NHA. Consistent with the status of an independent contractor, NHA reserves to itself the right to

designate the means and methods of accomplishing the objectives and purposes of this Agreement consistent with Board policy, applicable law, and the Charter. NHA shall be solely responsible for its acts and the acts of its agents, and employees. The relationship between the Parties is based solely on the terms and conditions of this Agreement, and the terms and conditions of any other written agreement between the Parties.

D. Designations and Appointments.

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

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

3. NHA, its directors, officers, and employees may be designated by the School for other purposes by a written resolution of the Board.

E. Certain Prohibitive Conduct Regarding Personally Identifiable Information. Except as permitted under the Code, NHA shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy Student’s education records.

F. Certain Prohibitive Conduct Regarding Academy Student Records. If NHA receives information that is part of an Academy Student’s education records, NHA shall not sell or otherwise provide the information to any other person except as permitted under the Code.

For purposes of Paragraphs E and F above, 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.

ARTICLE II

TERM & TERMINATION

A. Term. This Agreement shall commence on the Effective Date, and unless terminated as set forth herein, shall continue until the revocation, termination or expiration of the Charter currently in effect and expiring June 30, 2030 (the “**Term**”). The parties acknowledge that the Authorizer, as part of any reauthorization or renewal, may require that the School and NHA submit an amended or restated Agreement for review by the Authorizer. The first school

year of this Agreement shall commence July 1, 2023, to June 30, 2024, and each school year thereafter shall commence on July 1 and end on June 30 of the following year.

B. Termination.

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

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

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

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

5. Amendment Caused By Academy Site Closure or Reconstitution. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the State School Reform/Redesign Officer under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and Section 10.7 of the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and NHA shall have no recourse against the Academy or the Authorizer for implementing such site closure or reconstitution.

6. If this Agreement is terminated prior to the end of the Term other than as provided for in Article II(B)(4) of this Agreement, and unless otherwise agreed by the Parties, such termination will not become effective until the end of the then-current school year.

C. Effect of Termination. Upon the effective date of termination or expiration of this Agreement:

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

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

3. Upon termination or expiration of this Agreement or if this Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, NHA shall, without 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 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; and

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

ARTICLE III

OBLIGATIONS OF NHA

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

B. Comprehensive Educational Program. The School has determined to adopt NHA's proprietary educational and academic programs and goals, as set forth in the Charter (the "**Educational Program**"). Subject to the oversight of the Board, NHA shall implement and administer the Educational Program. In the event that NHA reasonably determines that it is necessary or advisable to make material changes to the Educational Program, NHA shall inform the Board of the proposed changes and obtain the Board's approval before making such changes, as well as the Authorizer's approval if required by the Charter or applicable law. The Parties acknowledge and agree that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency. Not less than annually or as reasonably requested by the Board, NHA shall provide the Board with a report detailing progress made on each of the educational goals set forth in the Educational Program. The school year calendar and the school day schedule shall be approved by the Board as required under the Charter.

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

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

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

1. Student recruitment and student admissions.
2. Student assessments, including testing, promotion, and retention.
3. The acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs included in the Budget.

4. Employment of personnel working at the School and management of all personnel functions, as set forth herein.

5. All aspects of the School's business administration.

6. All aspects of the School's accounting operation, including general ledger management, financial reporting, payroll, employee benefits and payroll tax compliance.

7. All aspects of food services and transportation approved by the Board and NHA.

8. All aspects of facilities administration and maintenance.

9. Student behavior management and discipline.

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

G. Subcontracts. NHA reserves the right to subcontract any and all aspects of the Services. NHA agrees that any Services that are included in the Fee (described below) that are performed by a subcontractor will not be charged to, reimbursed by, or passed through as an additional cost to the School. NHA shall not subcontract the oversight of the Educational Program, except as specifically permitted in this Agreement or with prior written approval of the Board. Notwithstanding the foregoing, the Board specifically acknowledges and agrees that from time to time NHA may use third parties or independent contractors to assist in the creation and development of Educational Materials (as defined below) that may be used as a part of the Educational Program.

H. Pupil Performance Standards and Evaluation. NHA shall implement pupil performance evaluations that permit evaluation of the academic progress of each School student. NHA shall utilize assessment strategies required by the Charter and applicable law. The Board and NHA shall cooperate in good faith to identify academic goals and methods to assess such academic performance. NHA shall provide the Board with timely reports regarding student performance.

I. Unusual Events. NHA shall timely notify the Board and the Administrator (as defined below) of any anticipated or known material: (i) health or safety issues, including all mandatory reporting required by applicable law; (ii) labor, employee or funding issues; or (iii) other issues that may reasonably and adversely impact the School's ability to comply with the Charter, applicable law or this Agreement.

J. School Records. The financial and education records pertaining to the School (collectively, the "**School Records**"), are property of the School. Except as may be prohibited or limited by the Charter or applicable law, the School Records shall be available to the Board and the Authorizer for their review, and are subject to inspection and copying by the public to the same extent that records of public schools are subject to inspection and copying pursuant to applicable

law. All School Records shall be physically or electronically available at the School's physical facility upon request made by the Board or the Authorizer. NHA agrees to comply with the terms of the Charter and applicable law to make information concerning the operation and management of the School available to the School in order to enable the School to fully satisfy its obligations under its Charter and applicable law.

On an annual basis, NHA agrees to provide the Board the same information that a school district is required to disclose under section 18(2) and 22f of the State School Aid Act of 1979, MCL 388.1618 and MCL 388.1622f respectively, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the School's website homepage, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, whichever is applicable, shall have the same meaning in this Agreement. Additionally:

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

2. NHA shall not use or disclose CDI received from or on behalf of the School except as permitted or required by this Agreement and/or applicable law.

3. Upon termination or other conclusion of this Agreement, NHA shall return all CDI to the School.

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

5. NHA, within two business days of discovery, shall report to the Board any use or disclosure of CDI not authorized by this Agreement. NHA's report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the CDI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what NHA has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action NHA has taken or shall take to prevent future similar unauthorized use or disclosure. NHA shall provide such other information, including a written report, as reasonably requested by the Board.

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

L. Legal Compliance. NHA will implement and enforce rules, regulations and procedures applicable to the School that are consistent with adopted Board policy, if any, and the Educational Program in accordance with the Charter and applicable law, including without limitation, rules, regulations, and policies regarding non-discrimination, discipline, special education, confidentiality and access to records.

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

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

ARTICLE IV

OBLIGATIONS OF THE BOARD

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

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

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

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

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

F. Retained Authority. The Board shall retain the authority to adopt reasonable policies in accordance with applicable law relative to anything necessary for the proper establishment, maintenance, management, and operation of the School.

ARTICLE V

INTELLECTUAL PROPERTY

A. Definitions.

1. “**Educational Materials**” means all curriculum, print and electronic textbooks, instructional materials, lesson plans, teacher guides, workbooks, tests, and other curriculum-related materials licensed, developed or otherwise owned by the School or NHA.

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

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

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

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

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

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

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

H. Assignment. Each party shall, and hereby does assign to the other, with full title guarantee and without additional compensation, such right, title and interest in and to any intellectual property as is necessary to fully affect the ownership provisions set out herein, and any accrued rights of action in respect thereof. Each party shall, if so requested by the other, execute all such documents and do all such other acts and things as may be reasonably required to comply with this Agreement to vest in the appropriate party all rights in the relevant intellectual property and shall procure execution by any named inventor of all such documents as may reasonably be required by the other party in connection with any related patent application.

ARTICLE VI

SOLICITATION AND USE OF PRIVATE FUNDS

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

ARTICLE VII

FINANCIAL ARRANGEMENTS

A. Revenues. Except as provided herein, all monies received by the School shall be deposited in the School's depository account within three (3) business days with a financial institution acceptable to the Board; provided, however, that upon receipt of a notice from NHA, the School shall pay all such funds owing under this Agreement directly to the account or party specified in such notice. The signatories on the School Board's accounts shall solely be Board members or properly designated Board employees (if any). Interest income earned on the School's accounts shall accrue to the School. Except as specifically excluded by this Agreement, the term "**Revenues**" shall include all funds received by or on behalf of the School, including but not limited to:

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

8. Fees charged to students as permitted by law for extra services provided by NHA as approved by the Board.

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

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

C. Review and Approval of Budget. The Board shall be responsible for reviewing and approving the Budget in accordance with the Charter and applicable law. At the direction of either NHA or the Board, with the approval of the Board, the Budget shall be amended from time to time as necessary.

D. Board Spending Account. Notwithstanding any other provision of this Agreement to the contrary, each school year during the Term, NHA shall allocate to an account controlled by the Board an amount equal to the lesser of: (i) 2% of state per pupil aid reflected in the Budget for that respective school year, or (ii) \$40,000 (the “**Board Spending Account**”). The aforesaid amount shall be deposited by NHA into the Board Spending Account pro-rata during the course of the School’s school year as Revenues are received. All funds in the Board Spending Account are the property of the School and may be used by the School at the discretion of the Board. Funds in the Board Spending Account that are not spent by the School during the school year shall carryover annually. Items purchased by NHA for the School and paid for by the School with funds from the Board Spending Account, such as non-proprietary instructional and/or curriculum materials, books, supplies and equipment, shall be the property of the School. The property of the School excludes items leased, financed or purchased by NHA with the Fee (as defined below). NHA agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by NHA at the request of or on behalf of the School with funds from the Board Spending Account. NHA, in making such purchases for the School pursuant to this subsection, shall comply Sections 1267 and 1274 of the Code, as if the School were making such purchases itself from a third party, and shall provide the Board, upon request, available documentation evidencing the costs associated with such purchases. NHA shall maintain a listing of all assets owned by the School and shall provide the list to the Board annually upon request.

E. Fee. NHA shall receive all Revenues as its services fee (the “**Fee**”), from which it shall pay all operating costs of the School as detailed in the Budget. NHA and the Board acknowledge that operating costs includes an administrative fee payable to the Authorizer as set forth in the Charter. Payment of the Fee shall be made on the same frequency that the School receives its Revenues. NHA shall be entitled to retain as compensation for the Services the

difference, if any, between the Fee and the amount actually expended by NHA in operation and/or management of the School during the School's fiscal year. NHA agrees not to add any fees or charges to the cost of equipment, materials or supplies purchased by NHA at the request of or on behalf of the School.

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

G. Other Schools. The School acknowledges that NHA has entered into similar services agreements with other schools. NHA shall maintain separate accounts for expenses incurred in the operation of the School and other schools assisted by NHA, and shall reflect in the School's financial records only those expenses incurred in the operation of the School. If NHA incurs expenses that are for both the benefit of the School and other schools assisted by NHA, then NHA shall allocate, to the extent permitted by law, such expenses among all such affected schools, including the School, on a prorated basis based upon the number of enrolled students, the number of classrooms, or the number of teachers at the affected schools, or on such other equitable basis as is reasonably determined by NHA. In no event shall marketing and development costs incurred solely for the benefit of NHA (and not the School) be allocated to the School. Costs shall be allocated to, or reimbursed by, the School and reported by NHA in accordance with applicable law.

H. Financial Reporting. NHA shall provide the Board with:

1. At least annually, the Budget as required by this Agreement.
2. Monthly, financial statements no more than forty-five (45) days in arrears and at least one week prior to each Board meeting. These financial statements will include a Balance Sheet, Statement of Revenues, Expenditures and Changes in Fund Balance at object level detail with a comparison of budget to actual revenue and expenditures and explanations of variances and cash flow statement.
3. Quarterly, or as reasonably requested by the Board, a report on School operations and student performance.
4. As reasonably requested, other information to enable the Board to: (i) evaluate the quality of the Services; and (ii) timely provide all reports and information that are required by the Charter and applicable law.

I. Access to Financial Records. NHA shall keep accurate financial records pertaining to its operation of the School, together with all School financial records prepared by or in possession of NHA, and shall retain all of the aforementioned records according to the Charter and applicable law to which such books, accounts, and records relate. NHA and the Board shall maintain the proper confidentiality of personnel, students, and other records as required by law. All records shall be kept in accordance with applicable state and federal requirements.

J. Accounting Standards; Annual Audit.

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

2. The Board shall select and retain an independent auditor to conduct an annual audit of the School's financial matters in accordance with the Charter and applicable law.

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

K. Contributions; Repayment. NHA shall make contributions to the School in the event School expenses for the Services exceed Revenues (the "**Contributions**"). The Contributions, if any, shall be in amounts acceptable to the Parties and the Board and, once made, shall be included in the Budget. The School shall not be legally obligated to repay NHA for the Contributions. NHA's agreement to make such Contributions shall not be deemed to negate or mitigate the need for the School to apply for or solicit state or federal start-up funds, grants or subgrants which the School, as a public school, may be eligible to receive.

ARTICLE VIII

PERSONNEL & TRAINING

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

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

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

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

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

E. Training. NHA shall provide or procure training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Instructional personnel shall be required to obtain at least the minimum hours of professional development as required by

applicable law. Non-instructional personnel shall receive training as NHA determines reasonable and necessary under the circumstances.

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

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

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

ARTICLE IX

INDEMNIFICATION

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

B. Indemnification of Authorizer. The Parties acknowledge and agree that the Authorizer, 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, NHA 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 School’s Charter Application, the University Board’s consideration of or issuance of a Charter, NHA’s preparation for or operation of the School, or which are incurred as a result of the reliance by the University

upon information supplied by NHA, or which arise out of NHA's failure to comply with the Charter or applicable law. The Parties expressly acknowledge and agree that the University may commence legal action against NHA to enforce its rights as set forth in this section of the Agreement.

ARTICLE X

INSURANCE

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

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

ARTICLE XI

REPRESENTATIONS & WARRANTIES

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

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

ARTICLE XII

MISCELLANEOUS

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

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

C. State Governing Law; Waiver of Jury Trial. This Agreement shall be construed, interpreted, governed and enforced pursuant to the laws of the State of Michigan, without regard to its conflict-of-laws principles. The Parties hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either NHA or the School against the other.

D. Notices. All notices and other communications required by this Agreement shall be in writing and either 1) personally delivered to the other Party, or 2) sent to the address of the Registered Agent of the receiving Party. Notice shall be deemed to have been given upon the date of postmark if sent by certified or registered mail, or upon the date of delivery if given by personal delivery. For purposes of the foregoing, “**personal delivery**” shall include delivery by nationally recognized overnight courier (such as FedEx), if signed for by the recipient or a delegate thereof.

E. Assignment. NHA may assign this Agreement with the prior written approval of the Board and in a manner consistent with the Authorizer’s policies. However, this Agreement shall not be assignable without prior written notification to the Authorizer.

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

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

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

I. Severability. If any term or provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remainder of the terms and

provisions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the Parties shall use their best efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term or provision.

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

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


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

[Signatures on Following Page]

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

NHA:

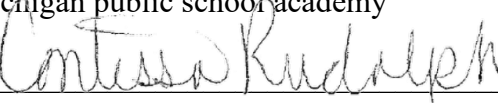
National Heritage Academies, Inc.,
a Michigan corporation

By: _____

Its: Chief Financial Officer

SCHOOL:

Pembroke Academy,
a Michigan public school academy

By: _____

Its: Board President

CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

PHYSICAL PLANT DESCRIPTION

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

Physical Plant Description 6-1

Site Plan 6-3

Floor Plans 6-4

Lease Agreement 6-7

Office of Fire Safety Approval 6-8

Bureau of Fire Services’ Inspection Report..... 6-9

Certificate of Use and Occupancy 6-10

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 Pembroke Academy (the "Academy") is as follows:

Address: 19940 Mansfield St.
Detroit, MI 48235

Description: The Academy's Site includes a 68,213 square foot, three-story facility situated on five acres of property. There are 30 classrooms, 28 restrooms, an art room, a music room, a media center/library, gymnasium, multipurpose room, office space, storage areas, two student support spaces and a staff work room/lounge. The Site also includes a playground and soccer, baseball and green fields.

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.

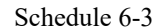
- A. Narrative description of physical facility
- B. Size of building
- C. Scaled floor plan
- D. Copy of executed lease or purchase agreement

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.

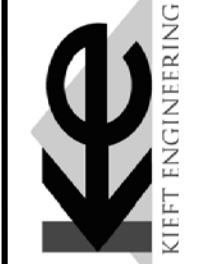
6. Any change in the configuration of grade levels at the Site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions of Contract set forth above.



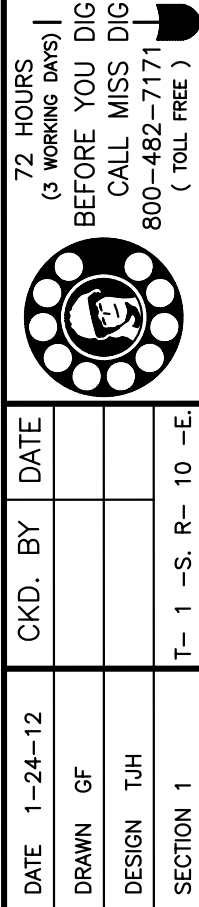
DATE	ISSUE
1-24-12	PER ARCHITECT

PROPRIETOR:
MICHIGAN TECHNICAL ACADEMY
23750 ELMIRA
REDFORD, MICHIGAN 48239
C/O JEREMY GILLIAM

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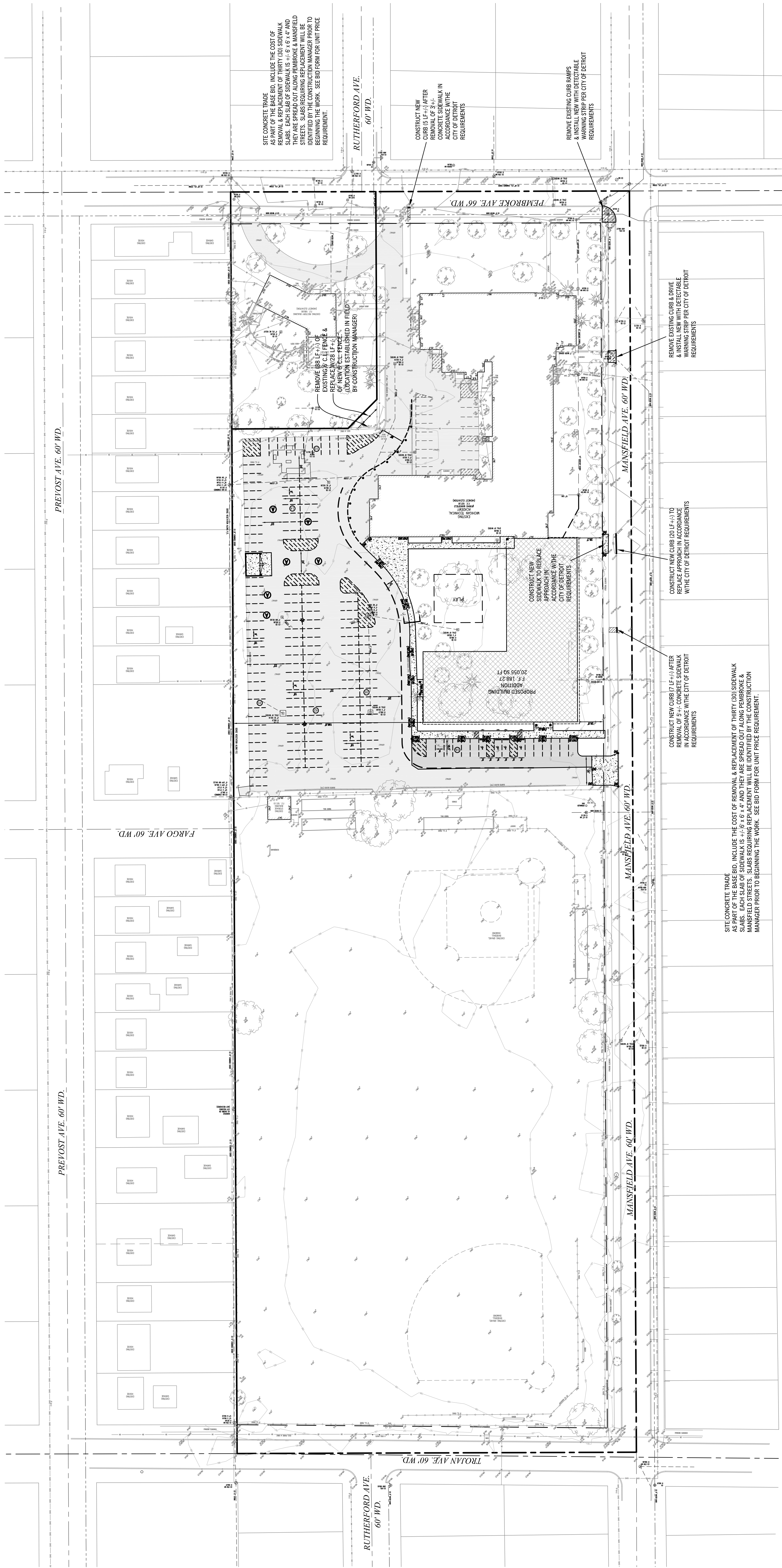
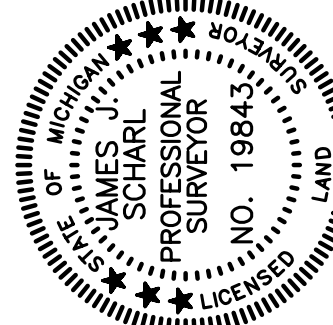
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REG. PROF. ENGINEER AND REG. LAND SURVEYOR
5852 SOUTH MAIN STREET, STE #1, CLARKSTON, MICHIGAN 48346
PHONE (248) 625-5251 FAX (248)

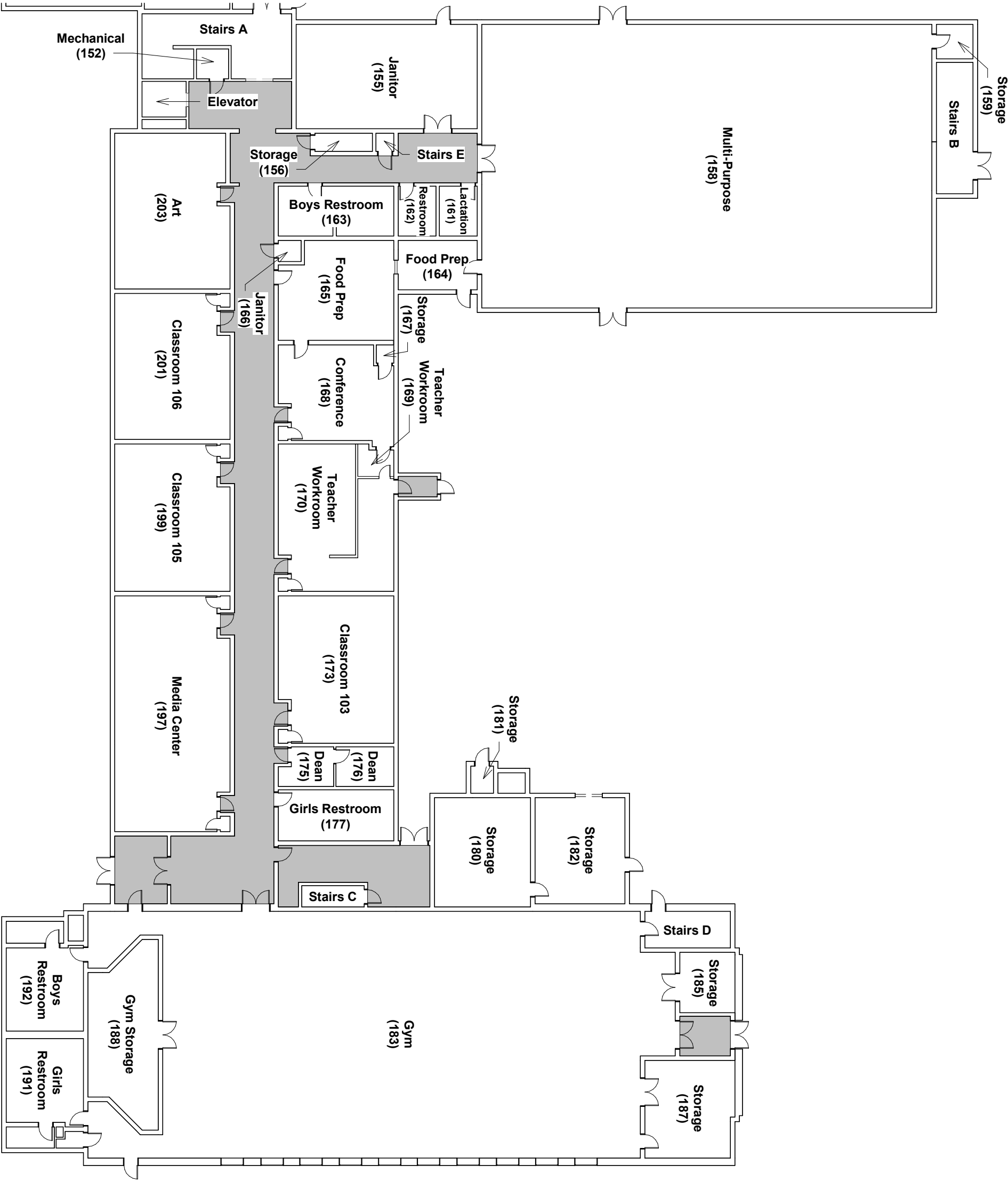


OVERALL SITE PLAN
PEMBROKE ACADEMY
PART OF THE NORTHEAST 1/4 OF SECTION 1, T1S, R10E,
CITY OF DETROIT, WAYNE COUNTY, MICHIGAN

SCALE	1" = 50'
SHEET	5 OF 6

KE 2011.153

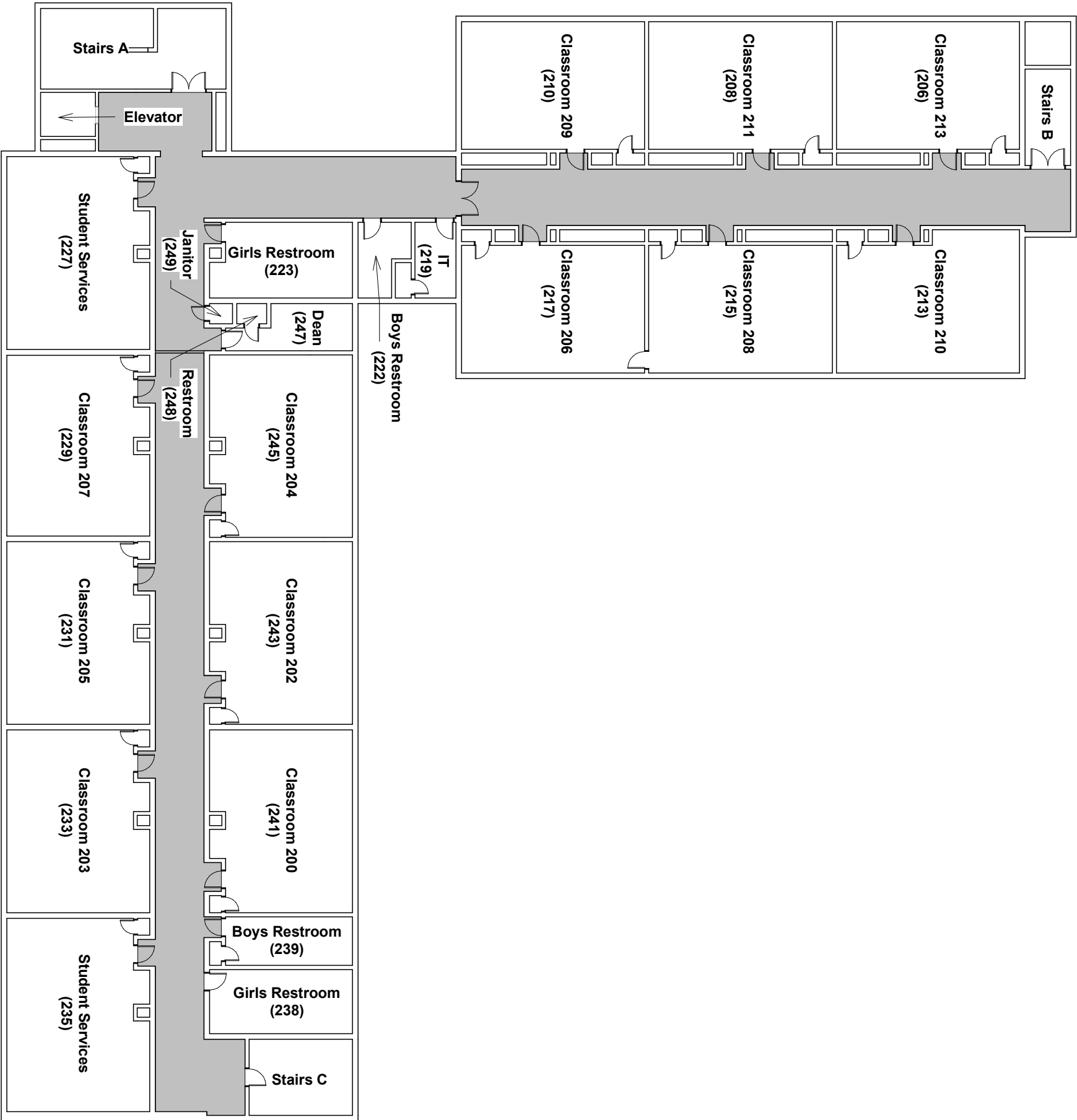




Pembroke Charter Academy
19940 Mansfield Street
Detroit, MI 48235

FMX First Floor Plan -
Section 2 - Last
Updated 3.28.2023

This document is conceptual in nature and was developed with the available resources to provide an additional level of information for project support.



This document is conceptual in nature and was developed with the available resources to provide an additional level of information for project support.

FMX Second Floor Plan
- Last Updated
3.28.2023

Pembroke Charter Academy
19940 Mansfield Street
Detroit, MI 48235



LEASE

THIS LEASE (“**Lease**”) by and between National Heritage Academies, Inc., a Michigan corporation, of 3850 Broadmoor SE, Grand Rapids, Michigan 49512 (“**Landlord**”), and Pembroke Academy, a public school academy chartered under the laws of the State of Michigan, having an address of 19940 Mansfield Street, Detroit, Michigan 48235 (“**Tenant**”) is effective the 1st day of July 2023, (the “**Effective Date**”). For purposes of this Lease, Landlord and Tenant shall be referred to collectively as the “**Parties**.”

RECITALS

A. Landlord (defined in Section 22.5), as tenant, and Charter Development 4, LLC, as landlord (together with its successors, assigns and successors in interest, the “**Master Landlord**”) are party to that certain Master Lease Agreement effective January 1, 1999, as amended (the “**Master Lease**”).

B. Landlord and Master Landlord amended the Master Lease to subject the Premises thereto and Landlord has the authority under the Master Lease to sublease the Premises to Tenant.

C. Tenant desires to continue to sublease the Premises from Landlord, and Landlord desires to so sublease the Premises to Tenant, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth above and herein, Landlord and Tenant agree as follows:

ARTICLE 1

The Premises and Other Agreements.

1.1 Premises. Landlord hereby leases to Tenant, on the terms and conditions hereinafter set forth, the real estate located in the City of Detroit, Wayne County, Michigan with an address of 19940 Mansfield Street, Detroit, Michigan 48235 and more particularly described on Exhibit “A” attached hereto (the “**Land**”), and all improvements located on the Land (the Land and such improvements as they may exist from time to time, hereinafter referred to as the “**Premises**”).

1.2 Master Lease. This Lease is subordinate and subject to the Master Lease and the unrecorded lease between Adam J. Maida, Roman Catholic Archbishop of the Archdiocese of Detroit and University of Detroit Jesuit High School and Academy and attached hereto as Exhibit B, to allow for the shared use of the recreation fields located on the Premises through June 30, 2024. Tenant covenants that it shall not through its negligent, intentional, or wrongful acts or omissions knowingly cause a breach or default on the part of Landlord under the terms of the Master Lease. To the extent permitted by law, Tenant shall indemnify Landlord against all liability, judgments, costs, damages, claims costs and expenses, including, without limitation, reasonable attorney’s fees arising out of or relating to Tenant’s breach of the foregoing provision. Landlord represents and warrants to Tenant that the terms of this Lease are not inconsistent with the terms

of the Master Lease, and Tenant's compliance with the terms of this Lease will not constitute a breach of the terms of the Master Lease. Landlord hereby indemnifies Tenant against all liability, judgments, damages, claims, costs and expenses, including, without limitation, reasonable attorneys' fees arising out of or relating to Landlord's breach of the covenants, representations or warranties under the Master Lease.

1.3 Services Agreement.

A. In accordance with the terms and conditions of that certain "**Services Agreement**" of even or similar date herewith, by and between Landlord and Tenant, Landlord has contractually agreed to manage and operate the Premises and the school located on the Premises, and in connection with the same, Landlord is obligated to fulfill certain obligations assigned to Tenant under the terms of this Lease (the "**Services Obligations**"). In the event that Landlord fails to timely perform or fulfill one or more of the Services Obligations and said failure (a) is not otherwise excused, or subject to notice and an unexpired cure period, by the terms of the Services Agreement, and (b) is not due to the fault of Tenant, then said failure, in and of itself, shall not be deemed to be a Default by Tenant under the terms of this Lease. The foregoing sentence shall be of no further force and effect in the event of expiration or termination of the Services Agreement for any reason.

ARTICLE 2

Term.

2.1 Initial Term and Renewals. The "**Initial Term**" of this Lease shall commence on July 1, 2023 and shall terminate effective June 30, 2024 (the "**Initial Term Expiration**"), unless sooner terminated as hereinafter set forth. Provided that (a) Tenant is not then in Default under this Lease, the Services Agreement, or any charter granted to Tenant by its Authorizer the ("**Charter**") (as defined in Section 13..D. below), and (b) this Lease, the Services Agreement, and the Charter are still in full force and effect, then, unless a Notice of Non-Renewal is sent as provided below, on the Initial Term Expiration (and each anniversary thereof, during the Term of this Lease), this Lease shall be automatically renewed for successive one (1) year terms, upon the same terms and conditions as contained herein. The "**Term**" of this Lease shall mean the Initial Term and every renewal term entered into by Landlord and Tenant. The term "**Upcoming Expiration Date**" shall mean the Initial Term Expiration, or if the Initial Term Expiration has occurred, then the upcoming anniversary of the Initial Term Expiration. If either party, in its sole discretion, does not wish for this Lease to automatically renew, then at least one hundred eighty (180) days prior to the Upcoming Expiration Date, such party must notify the other party in writing that it does not wish the Term to be renewed (a "**Notice of Non-Renewal**"). Upon the timely delivery of a Notice of Non-Renewal, this Lease shall terminate on the Upcoming Expiration Date. If either party defaults under Article 13 of the Lease and the Lease is terminated or Tenant's possessory rights extinguished as a result thereof, the Term shall automatically end at the expiration of the then current one year Term and the Notice of Non-Renewal requirement shall be waived. The parties acknowledge that the Tenant's authorizer (the "**Authorizer**"), as part of any

reauthorization or renewal, may require the Tenant to submit a new lease for review by the Authorizer.

Notwithstanding the foregoing, if the Contract is suspended, revoked, or terminated, or a new Contract is not issued to the Tenant after expiration of the Contract, this Lease shall automatically be suspended or terminated, as the case may be, on the same date as the Contract is suspended, revoked, terminated or expires without further action of the parties.

2.2 Amendment Caused by Academy Site Closure or Reconstitution. In the event that the Tenant is required (i) to close an Academy site pursuant to a notice issued by the State School Reform/Redesign Officer under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and Section 10.4 of the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Lease Agreement, the parties agree that this Lease Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Tenant, and the Landlord shall have no recourse against the Tenant or the Authorizer's Board of Trustees for implementing such site closure or reconstitution.

ARTICLE 3

Rent.

3.1 Annual Rent. Tenant hereby leases said Premises for the Term above stated and agrees to pay Landlord annual rent of Six Hundred Forty Seven Thousand Three Hundred Sixty and No/100 Dollars (\$647,360.00), ("**Annual Rent**") in twelve (12) equal monthly installments of Fifty Three Thousand Nine Hundred Forty Six and 67/100 Dollars (\$53,946.67) (each, a "**Monthly Installment**") each payable to Landlord (or to such other "Person" (defined in Section 22.9) or agent as Landlord may specify by written notice to Tenant) in advance on the first day of each calendar month during the Term. The term "**Lease Year**" is defined to mean any twelve month period from July 1 to June 30 of the following year, during the Term. If the Term ends before the end of a Lease Year, Annual Rent shall be prorated on a daily basis and paid in advance by Tenant on the first day of the last calendar month during the Term.

3.2 Additional Rent. Any amounts due from Tenant to Landlord hereunder, other than Annual Rent, shall constitute "**Additional Rent**." Additional Rent shall, unless expressly provided to the contrary in this Lease, be payable from Tenant to Landlord on the same terms that Annual Rent is payable, with the next payment of the Monthly Installment coming due hereunder. Annual Rent and Additional Rent may be referred to collectively herein as "**Rent**".

3.3 Payments. All Rent shall be paid to Landlord at Landlord's address as set forth in the introductory paragraph hereof, or at such other address as Landlord may designate in writing in a manner consistent with Section 17.1. This Lease is a triple net lease and Rent shall be paid without setoff, counterclaim, recoupment, abatement, suspension, or deduction, except as expressly provided for herein. This Lease shall not terminate, nor shall Tenant have any right to terminate this Lease during the Term (except as otherwise expressly provided herein), nor shall

Tenant be entitled to any abatement, deduction, deferment or reduction of Annual Rent hereunder (except as otherwise expressly provided herein), nor shall the obligations of Tenant under this Lease be affected by any interference with Tenant's use of the Premises unless caused by Landlord or Master Landlord. It is the intention of the Parties hereto that the obligation of Tenant to pay Rent hereunder shall be separate and that the Rent shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease.

3.4 Landlord's Right to Increase. In the event Landlord desires or is required to make future economic investments (a) in capital improvements to the Premises for any of the "Approved Purposes" (defined herein), or (b) in acquiring additional property for the Premises for the Approved Purposes, then the Landlord shall notify the Tenant's governing board (the "**Board**") and provide the Board with the estimated amount of the capital improvement. With prior approval of the Board, Annual Rent may be adjusted by amendment to this Lease as of the immediately following July 1 in the Term to compensate Landlord for such additional economic investment upon presentation of documentation of actual costs of the improvements. "**Approved Purposes**" shall mean any of the following purposes: (i) to comply with "Legal Requirements" (defined in Section 22.6); (ii) repairs, maintenance, replacement, or improvements necessary for Landlord to comply with its obligations under the Services Agreement and this Lease, or (iii) to comply with Landlord's reasonable safety and security requirements.

ARTICLE 4

Use, Occupancy and Purpose.

4.1 Permitted Uses.

A. Tenant shall use the Premises solely for operating a publicly chartered school or academy in a manner consistent with the Charter, and for ancillary or directly related uses. No provision of this Lease shall interfere with the Board's exercise of its statutory, contractual, and fiduciary responsibilities governing the operation of the Academy.

B. Any other use of the Premises must be approved by Landlord in advance in writing.

4.2 Prohibited Uses.

A. Tenant shall not use or allow the use of the Premises for any unlawful purpose, nor shall Tenant allow the Premises to be used in violation of the Charter.

B. Tenant shall not allow the Premises to be used in violation of any public law, ordinance, rule or regulation, or in violation of any certificate of occupancy or certificate of compliance covering or affecting the Premises, or any part thereof. Tenant shall not suffer any act to be done or any condition to exist on the Premises or any part thereof which may in law constitute a nuisance, public or private, or which may make void or voidable, or increase premiums for, any insurance with respect thereto. Tenant shall not commit any waste, damage, or injury of or to the

Premises or the fixtures or any part thereof and shall take all reasonable precautions and actions to prevent others from committing any of the foregoing.

C. Tenant covenants unto Landlord that during the Term, no part of the Premises shall be used for: the operation of any (i) private or commercial golf course, (ii) country club, (iii) massage parlor, hot tub facility, or suntan facility, (iv) race track or other facility used for gambling, (v) store, the principal business of which is the sale of alcoholic beverages for consumption off premises or (vi) the rental to others of residential property (as defined in Section 168(e)(2)(A) of the Internal Revenue Code).

D. Notwithstanding anything contained in this Lease to the contrary, in the event of a breach of any of the covenants contained in this Section 4.2, Landlord may immediately terminate this Lease by written notice to Tenant.

4.3 Educational Program. Tenant shall neither use the Premises nor allow the Premises to be used at any time during the Term in a manner that interferes with the performance of Landlord's obligations under the Services Agreement, including without limitation, the implementation and delivery of the educational program at the Premises. Tenant acknowledges that the terms of the preceding sentence are intended to allow Landlord to restrict access to certain portions of the Premises at certain times provided such access restriction is at all times consistent with the implementation and delivery of the Educational Program.

ARTICLE 5

Utilities.

5.1 Utility Connections; Utility Service. Landlord represents and warrants that construction of the Premises pursuant to Section 9.1 shall include provision of connections for all utility services necessary to the operation of a school at the Premises. Utility services, including without limitation gas, electricity, light, heat, water, sewage and telephone or other communication services, shall be contracted for and paid for by Tenant.

5.2 Disclaimers. Unless due to the gross negligence or willful misconduct of Landlord, Landlord shall not be liable for (i) any failure of water supply or electric current or any service by any utility provider or local government, or (ii) injury to persons, including death, or damage to property resulting from steam, gas, electricity, water, rain or snow which may flow or leak from any part of the Premises or from any pipes, appliances or plumbing works from the street or subsurface or from any other place. Any express or implied rights, easements or licenses for view purposes or for the passage of light and air are hereby expressly disclaimed by Tenant. Except as otherwise expressly provided in this Lease or as may be provided in the Services Agreement, Landlord shall have no obligation to provide any services to Tenant or to the Premises.

5.3 Modifications and Replacements. If the existing services are required to be modified or replaced for any reason by any utility company or authorized agency, governmental or otherwise, then Tenant shall make such modifications or replacements at Tenant's expense and shall save Landlord harmless therefrom, unless changes are the result of actions by Landlord.

ARTICLE 6

Taxes.

6.1 Payment by Tenant. Tenant shall pay all (a) taxes levied on or assessed against the Premises during the Term, (b) special assessments levied on or assessed against the Premises during the Term that become due and payable during the term of this Lease, and (c) other similar charges levied on or assessed against the Premises during the Term and that become due and payable during the term of this Lease, except income and other taxes assessed against or by reason of Landlord's reversionary interest in or income from the Premises (the "Taxes"), (i) prior to the date on which any penalties, interest or late charges would apply, and to save Landlord harmless from the payment thereof, or (ii) to Landlord, in accordance with the terms of Section 6.4, provided Landlord makes the demand on Tenant required in Section 6.4. Taxes for the first and last year of the Term or any extension or renewal thereof shall be prorated on the basis of the fiscal period for which such tax is assessed.

6.2 Landlord's Option to Pay. If at any time after any tax, assessment or similar charge so charged or assessed against said Premises shall become due or payable and Tenant shall neglect or fail to pay the same, Landlord, without being obligated to do so, may pay the same at any time thereafter, and the amount of any and all such payments so made by Landlord shall be and is hereby declared to be payable as Additional Rent with the next Monthly Installment due hereunder.

6.3 Payment at End of Term. At the termination of this Lease by lapse of time or otherwise, all Taxes payable by Tenant under the provisions of this Article 6 shall be paid by Tenant to Landlord.

6.4 Monthly Installments. Upon demand of Landlord, (i) Tenant shall pay as Additional Rent, in addition to each Monthly Installment due hereunder, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable Landlord to pay at least thirty (30) days before they become due, all such taxes, assessments and other charges, and (ii) Tenant will deliver and pay over to Landlord such additional sums as are necessary to make up any deficiency in the amount necessary to enable Landlord to fully pay such taxes, assessments and other charges. Any such tax payments from Tenant may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. If Landlord receives tax payments from Tenant in accordance with this Section, then Landlord shall pay the full amount of taxes, assessments and other charges when due to the appropriate taxing authorities. In the event Tenant's tax payments under this Section are in any way insufficient to pay the full amount of taxes, assessments and other charges when due to the appropriate taxing authorities, then Tenant shall pay to Landlord, as Additional Rent, any shortfall within thirty (30) days of receiving a demand therefor from Landlord; provided, however, that if any portion of the shortfall relates to a period of time prior to or after the Term, then Landlord shall pay such amount to the appropriate taxing authorities.

6.5 Non-Real Property Taxes. In the event that the City, County, State, or any other political subdivision that has taxing authority over the Premises shall, during the Term, impose upon Landlord any tax or other governmental charge in lieu of all or any part of the Taxes (a "Non-

Real Property Tax”), such Non-Real Property Tax shall, for purposes of this Section, be treated as if it were included in the Taxes. Landlord agrees to furnish to Tenant upon request a separate accounting and supporting documentation of each Non-Real Property Tax.

6.6 Receipts. Upon demand of Landlord within ninety (90) days after the date all or any part of the Taxes are payable by Tenant, Tenant shall provide to Landlord official receipts of the appropriate taxing authority or other proof satisfactory to Landlord of the payment of such Taxes.

ARTICLE 7

Insurance.

7.1 Tenant will cause to be maintained policies of fire and extended coverage insurance on all buildings, structures, fixtures and improvements now or hereafter situated on the Premises and all other property leased hereunder in their full replacement cost. Such policies shall have no greater than eighty (80%) percent co-insurance provision and shall contain the standard “agreed amount” clause for evaluating replacement cost. Such policies shall name Tenant, Landlord, other parties designated by Landlord and the “first mortgagee” (defined in Section 22.3) as their interests may appear as insureds and such insurance shall be carried by an insurance company or companies approved by Landlord and the first mortgagee. Tenant shall make available to Landlord on request copies of said policies. Notwithstanding the aforesaid, in no event shall the manner, forms, companies, sums or length of terms be less than that required by the first mortgagee according to the terms and provisions of the “first mortgage” (defined in Section 22.2).

7.2 Each such policy shall include: (i) a standard mortgagee clause in favor of the first mortgagee; (ii) a provision to the effect that the waiver of subrogation rights by the insured does not void the coverage; (iii) a provision that the policy shall not be changed or canceled without at least thirty (30) days’ prior written notice to Landlord and the first mortgagee; and (iv) a provision that any forfeiture of the policy due to an act of Tenant shall not affect the validity insofar as Landlord or the first mortgagee are concerned.

7.3 From time to time as required by Landlord or the first mortgagee, Tenant at its expense, shall obtain from an engineer or appraiser, in the regular employ of the insurer, or an appraiser, engineer, architect or contractor designated by Tenant and approved by Landlord and the insurer, such evidence as may be required by such insurer to maintain the “agreed amount” clause eliminating the possibility of any co-insurance penalty.

7.4 If Tenant shall refuse or fail to so insure and keep insured the Premises and keep such policies in Landlord’s and first mortgagee’s possession, Landlord may at its election procure and from time to time renew such insurance, and the amounts expended therefore shall be Additional Rent due from Tenant with the next installment of Rent accruing hereunder and may be collected in the same manner as though Rent due hereunder.

7.5 Upon demand from Landlord, Tenant shall pay in advance as Additional Rent, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable

Landlord to pay at least thirty (30) days before they become due all insurance premiums on all policies of insurance required or allowed to be carried by Tenant hereunder. Such Additional Rent may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. Upon demand by Landlord, Tenant will pay Landlord, as Additional Rent, such additional sums as are necessary to make any deficiency in the amount necessary to enable Landlord to fully pay such premiums.

7.6 Landlord shall have no liability for damage to or loss of personal property located upon the Premises, unless and to the extent caused by Landlord.

ARTICLE 8

Casualty; Restoration.

8.1 If the Premises are damaged by fire or other casualty (a “**Casualty**”), Tenant shall give immediate written notice thereof to Landlord and the first mortgagee (“**Tenant’s Casualty Notice**”). Landlord shall, within 60 days after receipt of Tenant’s Casualty Notice, deliver to Tenant a good faith estimate (the “**Damage Notice**”) of the time needed to repair the damage caused by such Casualty (“**Restoration**”).

If the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within 210 days after the commencement of repairs (the “**Repair Period**”), then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

If a Casualty occurs and (1) Landlord estimates that the damage cannot be repaired within the Repair Period, (2) regardless of the extent of damage, (a) the damage occurs during the last twelve (12) months of the Term or (b) the damage is not fully covered by Tenant’s insurance policies or any insurance Landlord may carry on the Premises or (c) Landlord makes a good faith determination that restoring the damage would be uneconomical, or (3) Landlord is required to pay any insurance proceeds arising out of the Casualty to a first mortgagee, then, in any such case, Landlord may terminate this Lease by giving written notice of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, Landlord shall not be required to repair or replace any improvements, alterations or betterments made by Tenant within the Premises (which shall be promptly repaired and restored by Tenant at Tenant’s sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Project, and Landlord’s and Tenant’s obligations to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord and Tenant respectively for the Casualty in question. If this Lease is terminated under the provisions of this Article 8, Landlord

shall be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

8.2 Rent insurance proceeds, if payable, shall be applied by Tenant to the payment of, when and as due and payable, the installments of Rent and other payments due under this Lease until Restoration has been completed or until the Lease is terminated pursuant to any of the terms hereof. The balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

8.3 During any period of Restoration, Rent shall abate in proportion to the portion of the Premises that cannot be used for school purposes in Tenant's reasonable determination.

ARTICLE 9

Care of Premises.

9.1 Landlord shall cause the school building on the Premises to be constructed and maintained in a good and workmanlike manner, and in compliance with all Legal Requirements. Landlord shall, upon reasonable request, make available to the Tenant's independent auditor and the Charter School Office of the Authorizer, records in Landlord's possession relating to the building and mechanical systems of the Premises and other records Landlord is required to maintain and disclose under the terms of this Lease. Tenant will accept the possession of the Premises and keep the Premises in good condition and repair, and will yield and deliver the same to Landlord at the expiration or termination of the Lease in as good a condition as when taken, reasonable use and wear thereof, and damages thereto by Landlord or its agents or invitees, excepted. Tenant shall also maintain all portions of the Premises and adjoining areas in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions, except for those attributable to Landlord's use or action. Tenant may not make any repairs, alterations, additions, changes or improvements to the Premises, except as described above in Section 5.3, without the written consent of Landlord. All repairs, alterations, changes or improvements shall be completed and maintained by Tenant in good workmanlike condition, free and clear of all liens and encumbrances arising out of such work. In the event Landlord procures equipment, materials and supplies from third parties at Tenant's request using funds from the Board Spending Account (as defined in the Services Agreement), then as to the purchase of such equipment, materials and supplies Landlord (i) shall comply with any applicable competitive bidding laws, and (ii) shall not charge Tenant any fees or charges for Landlord's having procured such equipment, materials and supplies, provided, however, that the foregoing will not prohibit Landlord from charging Tenant for any actual costs incurred, including but not limited to taxes, shipping, permits, installation and other similar expenses.

9.2 Without limiting the rights granted to Landlord under Article 4 of this Lease, Landlord shall have the right to enter upon the Premises for the purpose of making any repairs thereto and performing any work thereon which may be necessary by reason of Tenant's failure to

make any such repairs or perform any such maintenance work as provided herein. Except in case of emergency, the privilege and right of entry shall be exercised at reasonable times and at reasonable hours. Tenant shall pay the cost of any such repairs and maintenance work to Landlord, upon demand therefor and upon submission of satisfactory evidence of Landlord's payment of such costs which sums shall constitute Additional Rent.

ARTICLE 10

Liability.

10.1 To the extent permitted by law, Tenant agrees to save Landlord and the first mortgagee harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from any injury or death to any person or damage to any property in, on, or about the Premises which arise out of (i) gross negligence or willful misconduct of Tenant, or (ii) any noncompliance or breach by Tenant of any of the terms, conditions, warranties, representations, or undertakings made by or applicable to Tenant contained in or made pursuant to this Lease. Tenant agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of Landlord, Tenant and the first mortgagee as their interests may appear, in an amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to Landlord at least annually. In the event Tenant defaults as to any such obligations, Landlord may obtain such insurance and charge the cost thereof to Tenant as Additional Rent, payable with the monthly installment next coming due.

10.2 To the extent permitted by law, Landlord agrees to save Tenant harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from (i) any injury or death to any person or damage to any property in, on, or about the Premises to the extent caused by willful misconduct or negligence by Landlord, or (ii) any noncompliance or breach by Landlord of any of the terms, conditions, warranties, representations, or undertakings made by or applicable to Landlord contained in or made pursuant to this Lease. Landlord agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of Landlord and Tenant as their interests may appear, in an amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to Tenant; Landlord agrees to furnish to Tenant upon request certificates of insurance evidencing such insurance.

10.3 Each party hereto, for itself and its respective successors and assigns (including any person, firm or corporation which may become subrogated to any of its rights), waives any and all rights and claims for recovery against the other party, and its officers, employees, agents, and assigns, or any of them, on account of any loss or damage to any of its property insured under any valid and collectible insurance policy or policies, to the extent of any recovery collectible under such insurance. Notwithstanding the foregoing, this waiver shall not be applicable if it has the effect of invalidating any insurance coverage of Landlord or Tenant.

ARTICLE 11

Compliance.

11.1 During the Term, Tenant shall assure compliance with all Legal Requirements relating to Tenant, the conduct of Tenant's business or pertaining to or otherwise affecting the use of the Premises; and Tenant shall reimburse Landlord for any damages or penalties suffered because of any such noncompliance, to the extent permitted by law. Landlord hereby represents that as of the Effective Date, the Premises is in compliance with all Legal Requirements; and Landlord shall reimburse Tenant for any damages or penalties suffered because of any such noncompliance. Notwithstanding the foregoing, Tenant shall not be required to perform or pay for any structural modifications, alterations or additions to the Premises required by any Legal Requirements except to the extent such modifications, alterations or additions are required as a result of the particular use of the Premises by Tenant.

ARTICLE 12

Assignment and Subletting.

12.1 Tenant shall not assign, transfer, sublet or otherwise allow the use by another Person of the Premises or any part thereof or any interest hereunder without first obtaining the written consent of Landlord, which may be withheld by Landlord for any reason. Landlord will not withhold consent unreasonably if the use request is consistent with the Tenant's Facility Use Policy, which has been created with Landlord's review and approval. Landlord may, in its sole discretion, assign, transfer, pledge and convey its rights, title and interests in the Premises and/or this Lease, without the consent of or notice to Tenant; provided, however, the terms and conditions of this Lease as set forth herein as of the execution date of this Lease shall have not been modified or amended and shall be subject to Section 23.3 hereof. Tenant shall not grant any third party an ongoing right to occupy the Premises without Tenant providing the Landlord and the Director of the Charter School Office of the Authorizer with written notice not less than thirty (30) days prior to such occupancy.

ARTICLE 13

Default.

13.1 Tenant shall be in default upon occurrence of any of the following events (any of the following, a "**Default**");

A. Failure by Tenant to pay any portion of Rent for a period of more than ten (10) days after Tenant receives written notice of such failure to pay from Landlord (a "**Monetary Default**"); provided in no case shall Landlord be obligated to send notice of failure to pay more than twice in any twelve (12) month period.

B. Failure by Tenant to comply with any term, provision, condition, or covenant of this Lease (other than a Monetary Default or as specified in Subsection E. below), if such failure is not cured by Tenant within a period of thirty (30) days after Tenant receives written notice from Landlord specifying such failure (or such additional time as is reasonably necessary if the default is not capable of being cured within said 30-day period and Tenant is diligently pursuing the cure thereof).

C. Tenant's becoming insolvent, as that term is defined by any federal or state law or regulation (the "**Insolvency Laws**"); the appointment of a receiver or custodian for all or a substantial portion of Tenant's property or assets; the institution of a foreclosure action upon all or a substantial portion of Tenant's real or personal property; the filing of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; the filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is either not dismissed within sixty (60) days of filing, or results in the issuance of an order for relief against the debtor, whichever is later; or Tenant's making or consenting to an assignment for the benefit of creditors or a common law composition of creditors, or if Tenant's leasehold interest herein shall be levied on execution.

D. Expiration or discontinuance for any reason of the Charter", other than an expiration or discontinuance which results in a new Charter effective as of termination of the existing Charter and with terms which would not, in Landlord's reasonable opinion, substantially alter Tenant's ability to comply with the terms of the Lease, Services Agreement, or the Charter.

E. Failure by Tenant to deliver the certificate required by Section 23.2 within the time required by such Section.

13.2 Landlord's Remedies. Upon the occurrence of any Default and the lapse of any grace or cure periods without cure thereof, Landlord shall have the option to pursue any one or more of the following remedies upon notice to Tenant:

13.2.1. *Termination.* Terminate this Lease or terminate Tenant's right to possession, subject to Tenant's right to stay in possession of the Premises until the end of the current school year in accordance with the Services Agreement, and in either event, accelerate all obligations of Tenant owed to Landlord under the Lease and force Tenant to immediately surrender the Premises to Landlord. Tenant agrees to pay to Landlord on demand the costs which Landlord may suffer by reason of such termination. Immediately upon any termination Landlord shall be entitled to recover from Tenant (i) all outstanding and unpaid Rent as of the date of such termination, (ii) the unamortized cost of any initial work performed according to this Lease by Landlord in anticipation of Tenant's occupancy, and (iii) the amount of any Rent that was abated pursuant to this Lease.

13.2.2. *Possession.* Subject to Tenant's right to stay in possession of the Premises until the end of the current school year in accordance with the Services Agreement, enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be present, without terminating the Lease or being liable for prosecution or any claim for damages, and, if Landlord so elects, relet the Premises on such terms as Landlord may determine.

13.2.3. *Entry.* Enter upon the Premises without being liable for prosecution or any claim for damages, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations.

13.2.4. *Mitigation.* Landlord shall have a duty to mitigate damages in the event of a Tenant Default, provided, however, that Landlord shall not be obligated (a) to favor the Premises for re-letting in comparison to other real property owned or leased by Landlord in the vicinity of the Premises, (b) to discount or disregard any of the following factors regarding a potential new tenant for the Premises: term of proposed lease, proposed rent, proposed use and the creditworthiness and reputation of the proposed tenant, or (c) to spend more toward re-letting the Premises than Landlord would spend in leasing real property in the ordinary course of its business.

13.2.5. *Application of Proceeds.* Any proceeds of re-letting the Premises shall be applied to pay (i) first, all costs of Landlord incurred in connection with such re-letting (including without limitation, all costs and expenses of taking possession of the Premises, securing new tenants, including expenses for redecoration, alterations or other upfit costs), (ii) second, any indebtedness of Tenant other than Rent, (iii) third, all then-outstanding Rent due hereunder, and (iv) fourth, any future obligations of Tenant, including without limitation, Rent. Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such re-letting within ten (10) days of notice of the same from Landlord, following a re-letting. In the event Tenant pays to Landlord all accelerated sums due, any amounts applicable to Rent following the date of re-letting shall be reimbursed to Tenant as received.

13.3 No termination of this Lease pursuant to this Section or repossession of the Premises or any part thereof or of any other property leased hereunder shall relieve Tenant of its liabilities and obligations under this Lease that accrue during the Term, all of which shall survive any such termination or repossession. Landlord shall make a good faith effort to relet the Premises and alleviate Tenant of additional damages. Exercise of any remedy hereunder by Landlord shall not exclude the right to exercise any other remedy hereunder. Notwithstanding any of the foregoing obligations of Tenant stated herein to the contrary, upon termination of this Lease or Tenant's dispossession of the Premises, Tenant will automatically be relieved from and after the date of such termination or dispossession of all personal liability for the performance of any covenants or obligations on the part of Tenant contained in this Lease thereafter to be performed except for those liabilities expressly stated to have survived such termination or dispossession as stated herein.

13.4 To the extent applicable, Tenant has been made aware that Master Landlord as landlord under the Master Lease, or Landlord as tenant under the Master Lease, or an Affiliate (defined in Section 22.1) of either or any other Person that enjoys an interest in the Premises seeks the benefits offered pursuant to the U.S. Department of Treasury New Markets Tax Credit program and may pursue other federal, state or city funds, subsidies (including any city real estate tax exemptions or abatements) or loans (collectively, the "**Benefits**") in connection with the use of the Premises, and as a result of the grant of the Benefits, the Premises may be subject to certain use restrictions. Tenant shall have no responsibility and bear no liability for any claims, fees,

expenses, costs or other impositions arising from or in connection with the Benefits due to the termination of this Lease or Tenant's dispossession of the Premises.

13.5 Tenant may terminate this Lease, without cost or penalty to the Tenant, in the event that the Tenant is required to close the Premises covered by this Lease (i) pursuant to a notice issued by the Michigan Department of Education under Section 561 of the Code, MCL 380.561; or (ii) pursuant to a reconstitution by the Authorizer pursuant to Section 561 of the Code, MCL 380.561 and the Charter. The Landlord shall have no recourse against the Tenant or Authorizer for implementing the site closure or reconstitution. Nothing in this Section 13.5 shall prevent the Landlord from receiving Rent payments owed prior to site closure or reconstitution or relieve the Tenant from paying any costs or expenses owed under this Lease prior to site closure or reconstitution.

ARTICLE 14

Waiver of Breach.

14.1 No waiver by either party hereto of any breach of any of the terms of this Lease shall be deemed to be a waiver of any other or subsequent breach.

ARTICLE 15

Surrender.

15.1 Upon the expiration or earlier termination of this Lease, Tenant shall (i) surrender the Premises in broom clean, good condition, free and clear of all lettings and occupancies, (except those previously approved by Landlord), free and clear of all liens and encumbrances, except that part of the Premises which have been taken through eminent domain, if any, after the delivery hereof, and otherwise in the same condition as Tenant received the Premises on the first day of the Initial Term, except for the following (which are allowed to remain at the Premises): any alterations that Landlord has not required to be removed, normal wear and tear and loss by fire or other casualty losses for which insurance proceeds have been received by Landlord; (ii) surrender all keys for the Premises to Landlord; and (iii) inform Landlord of all combinations on locks in the Premises. All installations, alterations, additions and improvements, including partitions which may have been installed by either Landlord or Tenant, shall remain upon the Premises and shall become Landlord's property, all without compensation, allowance or credit. Notwithstanding the foregoing, trade fixtures purchased by or on behalf of Tenant with funds from the Board Spending Account (as defined in the Services Agreement) shall be the property of Tenant. Upon termination of this Lease, Tenant shall be entitled to remove, at Tenant's expense, any trade fixtures acquired by Tenant with Board Spending Account funds, provided that Tenant shall repair any damage to the Premises caused by its removal of such fixtures and leave the Premises in a good and safe condition; any fixtures and property of Tenant not removed within thirty (30) days after such Lease termination shall be deemed abandoned by Tenant and may, in Landlord's sole discretion, become the property of Landlord.

15.2 On or before the scheduled expiration of the Term, Tenant may elect to remove its personal property and any fixtures and equipment. Any of Tenant's items listed in the preceding sentence not removed at the end of the Term shall be considered abandoned, and Landlord may appropriate such items for itself, sell such items or otherwise dispose of the same in such commercially reasonable manner as Landlord deems expedient without any liability to Tenant or any parties claiming by, through or under Tenant. In the event the Term terminates for any reason on other than its scheduled expiration date, then Tenant shall have a period of time in which to re-enter the Premises to retrieve its personal property, beginning on the date the Term terminates and ending fifteen (15) days thereafter. Any damage caused to the Premises by such removal shall be repaired by Tenant no later than fifteen (15) days after the end of the Term, but no Rent shall be payable by Tenant for such period of time (and such continued use of the Premises by Tenant shall not be deemed a holdover or a renewal or as creating a periodic or other similar tenancy that might be implied by law). Tenant shall reimburse Landlord for any damage to any portion of the Premises caused by Tenant during the removal of any items contemplated for potential removal in this Section.

ARTICLE 16

Eminent Domain.

16.1 If all or any part of the Premises shall be taken by any Governmental Authority under power of eminent domain, or by private purchase in lieu thereof, all damages awarded for such taking shall belong to and be the property of Landlord, whether such damages shall be awarded as compensation for the taking of or diminution in value to the leasehold or the fee of the Premises and Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant may become entitled as a result thereof, provided, however, that Tenant shall be entitled to receive from such Governmental Authority compensation for its personal property so taken.

16.2 In the event that only a part of the Premises are so taken, and the part not so taken cannot be completed as an architectural unit for the use described in Section 4.1 hereof, Tenant shall have the option to terminate this Lease by serving written notice of termination on Landlord within sixty (60) days after the taking.

16.3 If only a part of the Premises shall be so taken such that the part not so taken can be completed as an architectural unit for the use described in Section 4.1 hereof, Landlord (or at Landlord's direction, Tenant) shall, as promptly as practicable, make a complete architectural unit of the remainder of the building on the Premises (but only to the extent of the proceeds received for such taking); and there shall be an abatement of the monthly Rent hereinabove provided for in an amount equal to the percentage of the Premises and the building so taken.

ARTICLE 17

Notices.

Tenant: Pembroke Academy
Attn: President, Board of Directors
For physical delivery:
[Current mailing address as maintained by Landlord]

Butzel Long
Attn: Brett Miller
150 West Jefferson Ave, Suite 100
Detroit, Michigan 48226
Telephone: (313) 225-7000
Facsimile: (313) 225-7080

WITH A COPY TO:

ARTICLE 18

Pembroke Academy – 2023 Lease

18.1 If Tenant shall at any time fail to make any payment or perform any act on its part to be made or performed hereunder, then Landlord without notice to Tenant, except when other notice is expressly provided for in this Lease and without waiving or releasing Tenant from the obligations of Tenant contained in this Lease, may (but shall be under no obligation to) make such payment or perform such act, and may enter upon the Premises for any such purpose, and take all such actions thereon as may be necessary therefore.

18.2 All sums to be paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any such act referenced in Section 18.1, together with any consequential damages Landlord may suffer by reason of the failure of Tenant to make such payment or perform such act, and counsel fees incurred by Landlord in connection therewith or in enforcing its rights hereunder, shall be paid by Tenant to Landlord on demand as Additional Rent.

18.3 Tenant agrees to hold Landlord harmless from any inconvenience or interference with Tenant's operation of its business as a result of Landlord's exercising any rights granted under Section 18.1.

ARTICLE 19

Construction Liens.

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

ARTICLE 20

Environmental Matters.

20.1 Tenant shall not use or store any "**Hazardous Materials**" (as defined in Section 20.5) on the Premises, except in compliance with Legal Requirements.

20.2 To the extent directly related to the conduct of Tenant's Board of Directors its use of the Premises, or the operation of its business thereon, Tenant, to the extent permitted by law, shall defend, indemnify (limited to the maximum indemnification allowed by Legal Requirements) and hold harmless Landlord, its employees, agents, officers and directors, 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 or release of any Hazardous Materials by Tenant, or Tenant's exacerbation of pre-existing conditions, on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons thereon by reason of Tenant's action or inaction on the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials existing on the Premises by reason of Tenant's action; (3) any lawsuit brought or threatened, settlement reached or government

order relating to such Hazardous Materials existing on the Premises by reason of Tenant's action; and/or (4) any violation of Legal Requirements based upon or in any way related to such Hazardous Materials existing on the Premises by reason of Tenant's action including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses.

20.3 To the extent directly related to the conduct of Landlord, Landlord's use of the Premises, or the operation of its business thereon, and to the extent permitted by law, Landlord shall defend, indemnify and hold harmless Tenant, its employees, agents, officers and directors, 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 or release of any Hazardous Materials by Landlord, or Landlord's exacerbation of pre-existing conditions, on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons thereon by reason of Landlord's action or inaction on the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials existing on the Premises by reason of Landlord's action; (3) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials existing on the Premises by reason of Landlord's action; and/or (4) any violation of Legal Requirements based upon or in any way related to such Hazardous Materials existing on the Premises by reason of Landlord's action including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses.

20.4 Except to the extent otherwise covered by or subject to the obligations of Landlord or Tenant as set forth in Sections 20.2 or 20.3 above, and to the extent permitted by law, Landlord shall defend, indemnify and hold harmless Tenant, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, damages, costs or expenses of whatever kind or nature, arising out of, or in any way related to (but excluding where caused, contributed to or exacerbated by the acts or omissions of Tenant, in which case Section 20.2 above will apply as applicable), (1) the presence of any Hazardous Materials on the Premises prior to Landlord's taking title to the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials existing on the Premises prior to Landlord's taking title to the Premises; (3) any lawsuit brought or threatened or government order issued relating to such Hazardous Materials existing on the Premises prior to Landlord's taking title to the Premises; and/or (4) any violation of Legal Requirements based upon or in any way related to such Hazardous Materials existing on the Premises prior to Landlord's taking title to the Premises, including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses; provided, however, that the foregoing obligations of Landlord to defend, hold harmless and indemnify shall be subject to and contingent upon Tenant promptly giving Landlord written notice and copies of any claim, suit, filing, demand or determination received by Tenant as to any of the foregoing included matters, with Landlord to have the right and option to defend and respond thereto with counsel of its choosing, and contest any such claim, suit, filing, demand and determination.

20.5 As used herein, “**Hazardous Materials**” means and includes petroleum, petroleum products, asbestos, asbestos-containing materials, radioactive materials, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), and any other water, material or substance that is defined as hazardous or toxic under or regulated by any federal, state or local agent, law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be amended from time to time) pertaining to environmental conditions, the environment, contamination or clean-up, including, without limitation, federal, state or local solid waste disposal rules, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Toxic Substances Control Act, as amended, the Water Pollution Control Act, as amended, the Clean Air Act, as amended, or any other applicable federal, state or local laws, regulations, publications of Governmental Authorities, or ordinances pertaining to Hazardous Materials (collectively, “**Environmental Laws**”).

20.6 Tenant shall promptly notify Landlord as soon as it knows of or suspects that any Hazardous Materials has been released or that there is a threatened release on the Premises and it shall take such action at its sole expense and with due diligence, as is necessary to ensure timely compliance with Legal Requirements unless caused by Landlord. Landlord shall promptly notify Tenant as soon as it knows or suspects any Hazardous Materials has been released or that there is a threatened release on or in the Premises and Landlord shall take such action at its sole expense and with due diligence, as is necessary to ensure timely compliance with Legal Requirements unless caused by Tenant.

20.7 The provisions of this Article 20 shall be in addition to any and all obligations and liabilities of Tenant and Landlord may have to each other under Legal Requirements, and shall survive the expiration and termination of the Lease for any reason.

ARTICLE 21

Late Charges.

21.1 In the event of any failure by Tenant to pay Rent when due, Tenant shall also pay to Landlord, as Additional Rent, a late charge of five percent (5%) of such delinquent payment.

ARTICLE 22

Certain Definitions.

22.1 The term “**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person or any of its subsidiaries. As used in this definition, the term “**control**” means (a) the power to vote five percent (5%) or more of the securities or other equity interests of a Person having ordinary voting power, or (b) the possession, directly or

indirectly, of any other power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

22.2 The term “**first mortgage**” means any mortgage now existing or hereafter becoming a first and paramount lien on the Premises, subject to easements and restrictions of record, and all assignments, modifications, extensions and renewals thereof.

22.3 The term “**first mortgagee**” or “**holder of the first mortgage**” means the Person(s) who is(are) the holder(s) or beneficiary(ies) under the first mortgage from time to time.

22.4 The term “**Governmental Authority**” or “**Governmental Authorities**” means the government of the United States of America or any state or other political subdivision of either thereof, or any entity that exercises executive, legislative, regulatory, administrative, judicial, quasi-governmental or quasi-judicial functions of, or pertaining to, any such government, whether now or hereafter in existence having jurisdiction over the matter or matters in question.

22.5 The term “**Landlord**” is limited to mean and include, so far as covenants, agreements, stipulations or obligations on the part of Landlord are concerned, the tenant under the Master Lease to the Premises or its assignee, at the time in question, and in the event of any transfer or transfers of the title to such fee Landlord herein named (and, in case of any subsequent transfers or conveyances, the then grantor) will automatically be relieved from and after the date of such transfer or conveyance of all personal liability for the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed.

22.6 The term “**Legal Requirements**” means (i) all present and future applicable laws, statutes, treaties, rules, orders, ordinances, codes (including, without limitation, building and life-safety codes), regulations, requirements, permits, and interpretations by, and applicable judgments, decrees, injunctions, writs and like action even if unforeseen or extraordinary of any Governmental Authority (including, without limitation, Environmental Laws (defined herein), laws and regulations pertaining to health and safety, Insolvency Laws (defined herein), the Fair Housing Amendments Act of 1988, the Americans with Disabilities Act of 1990, and any other applicable Federal, State or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct relating to barrier-free access or access of the handicapped or disabled to the Premises, and laws and regulations pertaining to the construction, restoration, use and operation of schools); and (ii) any reciprocal easement agreement, agreement, contract, instrument, restriction or similar agreement relating to the use, occupancy, possession, operation, alterations, repairs or maintenance of the Premises or otherwise affecting the Premises.

22.7 The term “**mortgage**” means any mortgage, deed of trust, deed to secure debt or other security instrument now existing as, or hereafter becoming a lien on the Premises.

22.8 The term “**mortgagee**” means the Person(s) who is(are) the holder(s) or beneficiary(ies) under any mortgage from time to time.

22.9 The term “**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

ARTICLE 23

Subordination; Estoppel Certificates.

23.1 Tenant agrees that Landlord, or any mortgagee or lessor under any applicable ground or other underlying lease, may choose to make this Lease subordinate or paramount to any mortgages or ground or underlying leases now or hereafter affecting the Premises and to any and all advances to be made thereunder or to be secured thereby, and to the interest and charges thereon, and to all renewals, replacements and extensions thereof, and that upon any taking of possession of the Premises and accession to the interest of Landlord under this Lease by such lessor or mortgagee, Tenant shall attorn to and recognize such Person as landlord hereunder; provided the mortgagee, lessor under any such ground or underlying leases, Landlord or any trustee named in any such mortgages or leases shall agree (i) to recognize the Lease of Tenant in the event of foreclosure if Tenant is not in Default and (ii) that Tenant’s possession of the Premises under this Lease shall not be disturbed by such Person unless there is a Default. Tenant will execute promptly any instrument or certificate that Landlord may request to confirm such subordination.

23.2 Tenant, within ten (10) days after request by Landlord, will execute and deliver to Landlord (and any mortgagee or prospective mortgagee, or any current or prospective ground or underlying lessor, to the extent specified by Landlord) an estoppel certificate as to such reasonable facts and circumstances under this Lease as may be requested, but in any case including the following (i) identifying the commencement date and expiration date of this Lease, (ii) stating that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, and then stating such modifications, (iii) stating that, to Tenant’s actual knowledge (without investigation), Tenant does not claim that Landlord is in default in any way, or listing any such claimed defaults, (iv) the amount of Monthly Installments then payable hereunder and Additional Rent, if any, as of the date of the certificate, (v) the date to which the Rent has been paid in advance, and (vi) the amount of any security deposit or pre-paid Rent. If Tenant fails to deliver the executed certificate to Landlord within the ten (10) day period, Tenant shall be in Default without benefit of any cure period, and the proposed certificate will be conclusively deemed executed by Tenant.

23.3 Upon the receipt of a notice from Landlord, Tenant agrees to pay all such sums owing under this Lease directly to the account or party specified in such notice.

ARTICLE 24

Quiet Enjoyment.

24.1 All times when Tenant is not in Default, Tenant’s quiet and peaceable enjoyment of the Premises will not be disturbed or interfered with by Landlord or any Person claiming by, through or under Landlord.

ARTICLE 25

Holding Over.

25.1 Any holdover by Tenant in the Premises beyond the expiration or termination of the Term, shall not be deemed to be a renewal or extension of this Lease or any extension thereof or the exercise of any option to extend or renew this Lease, but said holding over shall be deemed a tenancy from calendar month to calendar month at a monthly Rent equal to two hundred percent (200%) of the Monthly Installment for the last month paid under the Term. A month-to-month tenancy arising by holding over under this Section may be terminated by either Landlord or Tenant giving written notice to the other party hereto on or before the day any Monthly Installment is due with termination becoming effective on the day the next following Monthly Installment would have otherwise become due.

ARTICLE 26

Remedies Not Exclusive; Waiver.

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

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

ARTICLE 27

Right To Show Premises.

27.1 Landlord may show the Premises at reasonable times and may display about the Premises signs advertising the availability of the Premises at any time during the Term of this Lease.

ARTICLE 28

Landlord's Liability.

28.1 If Landlord fails to perform any provision of this Lease upon Landlord's part to be performed, and if as a consequence of such default Tenant recovers a money judgment against Landlord, such judgment may be satisfied only out of the proceeds of sale received upon execution of such judgment (subject to any prior mortgages and ground or underlying leases) and levied thereon against the right, title and interest of Landlord in the Premises and out of rents or other income from such property receivable by Landlord, and Landlord shall not be personally liable for any deficiency.

ARTICLE 29

General.

29.1 References in this Lease to Persons have been generalized for ease of reading. Therefore, references to a single Person will also mean more than one Person whenever such usage is appropriate (for example, "**Tenant**" may include, if appropriate, a group of Persons acting as a single entity, or as tenants-in-common). Similarly, pronouns of any gender should be considered inter-changeable with pronouns of other genders. If a party consists of more than one Person, such Persons shall be jointly and severally liable for the obligations of such party under this Lease.

29.2 Any waiver or waivers by either party of any of the provisions of this Lease will not constitute a waiver of any later breach of that provision, and any consent or approval given by either such party with respect to any act, neglect or default by the other party will not waive or make unnecessary the other party's consent or approval with respect to any later similar act, neglect or default by such other party.

29.3 In the event any provision contained herein shall be held to be invalid or unlawful for any reason, such provision shall be deemed to be stricken from this Lease, with the understanding that the remaining provisions hereof shall continue to be binding on the Parties.

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

29.5 This Lease can be modified or amended only by a written agreement signed by Landlord and Tenant. The parties acknowledge that Tenant is required to submit all amendments to this Lease to the Charter School Office of the Authorizer (unless waived in writing by the Director of the Charter School Office as to non-substantive amendments), and by executing any amendment to this Lease, Tenant represents and warrants that it has complied with the foregoing requirement and will provide Landlord with satisfactory written proof of such compliance upon request. Tenant has the responsibility to ensure that, to the extent required by the Authorizer, executed amendments are incorporated into the Charter by amendment with the Authorizer.

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

29.7 The laws of the state in which the Premises are located will control in the construction and enforcement of this Lease, without regard to any laws or policies of such state regarding conflicts of law.

29.8 Time is of the essence of all terms and conditions of this Lease.

29.9 Landlord and Tenant each represent and warrant to the other that neither of them has contacted a broker, finder or similar Person in connection with this Lease, and to the extent permitted by law, each party shall defend, indemnify and hold the other harmless from and against all liability, cost and expense, including reasonable attorneys' fees, incurred as a consequence of any claim asserted by a Person alleging to have dealt with one of the Parties hereto in connection with this Lease.


29.10 This Lease shall not be construed to interfere with the constitutional, statutory, or fiduciary duties of the Tenant.

[Signatures on Following Page]

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

LANDLORD:

National Heritage Academies, Inc.
a Michigan corporation

By: _____

Its: Chief Financial Officer

Dated: 6.29.23

TENANT:

Pembroke Academy,
a Michigan public school academy

By: _____

Its: Board President

Dated: 6/28/23

EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

Part of the Northeast 1/4 of Section 1, Town 1 South, Range 10 East, City of Detroit, Wayne County, Michigan, described as: Beginning at a point on the East-West 1/4 line located North 89 degrees 52 minutes 10 seconds East 893.20 feet (Recorded as North 88 degrees 23 minutes 43 seconds East 892.94 feet) from the center of Section 1, Town 1 South, Range 10 East, thence North 00 degree 18 minutes 01 second West (Recorded as North 01 degree 39 minutes 37 seconds West) 1307.72 feet along the centerline of Mansfield Avenue (60.00 feet wide) to an Easterly corner of "ALPER-GREEN SUBDIVISION" as recorded in Liber 71, pages 87 and 88, Wayne County Records, thence North 89 degrees 49 minutes 19 seconds East (Recorded as North 88 degrees 23 minutes 43 seconds East) 413.95 feet along the Southeasterly line of said "ALPER-GREEN SUBDIVISION" to the Northwest corner of "MURRAY HILL ALLOTMENT" as recorded in Liber 37 of Plats, page 16, Wayne County Records, thence South 00 degree 16 minutes 27 seconds East (Recorded as South 01 degree 39 minutes 37 seconds East) 1062.37 feet along the West line of said "MURRAY HILL ALLOTMENT", thence South 89 degrees 43 minutes 33 seconds West 120.48 feet, thence South 44 degrees 43 minutes 33 seconds West 42.43 feet, thence South 00 degree 16 minutes 27 seconds East 215.32 feet to a point on the North line of "LONGVIEW SUBDIVISION" as recorded in Liber 43 of Plats, page 81, Wayne County Records, thence South 89 degrees 52 minutes 10 seconds West (Recorded as South 88 degrees 23 minutes 43 seconds West) 262.87 feet along the North line of said "LONGVIEW SUBDIVISION" also being the East-West 1/4 line to the Point of Beginning, EXCEPT the West 30.00 feet taken for Mansfield Avenue, EXCEPT South 33.00 feet taken for Pembroke Avenue and that part taken for Trojan Avenue.

EXHIBIT "B"

**LEASE BETWEEN ADAM J. MAIDA, ROMAN CATHOLIC ARCHBISHOP OF THE
ARCHDIOCESE OF DETROIT AND UNIVERSITY OF DETROIT JESUIT HIGH
SCHOOL AND ACADEMY**

ASSIGNMENT AND ASSUMPTION OF LEASES

THIS ASSIGNMENT AND ASSUMPTION OF LEASE is dated March 30, 2018, by and between MICHIGAN TECHNICAL ACADEMY, a nonprofit corporation and a public school academy, by and through its Court appointed Receiver, Richard Gorges, whose address is 5700 Crooks Road, Suite 108, Troy, Michigan 48098 ("Assignor") and CHARTER DEVELOPMENT COMPANY, L.L.C., a Michigan limited liability company, whose address is 3850 Broadmoor Avenue, SE, Suite 201, Grand Rapids, Michigan 49512 ("Assignee").

RECITALS

A. Assignor has conveyed to Assignee certain improved real estate more fully described on Exhibit A attached hereto (the "Property").

B. Assignor has agreed to assign to Assignee all of its rights and interests in all leases affecting the Property as disclosed on the attached Exhibit B (collectively referred to herein as the "Lease").

NOW, THEREFORE, in consideration of the premises and for other good and valuable consideration, the parties agree as follows:

1. **Assignment.** Assignor transfers, assigns and conveys to Assignee any and all right, title and interest which Assignor has in and to the Lease, without recourse, including all rents payable after the date hereof, without any representations or warranties whatsoever.

2. **Assumption.** Assignee agrees to assume all of Assignor's obligations as the Landlord under the Lease related to the periods subsequent to the date hereof, including, the obligation to refund any Tenant security deposits and to indemnify, defend and hold harmless Assignor from and against any loss or damage suffered by Assignor as the result of any breach of the lessor's obligations under the Lease which occurred after the closing of the transaction contemplated in the Agreement.

3. **Entire Understanding.** This Agreement contains the entire understanding of the parties of the subject matter and the parties hereby acknowledge that there have been and are no representations, warranties, covenants or understandings other than those expressly set forth herein.

4. **Parties Bound.** The covenants, agreements, terms, provisions and conditions of this Agreement shall bind and benefit the several representatives, successors and assigns to the parties hereto.

5. **Construction.** This Agreement shall be governed by and construed according to the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties have executed this Assignment of Lease as of the date first above written.

ASSIGNOR:

**MICHIGAN TECHNICAL ACADEMY, a
nonprofit corporation and a public school
academy, by and through its Court
appointed Receiver, Richard Gorges**

By: _____
Richard Gorges
Its Receiver

ASSIGNEE:

**CHARTER DEVELOPMENT COMPANY,
L.L.C., a Michigan limited liability
company**

By: _____
Brian Britton
Its Manager

516849.docx

ASSIGNOR:

**MICHIGAN TECHNICAL ACADEMY, a
nonprofit corporation and a public school
academy, by and through its Court
appointed Receiver, Richard Gorges**

By: _____


**Richard Gorges
Its Receiver**

ASSIGNEE:

**CHARTER DEVELOPMENT COMPANY,
L.L.C., a Michigan limited liability
company**

By: _____

**Brian Britton
Its Manager**

EXHIBIT A

Part of the Northeast 1/4 of Section 1, Town 1 South, Range 10 East, City of Detroit, Wayne County, Michigan, described as: Beginning at a point on the East-West 1/4 line located North 89 degrees 52 minutes 10 seconds East 893.20 feet (Recorded as North 88 degrees 23 minutes 43 seconds East 892.94 feet) from the center of Section 1, Town 1 South, Range 10 East, thence North 00 degree 18 minutes 01 second West (Recorded as North 01 degree 39 minutes 37 seconds West) 1307.72 feet along the centerline of Mansfield Avenue (60.00 feet wide) to an Easterly corner of "ALPER-GREEN SUBDIVISION" as recorded in Liber 71, pages 87 and 88, Wayne County Records, thence North 89 degrees 49 minutes 19 seconds East (Recorded as North 88 degrees 23 minutes 43 seconds East) 413.95 feet along the Southeasterly line of said "ALPER-GREEN SUBDIVISION" to the Northwest corner of "MURRAY HILL ALLOTMENT" as recorded in Liber 37 of Plats, page 16, Wayne County Records, thence South 00 degree 16 minutes 27 seconds East (Recorded as South 01 degree 39 minutes 37 seconds East) 1062.37 feet along the West line of said "MURRAY HILL ALLOTMENT", thence South 89 degrees 43 minutes 33 seconds West 120.48 feet, thence South 44 degrees 43 minutes 33 seconds West 42.43 feet, thence South 00 degree 16 minutes 27 seconds East 215.32 feet to a point on the North line of "LONGVIEW SUBDIVISION" as recorded in Liber 43 of Plats, page 81, Wayne County Records, thence South 89 degrees 52 minutes 10 seconds West (Recorded as South 88 degrees 23 minutes 43 seconds West) 262.87 feet along the North line of said "LONGVIEW SUBDIVISION" also being the East-West 1/4 line to the Point of Beginning, EXCEPT the West 30.00 feet taken for Mansfield Avenue, EXCEPT South 33.00 feet taken for Pembroke Avenue and that part taken for Trojan Avenue.

BUTLER CASE

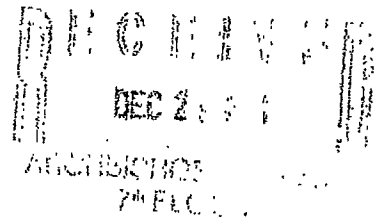


UNIVERSITY OF DETROIT JESUIT
HIGH SCHOOL AND ACADEMY

Office of the President

December 22, 2011

Archbishop Allen H. Vigneron
Archdiocese of Detroit
1234 Washington Blvd.
Detroit, MI 48226-1825



His Excellency Most Reverend Allen H. Vigneron:

Pursuant to Paragraph 19 of the Lease Agreement dated June 15, 2006, between Adam J. Maida, Roman Catholic Archbishop of the Archdiocese of Detroit, and University of Detroit Jesuit High School and Academy, this letter constitutes notice by U of D Jesuit of the exercise of our option to extend the Lease for an additional ten year period, from July 1, 2014 through June 30, 2024, upon the same terms and conditions as set forth in the Lease.

Please acknowledge the extension of the Lease where indicated below.

Thank you for your attention to this matter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Karl J. Kiser".

Karl J. Kiser, S.J.
President

Acknowledged and Agreed in accordance with the foregoing.

A handwritten signature in dark ink, appearing to read "Allen H. Vigneron".

Allen H. Vigneron, Roman Catholic Archbishop
of the Archdiocese of Detroit

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LEASE AGREEMENT

This Lease (hereinafter called the "Agreement"), entered into as of the 15th day of June, 2005, by and between ADAM J. MAIDA, ROMAN CATHOLIC ARCHBISHOP OF THE ARCHDIOCESE OF DETROIT, whose address is 1234 Washington Boulevard, Detroit, Michigan 48226, (herein called "Lessor") and the UNIVERSITY OF DETROIT JESUIT HIGH SCHOOL AND ACADEMY, whose address is 8400 South Cambridge, Detroit, Michigan 48221-1699 (herein called "Lessee"):

WITNESSETH:

THE LEASED PREMISES:

The Lessor hereby does let and lease to Lessee the property known as the Immaculate Heart of Mary Parish athletic field which is located north of the Immaculate Heart of Mary convent and shared use of the parking lot all located at 19940 Mansfield, Detroit, Michigan 48235 (herein called the "leased premises").

OCCUPANCY:

The Lessee is to have shared occupancy of the athletic field as follows:

- August 1 through November 15
- March 1 through June 15

During this time, Lessee shall have the priority for occupancy subject to the Lessor's right to reserve use of the leased premises for certain occasions/parish events by providing a minimum one-week notice to the principal's office of the Lessee.

All other dates and times shall be coordinated with and approved by the Lessor and Lessee.

The Lessee is to have shared use of the parking lot during the term of this Agreement.

The pastor of Immaculate Heart of Mary Parish shall be provided access to the leased premises by the Lessee. The pastor of Immaculate Heart of Mary Parish shall have the right to enter upon the leased premises at all reasonable hours for the purpose of inspecting same. The pastor shall not disrupt the Lessee's programs at the leased premises.

UTILITIES / MAINTENANCE:

Lessee shall pay all charges for water, sewer and electricity.

Lessee shall be responsible for maintenance of the leased premises, including custodial services, and trash removal.

Lessee shall be responsible for contracting for maintenance of the lawn and landscaping of the leased premises during the term of this Agreement.

- Lessor shall provide suitable enclosed storage for equipment used by the Lessee to cut

the grass and maintain the leased premises in the condition necessary for the uses described in this Agreement, but Lessor shall not be liable to Lessee for any loss or damage to such equipment.

Lessor shall be responsible for snow and ice removal from the pavement, driveways, walkways and parking lots of the leased premises.

TERM:

The term of the Agreement begins **July 1, 2004**, and ends **June 30, 2014**.

USE:

The leased premises are to be used and occupied **for athletic purposes and no other uses without Lessor's prior written consent.**

Provided, in case any rent shall be due and unpaid or default be made in any of the covenants herein contained, then it shall be lawful for the Lessor to re-enter into, repossess the leased premises, and the Lessee and each and every occupant to remove and put out.

I. Lessee's Obligations

The Lessee hereby hires the leased premises for the term aforesaid, and covenants:

- a. To pay the Lessor, as rental for the leased premises **Zero Dollars (\$0.00)** per month, on the first day of each and every month, in advance.
- b. To use and occupy the leased premises only for the purposes for which they are let to it.
- c. To comply promptly with all lawful laws, orders, regulations, and ordinances of all municipal, county, and state authorities 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.
- d. 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 premises.
- e. To keep the leased premises, including doors, door frames, window glass, casings, and frames, or any appliances, equipment, fixtures, hardware and furnishings, if any, in as good repair and at the expiration thereof yield and deliver up the same in like condition as when taken, ordinary wear and tear thereof excepted.

- f. If the nature of the Lessee's business requires licensure, Lessee shall keep in effect a valid license to operate the leased premises for that purpose and provide Lessor with a current copy of the required license.
- g. Lessee may place portable goals and goal posts on the leased premises for use by the Lessee and Lessor shall allow Lessee to keep the goals and posts on the leased premises during the term of this Agreement.
- h. Lessee shall remove all portable goals and goal posts and all other equipment related to its use at the expiration of this Agreement. Any associated damage to the leased premises shall be repaired or restored by the Lessee upon termination of this Agreement.

2. **Lessor's Obligations**

The Lessor covenants that:

- a. The Lessee, 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.

3. **Insurance**

a. **Indemnification/Liability:**

The Lessee agrees to indemnify and hold harmless the Lessor from any liability for damages to any person or property in, on, or about said leased premises from any cause whatsoever. The Lessee will procure and keep in effect during the term hereof public liability and property damage insurance issued by a company acceptable to Lessor for benefit of the Lessor in an amount of not less than Two Million and 00/100 Dollars (\$2,000,000.00) per occurrence, with a Two Million and 00/100 Dollar (\$2,000,000.00) annual general aggregate.

Said policy shall name the Lessee and the Lessor (The Archdiocese of Detroit, the Archbishop of Detroit, Immaculate Heart of Mary Parish and the pastor of Immaculate Heart of Mary Parish) as additional named insureds. Lessee shall deliver a Certificate of Insurance to the Lessor.

Such policy shall contain a provision that it may not be canceled without at least thirty (30) days prior written notice being given by the insurer to Lessor.

Upon Lessee's failure to deliver a Certificate of Insurance, the Lessor may, at his option, immediately cancel this Agreement upon written notice to Lessee.

- b. **Fire:**
Lessor shall provide for such standard form fire insurance on the building on which the leased premises are located as Lessor shall deem advisable, which insurance is solely for the benefit of the Lessor and is not available for the benefit of the Lessee.
- c. **Contents/Lessee Improvements:**
Lessee shall be responsible for securing any insurance it deems advisable on contents and tenant improvements or for business interruption and Lessor shall have no liability with respect to any loss which might have been covered by such insurance.

4. **Alterations**

The Lessee may make no alterations, additions, or improvements to the leased premises without the Lessor's prior written consent. All such alterations, additions and improvements shall be at the expense of the Lessee and Lessee hereby indemnifies and holds Lessor 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 Lessor's option, become the property of the Lessor. Lessee shall promptly remove all such alterations, additions and improvements required by Lessor to be removed and Lessee shall restore the premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. All furnishings and equipment which are not attached or affixed to the leased premises made or placed by Lessee upon the leased premises shall be the property of the Lessee, and the Lessee shall be permitted to remove the same at the end of the term of this Agreement, and/or within thirty (30) days of termination date but only if such removal causes no molestation or injury to the leased premises or the building in which the leased premises are located.

If Lessor consents to Lessee's performance of any alteration or addition to the leased premises ("Work"), Lessee 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 Lessor. In addition, prior to commencement of any Work, Lessee must submit to Lessor for approval, which approval Lessor 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 Lessor may require in its sole and absolute discretion.

Lessor's approval of the Plans and Drawings for Lessee's alterations shall create no responsibility or liability on the part of Lessor 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 Lessee in connection with any alterations or improvements by Lessee, and nothing in this Lease shall be construed to constitute a consent by Lessor to the creation of any lien. If any lien is filed against the leased premises as a result of a claim against Lessee for labor or material furnished to Lessee, Lessee shall cause the lien to be discharged of record within fifteen days after filing. If Lessee fails to cause the lien to be discharged within such time, Lessor may, without the obligation to do so, payoff the lien and Lessee shall reimburse Lessor for all costs and expenses incurred by Lessor to pay and discharge such lien, including, but not limited to, reasonable attorney fees ("Lien Expense"). Lessee shall indemnify Lessor from any costs, including, but not limited to, reasonable attorney fees, in connection with any such lien.

In the event Lessee fails to reimburse Lessor within thirty (30) days after receipt of Lessor's demand for reimbursement for any Lien Expense incurred by Lessor with respect to any lien ("Delinquency Date"), Lessee shall be required to pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until Lessor receives such reimbursement, in addition to the amount of such Lien Expense, a late fee in the amount of ten percent (10%) of the outstanding amount of the Reimbursable Expense.

5. **Eminent Domain**

In the event of a taking of the leased premises during the term of this Agreement by a proceeding in eminent domain which results in the eviction of the Lessee, this Agreement shall terminate upon the date of such eviction. All awards shall be the sole property of Lessor, except for Lessee's award for relocation expense or loss of business, if any.

6. **Taxes**

Any real property taxes assessed against the leased premises or any property of which they are a part, at any time, shall be paid by the Lessee where such taxes have resulted because of rental of the leased premises by Lessee.

Payment of all such taxes, assessments and charges shall be made on or before the last day when payment may be made without interest or penalty. Lessee may, when permitted by appropriate governmental authority, pay any tax, assessment or charge over a period of time.

Lessee agrees to exhibit to Lessor on demand any time following such date for payment of taxes, assessments or charges, receipts evidencing payments of all such taxes, assessments or charges so payable.

7. **Assignment and Subletting**

Lessee covenants that it will not assign, sell, mortgage or in any manner transfer or encumber this Agreement 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 Lessor. The consent by Lessor to an assignment or subletting shall not in any way be construed to release Lessee from obtaining the express consent of the Lessor to any further assignment or subletting of any part of the leased premises nor shall the collection of rent by Lessor 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 Lessee from the further performance by Lessee of the covenants in this Agreement on Lessee's part to be performed. If Lessee is a corporation or a partnership, the sale or transfer of fifty percent (50%) or more of such corporation's voting shares or of such partnership's general partnership interests, as the case may be, shall be deemed to be an assignment of this Agreement. If Lessee is a nonprofit corporation, then the occurrence of any of the following events also shall be deemed to be an assignment of this Agreement: (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 Lessee 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 Lessor, is substantial; or (iii) in the event that the Lessee 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 Lessee to lose such affiliation.

8. **Default**

Lessee shall be in default under this Agreement upon the occurrence of any of the following events:

- a. **Default in the payment of any monthly installment, which is not cured within seven (7) days of written notice to Lessee; or,**
- b. **Default in the payment or performance of any other covenant of Lessee under this Agreement, which is not cured within seven (7) days of written notice to Lessee.**

9. **Remedies**

Upon the occurrence of any of the events of default described in paragraph eight (8), in addition to any other remedies which may be available to him, Lessor may, at his option, after providing to Lessee any notice required under Michigan Law, do one or more of the following:

- a. Terminate this Agreement; or
- b. Whether or not this Agreement is terminated, take possession of the leased premises.

10. **Controlling Law; No Other Agreement or Representatives**

This Agreement shall be governed by the laws of the State of Michigan. 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 Agreement or any real or personal property leased hereunder.

11. **Non-Waiver; Modifications**

No waiver of any provision of this Agreement, 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 Lessor 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 Lessor hereunder shall not constitute a waiver of any other type of default hereunder. No modification, alteration and/or amendment of this Agreement 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.

12. **Notices**

Whenever under this Agreement 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 Lessor or Lessee, 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 Lessor at:

**Pastor, Immaculate Heart of Mary Parish
16000 Pembroke
Detroit, MI 48235-2352**

and

**Adam J. Maida, Roman Catholic Archbishop
Archdiocese of Detroit
1234 Washington Boulevard
Detroit, MI 48226**

To the Lessee at:

**Director of Plant Operations
Detroit Jesuit High School and Academy
8400 S. Cambridge
Detroit, MI 48221-1699**

13. Surrender

The Lessee shall return said premises peaceably and promptly to the Lessor at the end of the term of this Agreement, 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.

14. Right to Terminate

- a. If the leased premises become wholly untenable through damage or destruction, this Agreement shall be void; if partially untenable, Lessor shall have the option of canceling this Agreement at anytime within thirty (30) days after such casualty. If Lessor does not cancel this Agreement, the Lessor shall repair the leased premises with all convenient speed. The obligation of the Lessee to pay the monthly rental shall be abated during the time the leased premises are untenable and shall be partially abated during the time the leased premises are partially untenable.
- b. In case the leased premises and/or the entrance(s), passageways, hallways and/or lavatories shall be sufficiently damaged so as to unreasonably impede Lessee's use of the leased premises for a period likely to exceed sixty (60) days, Lessee may, at its option, terminate this Agreement forthwith by written notice to the Lessor, in which event any unabsorbed advance rental forthwith upon Lessee's surrendering the leased premises shall be repaid to Lessee.

15. Successors and Assigns

This Agreement 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.

16. No Representations

Lessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Lessor regarding the condition of the improvements on the premises. This Agreement is not made in reliance upon any representation whatsoever.

17. Security Deposit DOES NOT APPLY

18. **Hold Over**

It is hereby agreed that in the event the Lessee 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.

19. **Options to Renew** **APPLIES**

Provided Lessee is not in default of any of the provisions of this Agreement, Lessee shall **have one (1) option to extend the term of this Agreement for an additional ten (10) year period from and after the expiration of the original term.** Any extension of this Lease shall be subject to the agreement of Lessor, which may be withheld at Lessor's sole discretion.

Lessee shall exercise its option by giving Lessor written notice of the intention to extend, no later than June 30, 2012.

Within ninety (90) days following Lessee's notice to Lessor, Lessor shall notify Lessee of Lessor's determination **pertaining to the extension of the term and (if the term is to be extended)** of the rental to be charged by Lessor during such option term with respect to the leased premises. If Lessee finds such rental to be unacceptable, Lessee shall have thirty (30) days following receipt of Lessor's determination in which to withdraw its election of option to extend by written notice to such effect to Lessor.

In the event that Lessee does not withdraw its election of option to extend, as herein provided, the term of the Agreement shall be extended and the rental shall be that specified by the Lessor.

If Lessor does not agree that this lease shall be extended, the Lease shall terminate at the end of the original term on June 30, 2014.

20. **Headings**

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

21. **Hazardous Materials**

- a. Lessee shall be fully responsible, at its own expense, for compliance with all laws and/or regulations governing the handling of Hazardous Materials or other substances used or stored on the Premises in connection with Lessee's business conducted therein. All hazardous or potentially Hazardous Materials shall be stored in proper

containers and shall be further protected against spills by secondary containment facilities. Lessee shall not spill, introduce, discharge or bury any Hazardous Materials, substance or contaminant of any kind in, on, or under the Premises or any portion thereof or any adjacent premises or into the ambient air. Lessee shall not permit the discharge of any Hazardous Materials into the sanitary or storm sewer or water system serving the Premises or any adjacent premises or into any municipal or other governmental water system or storm and/or sanitary sewer system. Lessee shall employ all appropriate safeguards and procedures necessary or appropriate to protect such systems from contamination. Lessee shall undertake, at its expense, any necessary and/or appropriate cleanup process in connection with any breach of the foregoing covenants, and without limiting Lessee's other indemnity or insurance obligations under this Agreement. Lessee shall indemnify and hold harmless Lessor from and against all liability whether direct, indirect, consequential or otherwise, arising from any incident or occurrence on or about the Premises or any adjacent premises pertaining to Hazardous Materials which results from the acts or omissions of Lessee, its agents, employees or invitees, during the term hereof. The obligations of Lessee under this section shall survive the termination of this Agreement.

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

22. Signs APPLIES

Lessee has permission to erect an exterior sign on the property of the leased premises advertising the Lessee's intended use. 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 of Immaculate Heart of Mary Parish**. Lessee hereby acknowledges and agrees to maintain, at Lessee's sole cost and expense, any sign erected by Lessee pursuant to this paragraph in good repair and working order at all times. In addition, Lessee hereby agrees to indemnify, defend and hold Lessor harmless (using counsel of Lessor's choice) from and against any cost, expense, claim or liability, including reasonable attorneys' fees, arising from or related to any sign erected by Lessee on the leased premises or the maintenance thereof.

At the expiration or termination of this Agreement, the Lessee 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 Agreement, then the sign shall, at Lessor's option, be deemed to have been abandoned by Lessee and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to Lessee and without any obligation to account for such sign. All costs and expenses incurred by Lessor 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 Lessee and shall be immediately due from and payable by Lessee.

23. **ADDITIONAL PROVISIONS**

Right of First Refusal Lease

If at any time during the term of this Agreement Lessor receives from any third party a bona fide offer to purchase the athletic field located on the leased premises (and only the athletic field located on the leased premises as set forth below) at a price and on terms acceptable to Lessor, Lessor shall give written notice of the offer to Lessee; provided, however, in no event shall Lessor be obligated to notify Lessee of such offer if Lessee is not in possession of the leased premises and/or in default of this Agreement. Within fifteen (15) days after Lessor gives Lessee written notice of the third-party offer, Lessee shall have the right to purchase the athletic field on the leased premises at the same price and on the same terms and conditions as set forth in the third-party offer. To exercise its right, Lessee must, within the same fifteen (15) day period, deposit in escrow with a title company acceptable to Lessor, in its sole and absolute discretion, all moneys and instruments required by the terms of the offer to be paid or delivered to Lessor at closing, including, but not limited to, the purchase price, and shall also give Lessor written notice of the same. In the event Lessee fails to exercise the right to purchase in accordance with the provisions of this Paragraph, Lessor 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 are not sold to the third party making the offer, Lessor shall give Lessee the same right to purchase the leased premises on receiving any subsequent offer from any third party that is acceptable to Lessor.

Lessee hereby acknowledges that the leased premises is not a single tax parcel and is part of another tax parcel entirely owned by Lessor, including, but not limited to, the Immaculate Heart of Mary Church, School, Convent and Rectory, as more particularly depicted on Exhibit A ("Lessor's Property"). Lessee hereby agrees that the right of first refusal set forth in the Paragraph above shall be limited to an offer to purchase the Immaculate Heart of Mary Athletic Field only and shall not include an offer to

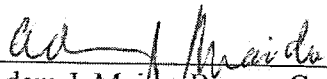
purchase any other building on Lessor's Property or an offer to purchase all of Lessor's Property, including the Immaculate Heart of Mary Athletic Field. If Lessor shall receive a bona fide offer from a third party for any other building on Lessor's Property or for all of Lessor's Property including the Immaculate Heart of Mary Athletic Field, the right of first refusal shall not be effective and Lessor shall have the right to sell Lessor's Property, including the Immaculate Heart of Mary Athletic Field, without notifying Lessee of the same.

If Lessee exercises its right of first refusal for the athletic field located on the leased premises, Lessee, at its sole cost and expense, shall be responsible to apply for and obtain a tax parcel split from the City of Detroit within sixty (60) days after Lessee sends notice to Lessor of its intent to exercise the right of first refusal. The property line for the property split, which may not include all of the leased premises, must be approved in writing by Lessor, in its sole and absolute discretion, prior to Lessee submitting the application to the City of Detroit. Lessor agrees to do and perform every act which may be reasonably required by the City of Detroit to effect and document the property split. In the event that Lessee is unable to obtain a property split of Lessor's Property for any reason within such 60-day period, Lessor may, in its sole discretion, terminate the offer to purchase by providing Lessee with written notice of Lessor's election to terminate and return all moneys and instruments deposited with the title company to Lessee, thereafter, neither party shall have any further obligation to the other.

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

IN THE PRESENCE OF:

LESSOR:


Adam J. Maida, Roman Catholic Archbishop
of the Archdiocese of Detroit

IN THE PRESENCE OF:

LESSEE:

University of Detroit Jesuit High School
and Academy


Diane E. Hassel


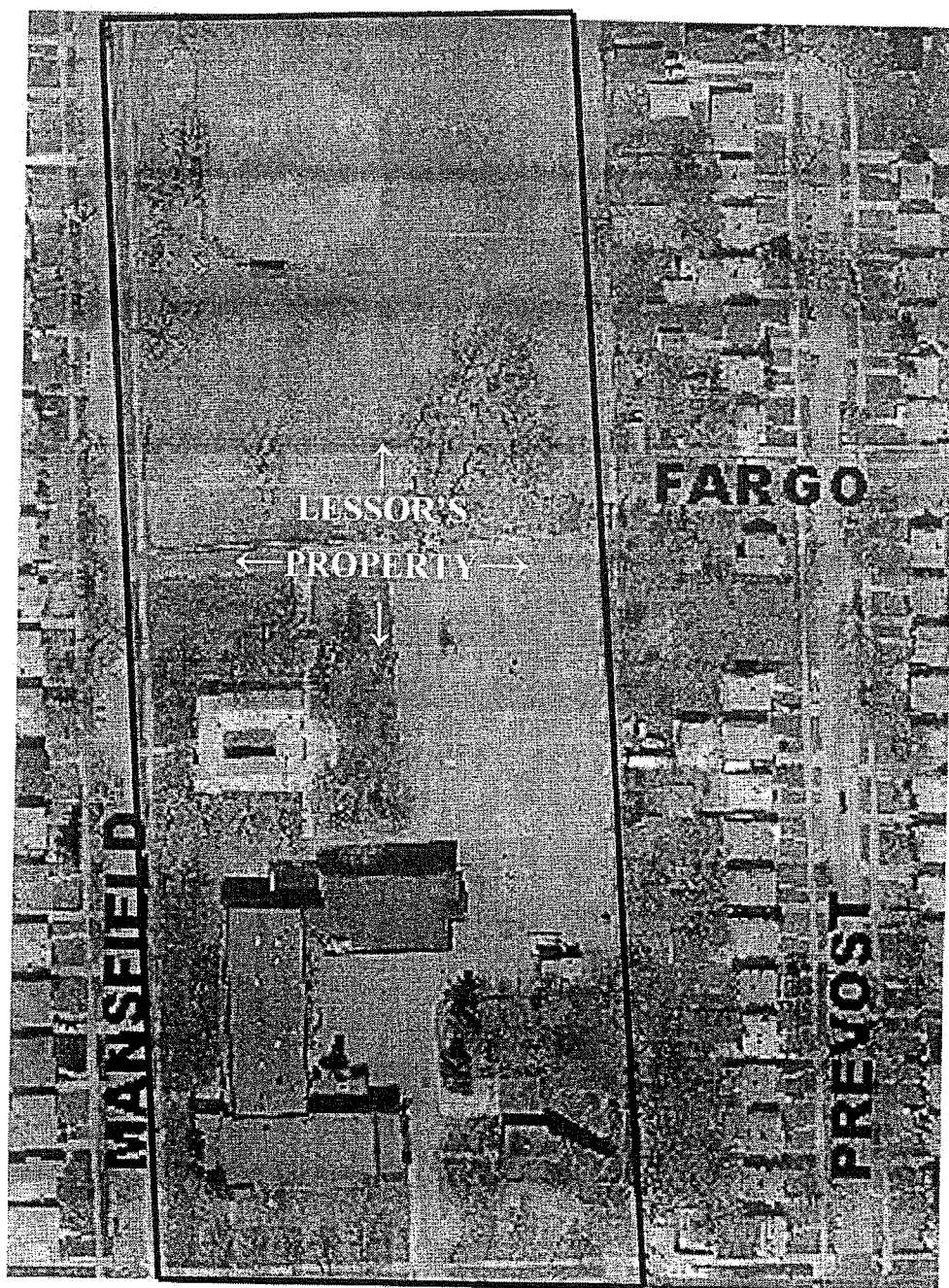

By: Karl J. Kiser, S.J.
Its: President

EXHIBIT A - LESSOR'S PROPERTY





State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Noelle A. Clark, Director

Inspection Report

Page 1 of 1
OFS-40
Office of Fire Safety
General Office Building
7150 Harris Drive
Lansing, MI 48909-7504
Web Site www.michigan.gov/cis

FACILITY NAME Michigan Automotive Academy Middle	DATE 8/14/2002	COUNTY Wayne	PROJECT 0704-02
ADDRESS 19940 Mansfield	FACILITY TYPE Charter School	RULES/CODES School - 99	JOB/LIC/FAC. NO.
CITY, STATE ZIP CODE Detroit, MI 48235	FACILITY REPRESENTATIVE Elisabeth Knibbe	INSPECTION TYPE Inspection - Final	

Re: Addition and building renovations

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

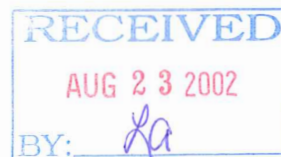
* Fire Alarm and sprinkler 12A's received by Lansing on 8-8-02.

* Health department approval not required.

* No hood suppression system work conducted.

Elisabeth Knibbe Architects
125 N. Huron, Suite 300
Ypsilanti, MI 48197

Detroit Fire Dept.



FIRE SAFETY CERTIFICATION Approved		PROJECT STATUS Closed	REVIEWED BY [signature]
DISTRIBUTION File CIS HQ Local FD	INSPECTING OFFICIAL Larry DeWachter SIGNATURE OF OFFICIAL [signature]	ADDRESS 24155 Drake Rd. Farmington, MI 48335 TELEPHONE 248-888-8761 FAX 248-888-8760 E-MAIL idewac@michigan.gov	

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


FACILITY NAME Pembroke Charter Academy	INSPECTION DATE August 17, 2018	COUNTY Wayne	PROJECT 163947
ADDRESS 19940 Mansfield	FACILITY TYPE School-Charter	RULES/CODES School/College 2016	JOB/LIC/FAC. NO. N/A
CITY, STATE ZIP CODE Detroit, MI 48235	FACILITY REPRESENTATIVE Robert Dunston		INSPECTION TYPE Follow-up
FACILITY PHONE 616-299-6611	FACILITY FAX 616-222-1701	FACILITY E-MAIL bdunston@nhaschools.com	

Re: Safety Inspection Follow-up

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

CC:

Pembroke Charter Academy
bdunston@nhaschools.com

FIRE SAFETY CERTIFICATION		PROJECT STATUS	REVIEWED BY
Approved		Closed	Mallory Charles Willis
INSPECTING OFFICIAL		ADDRESS	3101 Technology Blvd., Suite H
Larry DeWachter, State Fire Marshal Inspector		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

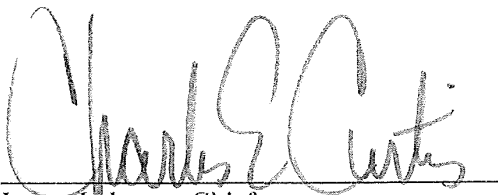
PERMANENT

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

Building Permit No. B033053
Michigan Technical Academy
19940 Mansfield
Detroit, Michigan
Wayne County

The above named building of Use Group E and Construction Type 5B is approved for use and occupancy.

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



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

September 28, 2012

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7
REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY

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

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

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

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

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

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

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

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

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

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

Educational Goal to be Achieved

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

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

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

Measure 1: Student Achievement

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

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

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

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

Measure 2: Student Growth

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

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

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAMS

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

Mission

The mission of Pembroke Academy (“Academy”) is to provide a rigorous, high-quality academic program, emphasizing reading proficiency, that reverses achievement gaps while instilling students with strong moral character.

Vision

The vision of Pembroke Academy is to tailor instruction and ensure that all students are reading at or above grade level and are on a path to college-readiness.

Values

The Academy is built on the four pillars of National Heritage Academies’ (“NHA”) model: academic excellence, moral focus, parent partnerships and student responsibility.

- Academic Excellence: A high-quality K-8 education sets the critical foundation for a student's success in high school, college, and beyond. Achievement may look different for each individual, but our goal is to prepare every student for college. This starts by creating a culture focused on high care and high expectations for each student each day.
- Moral Focus: A great school should aim to develop students' hearts as well as their minds. Our moral focus curriculum builds on the virtues of wisdom, courage, compassion, gratitude, respect, encouragement, integrity, self-control, and perseverance. Our students will build and maintain strong personal character and become good citizens as part of our program.
- Parental Partnerships: The Academy is committed to fostering strong partnerships with parents. Our school will actively engage parents in their children's learning, and there will be consistent communication. Included in this effort will be a dedicated parent room specifically to allow ongoing interaction between parents and teachers. The Academy plans to provide opportunities for teachers to share best practices and for parents to learn new tools to support their children.
- Student Responsibility: Children thrive in an environment where they clearly understand what is expected of them, and after putting forth their best effort, they take pride in seeing the results. Students will be taught that their best effort is vital to academic success, and teachers will reinforce the importance of students' accountability for their education and actions.

Curriculum

The Academy’s curriculum is designed to prepare students for a rigorous high school curriculum to provide the best opportunity for college success. The Academy partners with NHA to implement a curriculum built around the Michigan Academic Standards (“MAS”), which aligns with the mission, and prepares students for success in high school, college and beyond.

The curriculum is aligned with the MAS for English language arts (“ELA”), mathematics, science, social studies, art and music and the Physical Education Content Standards and Benchmarks. This approach ensures students are learning the appropriate content for each grade level.

Character development is an explicit and integrated component of the curriculum.¹ Individual responsibility, integrity, personal character and effort are important contributors to success in school and life. In addition, the Academy instills character traits which are highly correlated with college success. With high-quality instruction, solid curricular tools to support instruction and rigorous assessment, the curriculum promotes academic success for students and equips students with the knowledge, understanding and skills needed to meet or exceed MAS and content expectations.

Core Content Areas

ELA

Literacy, which includes reading, writing and speaking, is a critical component of college- and career-readiness. "Low literacy levels often prevent high school students from mastering other subjects," and struggling readers are often excluded from academically challenging courses. More specifically, students who are able to comprehend complex texts are more likely to be successful after high school.² Developing reading proficiency and strong literacy skills in elementary and middle grades is the cornerstone of the ELA curriculum, which upholds the MAS to ensure college- and career-readiness for all students. The ELA curriculum is designed to produce highly literate students who are proficient readers, evaluative writers and collaborative, analytical members of the classroom and future workplaces.

The MAS focus on five strands of literacy: reading, writing, speaking, listening and language. To best prepare students for school and life in the 21st century, each strand emphasizes the integration, critical analysis and production of a variety of media and technology. The reading standards focus on a gradual increase in text complexity to ensure students' readiness "for the demands of college- and career-level reading."³ The writing standards emphasize argument and informational writing "based on substantive claims, sound reasoning, and relevant evidence," as well as research, "both short, focused projects and longer, in-depth research."⁴ By challenging students to speak and listen, the standards require that "students gain, evaluate, and present increasingly complex information, ideas, and evidence" through academic discussion, collaboration and formal presentations. The language standards emphasize students' growth and expansion of vocabulary, appreciation of word nuances and use of formal English in writing and speaking.

¹ See Matthew Davidson and Thomas Lickona, *Smart & Good High Schools: Integrating Excellence and Ethics for Success in School, Work, and Beyond* (Cortland, NY: Center for the 4th and 5th Rs, 2005). Respect and Responsibility / Washington D.C.: Character Education Partnership.

² ACT, Inc., *Reading Between the Lines: What the ACT Reveals About College Readiness in Reading* (Iowa City, IA, 2006).

³ National Governors Association Center for Best Practices, Council of Chief State School Officers, "Key Points in English Language Arts," *Common Core State Standards* (Washington, D.C.: National Governors Association Center for Best Practices, Council of Chief State School Officers, 2010).

⁴ *Ibid.*

- In kindergarten through second grades, the curriculum emphasizes the foundations of reading. These include the ability to decode automatically, read with fluency and gain the capacity to comprehend increasingly complex texts across a range of types and disciplines. Student literacy is emphasized through rich, domain-specific content in a variety of authentic fiction and nonfiction texts, including a true balance of informational and literary genres.
- In third through fifth grades, reading instruction is centered on complex, grade-appropriate texts to prepare students for the complexity of college- and career-ready texts. Reading instruction emphasizes a balance of informational and literary texts.
- In sixth through eighth grades, teachers of ELA, social studies and science each provide content-specific textual literary experiences. The middle school curriculum includes a blend of literature and substantial exposure to literary non-fiction, including historical and scientific documents.

For students to access grade-level texts with increasing complexity, the curriculum also focuses on the development of strong academic vocabulary. Students are exposed to extensive academic vocabulary through reading instruction, and practice is extended through listening, discussion and writing. Vocabulary instruction accentuates the nuances of word meanings and variances through a wide range of contexts.

Discussion and collaboration are also a focus of the ELA curriculum, as students apply reading skills to develop habits for providing text-based evidence in both conversation and writing. Students' writing emphasizes analysis of complex texts by supporting ideas and arguments with textual evidence and evaluation. Students learn to produce a variety of text types, including argument, informative, narrative and research-based pieces. Collaboration and integration of technology are important aspects of the writing process as students plan, draft, revise, edit and publish a wide range of writing pieces. The ELA curriculum also ensures students demonstrate adequate mastery of the essential conventions and grammar of Standard English in writing and speaking.⁵

Mathematics

NHA's mathematics curriculum is designed to ensure high quality mathematics teaching and learning in all of our classrooms. The curriculum is aligned to state standards and incorporates evidence-based instructional strategies. The National Council of Supervisors of Mathematics has outlined specific, research-based teaching practices that are essential for a high-quality mathematics education for each and every student in the book *Principles to Actions*.⁶ NHA curriculum materials are created and chosen with these practices in mind.

⁵ Coleman, David and Susan Pimentel, "Revised Publishers' Criteria for the Common Core State Standards in English Language Arts and Literacy," *Common Core State Standards* (Washington, D.C.: National Governors Association Center for Best Practices, Council of Chief State School Officers, 2012).

⁶ National Council of Supervisors of Mathematics. (2014). *Principles to actions: Ensuring mathematical success for all*. Reston, VA: NCSM. 2Van de Walle, J. (2018). *Teaching student-centered mathematics*. New York, NY: Pearson Education, Inc.

NHA's curriculum is designed with the belief that all students can learn mathematics and learn mathematics with understanding. The National Research Council identifies five strands of mathematical proficiency that can be found in someone who understands (and can do) mathematics.

- *Conceptual Understanding*: Having a robust web of connections and relationships within and between ideas, interpretations, and representations of mathematical concepts.
- *Procedural Fluency*: Being able to flexibly choose and accurately and efficiently perform and appropriate strategy for a particular problem.
- *Strategic Competence*: Being able to make sense of, represent, and determine solutions to mathematical problems.
- *Adaptive Reasoning*: Being able to think about, explain, and justify one's ideas using mathematically sensible reasons coupled with the ability to shift strategies when needed.
- *Productive Disposition*: Having an ingrained awareness that mathematics makes sense and is useful, valuable, and rewarding along with the belief that one is capable of being successful in learning and doing mathematics through hard work and perseverance.

NHA's curriculum was created with these five strands in mind and each resource and component of the math block structure plays a role in ensuring that all students achieve mathematical proficiency as seen in the indicators listed above.

NHA's curriculum is designed to ensure students learn both the state content standards as well as the process standards in order to ensure college- and career-readiness. The math process standards identify ways that students should be doing and learning mathematics. NHA's curriculum materials are carefully designed to pay attention to both the WHAT (the content that is taught) and the HOW (the way the content is delivered to students).

Curriculum Focus: The curriculum focus is aligned to the state standards and the major work in each grade level.

Grade Band	Highlights of Major Work
K-2	Addition and subtraction – concepts, skills, and problem solving; place value
3-5	Multiplication and division of whole numbers and fractions – concepts, skills, and problem solving
6-7	Ratios and proportional relationships; expressions and equations; arithmetic of rational numbers
8	Linear algebra and linear functions

Curriculum Resources: The curriculum resources have been both created by NHA and purchased from outside vendors. All purchased resources are rated as meeting expectations in Alignment and Usability from Ed Reports.

K-2 Math Block:

- **Math Stories**

Math Stories is an NHA created curriculum based on the research from Cognitively Guided Instruction. This daily practice ensures students build conceptual understanding and have an opportunity to problem solve each and every day. This daily practice allows

teachers to utilize the math practice standards and ensures the five strands of mathematical proficiency are developed with all of our students.

- **Problems & Investigations**
- **Workplaces**

NHA utilizes the Bridges[®] In Mathematics curriculum resource from the Math Learning Center. The Bridges resources contain two components, Problems & Investigations and Workplaces.

3-5 Math Block:

- **Math Stories**

Math Stories is an NHA created curriculum based on the research from Cognitively Guided Instruction. This daily practice ensures students build conceptual understanding and have an opportunity to problem solve each and every day. This daily practice allows teachers to utilize the math practice standards and ensures the five strands of mathematical proficiency are developed with all of our students.

- **Problems & Investigations**
- **Workplaces**

NHA utilizes the Bridges Curriculum resource from the Math Learning Center. The Bridges resources contains two components, Problems & Investigations and Workplaces.

6-8 Math Block:

- **Big Ideas Mathematics** uses a Universal Design for Learning to create a fun and innovative program that uses hands-on activities and scaffolded instruction. This allows for balanced lessons that appeal to students and teachers alike.
- **Learning targets** and **success criteria** help to focus student learning and make learning visible to teachers and students. **Explorations** help develop a growth mindset in students by engaging them in productive struggle, leading to conceptual understanding.
- With a strong emphasis on **problem solving** in the classroom, students can transfer their mathematical knowledge to new concepts and apply their understanding to **real-life situations**. Through practice and problem solving, students become more confident in the problem-solving process to become **strategic mathematical thinkers**.

Science

As the Association for the Advancement of Science and the National Council on Science explains, developing college-ready and scientifically literate students involves teaching a mixture of content knowledge, the practices and skills of scientists and information on the nature of science. The MAS were created around the work and philosophy of these organizations and the NHA curriculum aligns to the MAS. The curriculum, which includes study in life science, physical science and earth and space science, incorporates the use of STEMScopes™ and non-fiction readers to give students hands-on opportunities to develop content knowledge about the results of scientific discoveries regarding the natural world. The curriculum and resources also provide students the chance to participate in the scientific process of inquiry and discovery through conducting investigations, using instruments and applying mathematical skills that model the process used by scientists to learn about the universe. It also incorporates the skills required by the MAS for Literacy in Science for sixth through eighth grades, which require students to do high-level thinking and problem solving, incorporating scientific reading, writing, discussing, and presenting.

- In kindergarten through second grades, the content of the science curriculum focuses on scientific learning primarily through the study of events and phenomena in nature as observed through the five senses. Investigations and design solutions at this level are modeled, simple and structured allowing students to write journals on personal discoveries, create simple pictographs of data and draw conclusions from observations under the direction of the teacher. The incorporation of non-fiction readers on each topic provide students opportunities to develop grade-level appropriate science vocabulary.
- In third through fifth grades, the curriculum builds on these foundational skills and directs students to begin exploring the science and engineering practices, crosscutting concepts and engineering design solutions by making connections between events (e.g., the sun rises every day and it gets warmer during the day, therefore, the sun provides heat to earth). Investigations and engineering design solutions for students in third through fifth grades will still often be modeled, but the investigations are more complex and involve more detailed measurements, use of a variety of tools such as balances and microscopes and require students to control for multiple variables. Students engage in the practices of scientists and engineering by developing methods and solutions, analyzing and interpreting various representations of data, engage in argumentation, and by completing lab reports in order to communicate results of investigations and engineering designs orally and in writing.
- In sixth through eighth grades, the curriculum includes further exploration of the relationships between science and engineering practices and crosscutting concepts while also connecting knowledge of scientific concepts to real world examples and solidifying congruence between students' understanding of phenomena to that of the scientific community. Investigations are more student-directed, from the guiding question through the scientific procedures, to the organizing, analyzing and reporting of data. Within each unit of instruction, students employ the skills of scientists and engineers by making connections with respect to the content of the unit using the methods of science. The scientific method is consistently integrated into content units throughout the year and students conduct science investigations and engineering design solutions through closed and open lab investigations in response to posed questions during content studies.

Social Studies

According to the Michigan Department of Education (“MDE”), “the purpose of social studies instruction is to develop social understanding and civic efficacy. The Grade Level Content Expectations (“GLCE”) balance disciplinary content and processes and skills that contribute to responsible citizenship and form a foundation for high school social studies coursework.” The NHA social studies curriculum, which is aligned to the MAS, ensures students are not only prepared for high school and college, but also prepared for life as global citizens. Developing students' understanding in the disciplines of history, geography, civics and government, economics and public discourse ensures readiness for college and responsible citizen involvement. In addition to supporting learning in these areas, the social studies curriculum also incorporates the skills required by the MAS for Literacy in History/Social Studies in sixth through eighth grades, which allow students to develop and utilize critical thinking skills by making connections, inferences and arguments around the content and learned skills. This focus on content, skills and critical thinking produces students who are knowledgeable in social studies and prepared to participate in society as informed citizens.

The curriculum supports the social studies disciplines that best prepare students to be contributing members of society. Students who master the social studies curriculum understand how history, geography, civics and economics interact in a global society. Through exposure to primary and secondary sources, students develop knowledge of shared national and world history and are able to make connections between the past and present as well as between cultures and government systems.

- In kindergarten through second grades, students learn about the social studies disciplines by developing an understanding of culture and community through the lens of “Myself and Others,” “Families and Schools” and “The Local Community.” In these early grades, students begin to learn about history and culture in the surrounding world. Students study personal history, family history and examine local examples of the community and school to become familiar with basic geography, economy and functions of government.
- In third through fifth grades, students explore the social studies disciplines through the context of Michigan and the United States. Students build on prior social studies knowledge and apply new concepts to the study of the state of Michigan, the regions of the United States and the early history of the United States. By fifth grade, students apply the concepts of social studies to the history of pre-European America through the adoption of the Bill of Rights in 1791.
- In sixth through eighth grades, students regularly practice how to make connections between historical events in the United States, the world and current events. Students also develop knowledge of the relationship between geography, history, economics and culture. In sixth and seventh grades, students apply social studies concepts to the study of the Western and Eastern Hemispheres during ancient and modern times. In eighth grade, students continue the study of United States history from the writing of the Constitution through Reconstruction. The middle school curriculum gives students opportunities to extend this basic knowledge to gather more complex information, describe concepts in more detail and deepen the understanding of the relationship between geography, economics and civics.

Co-curricular areas

The Academy nurtures high-achieving, well-rounded students. The Academy offers the following co-curricular areas: art, music, library and educational technology and character development.

Art

The study of art allows students to understand and appreciate the subject while understanding the significant role art plays in the expression of ideas throughout history. Students in lower grades learn to recognize and describe art forms from a variety of historical eras and places, while learning that art takes many forms and has many purposes. Students study and reproduce styles and techniques used by artists and discuss art by examining and critiquing the work of artists. Students in upper elementary and middle school grades focus on comparing and contrasting artwork from different time periods, cultures, artists and mediums. Historical and contemporary art is studied as students create a variety of original works using appropriate styles and mediums to express themes, tone, mood and images.

Music

Students study the basics of music theory, music appreciation and the work of great composers. Students first learn to identify basic music forms and patterns, describe elements of music using appropriate music vocabulary and sing and play basic instruments. By listening to a variety of music, students compare and contrast music from different composers, historical periods, cultures, styles and genres. Students continue to refine musical knowledge and skills by singing, playing, improvising and composing. In addition, students learn to identify and use key signature, meter signature, notation, bass and treble clef, tempo and dynamic markings as well as learn to perform and respond to a conductor's cues and make necessary adjustments.

Physical Education

Physical education includes a sequence of developmental experiences through which children learn by moving. Students first learn and practice basic movement skills and manipulate objects by throwing, catching, striking, pushing, pulling and climbing. Students take part in a variety of individual and group activities, games to increase body awareness, practice new skills and learn to move safely with respect to other people. Students also begin to learn about the physical and mental benefits of a healthy lifestyle characterized by physical activity. Students will then use movement skills in more complex ways by learning the concepts of fairness, positive attitude, teamwork and sportsmanship. Students learn to recognize the correlation between practice and mastery of skill and complete various types of drills to increase abilities. Students ultimately refine all the simple and complex skills necessary for physical activity of various types and focus on healthy lifestyles through nutrition and fitness.

Library and Educational Technology

The Library and Educational Technology Program is designed to expose students to a wide variety of classic and contemporary literature, instill a life-long love of reading and develop information literacy skills. The library collections contain specific materials that support the curriculum and provide students with a variety of high-quality literature and technological resources. The program has been crafted to reflect expectations of students set forth in several authoritative sources, including:

- The *Big6* model for teaching information skills created by Mike Eisenberg and Bob Berkowitz (1998),
- Information Literacy Standards developed by the American Association of School Librarians (“AASL”),
- The Association for Educational Communications and Technology (“AECT”).

Technology also plays a supporting role in the core academic curriculum. Classroom teachers plan lessons that leverage technology and provide technology resources for students. Students use technology to research, compose and present information related to topics of study. The Academy has a designated area to serve as the library and computer lab, enabling students to access technology needed to support the technology program. Moreover, students have access to a computer in the classroom to promote the integrated use of technology to support learning.

Character Development

To foster the desired culture, the Academy emphasizes strong personal character and accountability. Many schools offer character development programs, but the Academy melds

character education throughout instruction and challenges the Academy community to model the desired traits. In this way, students develop a strong character while learning about virtues and different types of character. This approach to character development creates a culture within the Academy conducive to teaching and learning, and it makes parents and educators true collaborators in the learning process.

The Academy implements the character development curriculum to promote college readiness, create an environment that is conducive to teaching and learning and support the academic goals of the Academy.

During each month of the school year, the Academy focuses on a monthly virtue: wisdom, respect, gratitude, self-control, perseverance, courage, encouragement, compassion and integrity. Students develop and practice the virtues that, in time, become ingrained habits.

Students are encouraged to develop moral character, show performance character and interact well with others through social character. Character is both taught and caught; in other words, students acquire the behaviors that are modeled. The Academy will ensure school staff continually model moral, performance and social character in formal and informal settings. Students also participate in character development assemblies, where staff and other students speak on the monthly virtue and share how the virtue is implemented. Students are encouraged to share experiences and progress is recognized.

The Academy believes this innovative piece of the Educational Program prepares students for success academically and in life.

Special Education

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

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

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special

Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.

3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

Students Below Grade Level

Academy instruction is personalized to meet student needs. If a student hasn't learned through the provided instruction, then instruction must be adjusted to better meet the needs of that student. The school's academic intervention approach is based on formative assessment: a cycle of assessment and instructional responses to meet student learning needs and inform our systematic intervention program. This program is based on a framework of six key practices:

1. Strategic scheduling is created for the delivery of all needed services to each identified student.
2. Intervention staff and teachers meet every four to six weeks as a collaborative team to discuss assessment data, monitor student progress and update intervention plans.
3. All staff is trained in the tracking of performance data and the identification of students not meeting performance thresholds.
4. Internal diagnostic assessments are used to determine student needs and serve as the foundation for a written intervention plan, and intervention services are initiated under these plans within four to six weeks of a student enrolling.
5. Students struggling to make progress are assessed at least every two weeks, and those identified with the most severe academic needs will be assessed weekly (including frequent classroom developed assessments and i-Ready which instantly downloads assessments focused on students' areas of weakness), with results informing updated intervention action plans.
6. One-on-one meetings between school leaders and intervention staff are scheduled twice each month and focus on individual student data and strategies being used to meet student needs.

A three-tier approach (Response-to-Intervention, or "RtI") is used to deliver systematic intervention services.

English Language Learners ("ELL")

The Academy's ELL coordinator conducts an informal interview of each student identified as a potential ELL. If the interview confirms that a student speaks a language other than English, the student will be given the W-APT to determine his or her English proficiency. If the student scores proficient (at the state required level), this is designated as not requiring ELL services, and the screening process will stop. If the student scores at any lower level, the student is classified as an ELL student and placed appropriately in the Academy's ELL program.

The Academy implements a two-part program: Sheltered English Immersion is used in the general classroom as the vehicle for ELL students to acquire grade-level content, while the English Language Development program is used for students requiring English language acquisition instruction. Each ELL student will have a Language Acquisition Plan ("LAP") that contains

specific goals to quickly acquire both social and academic proficiency in English. The LAP details accommodations and modifications that must be implemented in the classroom and on standardized assessments.

Each year, the Academy administers the WIDA™ ACCESS test to measure students' progress learning English. For students not testing sufficiently proficient in English, the Academy uses the results combined with teacher observation and input to determine services to be provided through the ELL program for the coming school year.

Gifted Students

Teachers offer gifted students differentiated instruction and extended opportunities through a variety of means, including: enrichment lessons, exercises and content; differentiation in content, process, products and/or learning environment; infusion of tasks requiring higher-order thinking skills; and individualized learning opportunities. As needed, the Academy will accelerate grade-level or content-level learning for individual students, taking into consideration the students' specific needs. Students at or above grade level will be consistently challenged with classroom curricular content and high-quality instruction.

Use of Northwest Evaluation Association™ (“NWEA™”) assessments generate results that help set individual learning targets and measurable objectives for all students. The Academy uses these results to set higher individual learning targets and more rigorous growth objectives to monitor and measure the progress of gifted students.

Educational Development Plan (“EDP”)

As per P.A. 141 of 2007, the Academy provides students with the opportunity to develop EDPs in grade seven. These EDPs include students' personal information, career goals, assessment results, educational/training goals, plans of action for high school and post-secondary and post-school options, in accordance with the requirements of the law. EDPs are reviewed by parents as appropriate.

Assessments

The Academy uses assessments to drive the academic program and plans to use assessments beyond state mandated, norm-referenced and computer-adaptive assessments. In addition to the state assessment, the Academy plans to also use the following:

- A baseline assessment (NWEA) in reading and math is administered to students upon acceptance to the Academy. To make this as convenient as possible for parents, this assessment is a part of the acceptance paperwork that must be submitted.
- Benchmark assessments (NWEA and aimswebPlus®) to ensure that students in grades kindergarten to three are on track for proficiency in reading, as required by the new Third Grade Reading.
- An individualized cross-grade-level tool (i-Ready®) that personalizes instruction for students and instantly downloads assessments that identify areas of weakness.
- Interim and unit assessments to determine if students have mastered the content and to make adjustments to grade-level placements for students throughout the year.

Program Evaluation

The Academy is data-driven and administers only assessments that are used to inform instruction, and assess student academic growth and proficiency levels. The Academy uses formative assessments designed to include multiple checkpoints throughout instruction to measure student understanding of content. Teachers analyze data at both the classroom and individual student level, and then scaffold student learning towards student mastery of each educational objective. The short-cycle formative assessments enable teachers to determine exactly what knowledge needs further development in each student, and to individualize instruction as appropriate to ensure each student learns as expected. School leaders consistently review data for all grade levels and ensure the Academy's curriculum and instructional approach is accelerating student learning. School leaders report this information to the Academy board throughout the year.

For students who are below grade-level proficiency, the Academy has a systematic approach to intervention designed to bring those students back on track. The intervention program is designed to stimulate early action that helps prevent academic failure and maximize the effectiveness of grade-level instruction based on a framework of six key practices:

- Create Collaborative Teams: Intervention staff and classroom teachers meet every four to six weeks to discuss student assessment data, monitor progress and update intervention plans. This monitoring also will include students recently exited from intervention services.
- Allocate Resources Appropriately: School leaders collaborate with NHA professionals to ensure that funds are allocated in ways that maximize resources to best meet student needs.
- Develop Intervention Plans: Internal diagnostic assessments are used to determine student needs, with data supporting the initiation of intervention services shortly after enrollment in the school. A written plan is developed that details the interventions that meet student needs. The Academy updates that plan regularly.
- Monitor Progress: Students struggling to make progress will be assessed at a minimum every two weeks, and those students identified with the most severe academic needs will be assessed weekly. Intervention goals will be set individually based on these monitoring results.
- Provide Professional Development: One-on-one meetings between school leaders and intervention staff are scheduled twice each month, and weekly coaching sessions between deans and teachers are set to focus on data and strategies to meet student needs.

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 the National Heritage Academies curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

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 (<i>included in science</i>)	X	X	X	X	X	X	X	X	X
Physical Education	X	X	X	X	X	X	X	X	X

* The Academy updates course offerings each school year based on the needs and interests of students as well as teacher certification. As a result some courses are rotated and are not offered each year. All core subjects are taught every year.

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 825 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

PEMBROKE ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 1

PEMBROKE ACADEMY

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 PEMBROKE ACADEMY (the "Academy"), the parties agree to amend the Contract as follows:

- 1.) Amend Schedule 7, Section f: Application and Enrollment of Students, by inserting at the end of this Section the Matriculation Agreement, attached as Tab 1.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of September 20, 2023.



Dated: 10/20/2023

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



Dated: October 19, 2023

By: Contessa Rudolph, Board President
Pembroke Academy
Designee of the Academy Board

Pembroke Academy
Contract Amendment No. 1

Tab 1

Matriculation Agreement

This Matriculation Agreement (“Agreement”) is entered into as of the 20th day of September 2023, between Westfield Preparatory High School, a body corporate and public school academy (“Receiving School”) and Pembroke Academy, a body corporate and public school academy (“Sending School”)(both parties referred to as “Schools”).

Both the Sending School and the Receiving School are separate and independent public school academies, organized as such under the Michigan Revised School Code (the “Code”). Both schools hold separate charters from valid authorizing bodies, pursuant to their respective charter contracts. Each school operates independently of the other.

Because the Sending School does not offer an educational program for high school students and the Receiving School desires to provide an enrollment preference for students entering its high school program, the parties desire to establish this arrangement for the matriculation of qualifying students from the Sending School to the Receiving School.

Michigan law permits any pupil who was enrolled at any time in the Sending School and who was not expelled from the Sending School to have an enrollment priority in the Receiving School provided the Schools have a matriculation agreement. MCL 380.504(4)(b).

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

1. **Term.** This Agreement shall be effective as of September 20, 2023, provided that it has been approved by each School’s governing board and its authorizing body. This shall be a perpetual contract unless rescinded by either party by adopting a board resolution.
2. **Qualifying Students.** Students who meet all of the following requirements are deemed to be “Qualifying Students” for enrollment priority under this Agreement:
 - a. the student was enrolled in and attended the Sending School at any time;
 - b. the student was not expelled from the Sending School;
 - c. the student has completed 8th grade from any school, including home school; and
 - d. the student is eligible to enroll in a public school in Michigan.
3. **Application for matriculation.** Qualifying Students who desire an enrollment priority in the Receiving School must complete the Receiving School application for the applicable school year and submit it to the Receiving School during its Open Enrollment Period as set forth in the Receiving School’s Admission and Enrollment Practices and Procedures.
4. **Enrollment Priority.** The enrollment priority of Qualifying Students shall be determined according to the Receiving School’s Admission and Enrollment Policy and the Admission and Enrollment Practices and Procedures.
5. **Enrollment.** Qualifying Students must attend school at the Receiving School on the first day of school in order to be enrolled. Any Qualifying Student who does not attend the first day of school and who does not obtain an excused absence from the Receiving School before the end of that

school day, shall forfeit his or her priority to enroll in the Receiving School.


6. **Record Transfer.** Upon receipt of a properly completed records release form from the Receiving School and parent of the student, the Sending School shall transfer all student records of Qualifying Students to the Receiving School no later than 30 days after receipt of the request for transfer of records from the Receiving School.
7. **Termination.** This Agreement may be terminated by either party at any time for any reason upon providing ninety (90) days' written notice. If such notice is given more than ninety (90) days before the end of the Open Enrollment Period, there shall be no enrollment priority for Qualifying Students for the subsequent school year. If the notice is given any time thereafter, the Qualifying Students who applied for enrollment priority at the Receiving School shall receive the priority for the subsequent school year pursuant to the terms of this Agreement. This Agreement shall be terminated automatically if the Charter Contract for either the Sending School or the Receiving School is terminated or revoked.
8. **Effective Date.** As to each School, this Agreement shall be effective on September 20, 2023.
9. **Entire Agreement.** This Agreement constitutes the entire agreement and understanding of the parties and there are no other promises, assurances or terms of agreement among the parties other than those written herein. Nothing in this Agreement shall give rights to any other person. This agreement shall not be modified except in writing and signed by each of the parties.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date shown below.

Receiving School: Westfield Preparatory High School

By:  Date: September 20, 2023

Sending School: Pembroke Academy

By:  Date: September 11, 2023

PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI-Matriculating Schools)

The school will comply with all applicable federal and state laws related to admissions and enrollment.

Non-Discrimination

A charter school shall not discriminate against or limit the admission of any student on any unlawful basis, including on the basis of ethnicity, national origin, color, need for special education services, sex, gender, disability, intellectual ability, measures of achievement or aptitude, athletic ability, race, creed, religion, or ancestry. A school may not require any action by a student or family (such as an admissions test, interview, essay, attendance at an information session, etc.) in order for an applicant to either receive or submit an application for admission to that school.

Enrollment Eligibility

All student applicants must be residents of Michigan at the time of enrollment. At the time of enrollment, families must provide proof of residency, which includes: a valid Michigan driver's license or a state-issued photo identification card, mortgage and rent payment receipts, or lease agreement, or voter registration card, or gas, water, electric bill, or bank statement. Students in temporary housing, as defined by McKinney-Vento, are not required to submit proof of residency documentation.

All students who enroll in kindergarten must turn five by September 1st of that school year. Parents whose child's birthdate falls between 9/1 and 12/1 may opt to enroll their child early into the school's kindergarten program.

Open Enrollment Period and Notice

The “**Open Enrollment Period**” for the first year of operation will be determined prior to June 30 by the NHA Enrollment Department and included in the notice of Open Enrollment. In all subsequent years, the Open Enrollment Period is from October 1 of the current school year until 5:00 p.m. (school's local time) of the last business day in November in the current school year. Notice of the Open Enrollment Period and application process will be designed to inform the persons most likely to be interested in the school.

National Heritage Academies (NHA) and/or the school will provide notice of Open Enrollment on its website and by (a) printing a legal notice of the enrollment period in a local newspaper of general circulation; (b) posting a written notice of the Open Enrollment Period at the school. In addition, notice may also be provided by airing a public service announcement on local television.

Application Procedures

Interested parties may obtain applications at:

- The school's website
- The offices of the school
- The service center of NHA at 3850 Broadmoor SE, Suite 201, Grand Rapids, MI 49512 or by calling 866-NHA-ENROLL from 8:00 a.m. to 5:00 p.m. EST.

Applications will be mailed, emailed or faxed to anyone requesting an application by telephone.

Applications for the current school year will be accepted until the end of the current school year and available seats will be filled. Applications for the subsequent school year are received during and after the Open Enrollment Period. If applications received during the Open Enrollment Period exceed offered seats in any grade level a random selection process will take place for all affected grade levels. If applications received are fewer than offered seats in each and every grade level all eligible applicants will be accepted, and a random selection process will not be conducted.

PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI-Matriculating Schools)

All applications received after the Open Enrollment Period (“late applications”) will not be eligible to participate in the random selection process. If seats are available, late applications will be added to the end of the accepted list in the order received. If no seats are available, the late application will be added to the end of the waiting list or, if the late application is entitled to preference, inserted in the waiting list immediately before all applicants on the waiting list with a lower enrollment preference category.

Currently Enrolled Students

Every student who is enrolled in the current school year and remains enrolled on the last day of the current school year is eligible to re-enroll for the subsequent year without participating in the random selection process. Enrolled students do not have to submit an application for the subsequent year; however, they will be requested to complete a re-enrollment form during the school year showing intent to re-enroll for the subsequent school year.

Random Selection Process

The random selection process shall be made public, shall be announced at least one week prior to the date of the lottery, and the school will notify all applicants of the time and place. A neutral third-party person will witness the random selection process. This person will not be related to any student, staff member, board member, anyone applying to the school, or an NHA employee.

Students will be randomly selected until all offered seats have been filled. Any remaining students will be randomly selected to establish waiting list priority used to fill available offered seats prior to and during the school year for which the student applied. After all eligible students have been randomly selected, the school will add the names of applicants who submitted applications after the Open Enrollment Period in the order in which they were received.

The random selection process will be video recorded. In the event of any discrepancy, the video recording will be the official record of placement of students.

Procedural Steps for the Random Selection Process

Step 1: Setup

A list with the name of each student who submitted an eligible application during the Open Enrollment Period will be created. The list will include, but not be limited to, the student’s name, birth date, grade level to which the student is applying, street address, and names and grade levels of any siblings who are also applying for admission to the school.

Step 2: Admission of Applicants

A neutral third-party person (as previously described) will witness the electronically random selection of the names of each applicant. Any grades that will not be filled to capacity in the lottery will be considered before other grades in descending order. After all these grades have been identified, the order of the grades that will be filled to capacity in the lottery will be randomly selected.

Once the grade order has been established, randomly selected students will be placed in available seats or on the waiting list in the applying grade if an offered seat is not available. If the selected student is accepted and has siblings who are also applying for admission, the siblings will be accepted if there are offered seats available or placed on the waiting list with sibling preference if offered seats are not available. If the selected student is placed on the waiting list and has siblings who are also applying, the siblings’ names will not be selected at this time or granted sibling preference but will wait until their grade level is selected.

PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI-Matriculating Schools)

Other preferences will be incorporated as detailed in Enrollment Preferences.

Step 3: Waiting List Priority

Students will continue to be randomly selected until all are selected. After a grade level's seats are full, all remaining students will be placed on the waiting list in the order in which they are selected. Applications received after the Open Enrollment Period will be added to the end of the waiting list for the appropriate grade in the order in which they were received.

Class Size and Offered Seats

Class size and offered seats will be recommended by NHA and submitted to the school Board for approval. In order to make provision for student attrition (reenrolling students who indicate that they are coming back but do not return on the first day of school) and erosion (new students who have been accepted for offered seats but are absent without excuse on the first day of school), the school may over-subscribe grades. The number of students to be over-subscribed will be determined based on historical and forecasted attrition and erosion.

In addition, the number of classrooms may fluctuate in the event the number of students enrolled warrants the increase or decrease in number of classrooms. The number of students in any particular grade and/or the number of students within a class may vary for the purpose of accommodating staffing exigencies and attrition patterns.

In no event will over-subscription, fluctuations in the number of classrooms or variations in the number of students in a grade or class result in a violation of any provision or limit contained within the school's charter contract or applicable law.

The school's openings by grade level change daily and will be posted at the lottery. Parents can contact the school registrar to obtain updates.

Enrollment Preferences

Enrollment preference is first given to currently enrolled students. Enrollment preference is provided within each building, i.e., K-8 and 9-12. Enrollment preference is not offered between buildings except that currently enrolled students in grade 8 have a re-enrollment preference into grade 9. Next preference is given to the following ordered categories of applicants: siblings of currently enrolled students, qualifying students pursuant to matriculation agreements, siblings of qualifying students, siblings of students selected in the random selection process, children of staff members (at least .5 FTE) or current board members, all remaining applicants.

If permitted by law, other enrollment preferences may be granted.

Siblings are defined as a student who is a sibling of an Accepted or Enrolled student who has at least one common parent/legal guardian and is living in the same household at least 50% of the time. If a student is selected for a grade level that still has offered seats available and the student has a sibling applying for a grade that no longer has offered seats available, the student will be accepted for his/her grade level and the student's sibling will be placed on the waiting list for his/her grade level with sibling preference. Therefore, while sibling preference applies, siblings are not guaranteed a seat.

The school shall enroll at least five percent (5%) of its students through a random selection process.

PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI-Matriculating Schools)

Accepting a Seat

Prior to the start of school, accepted students must confirm their intent to attend the school within two weeks of acceptance by returning certain initial forms, including an Admissions Form, Official Release of Records Form, and proof of residency documentation (individual schools may choose to offer a defined grace period). One month prior and throughout the school year, the process will be accelerated, and families will have 24 business hours to verbally accept the seat.

The school will send a reminder to all parents/guardians that if the student does not attend the first day of school or call in to request an excused absence by the date and time indicated, the student will forfeit his/her registered status in the school and will not be enrolled. The school may attempt to contact all applicants who have not responded to inquire whether the applicant is still planning to attend. If families do not respond within the deadline specified in the acceptance letter or decline the seat by contacting the school, the seat will be filled by the next person on the waiting list. The declining family will need to reapply if they change their mind.

Waiting List Policy

The school will keep accurate records of their waiting list containing the names home addresses, telephones numbers and grade levels of students. All applicants on a waiting list must re-submit an application for the following school year beginning in the next Open Enrollment Period.

When a seat becomes available in a particular grade due to attrition, erosion, or other event, if that particular grade has a waiting list, that available seat will be filled by the first student on the waiting list. If a waiting list does not exist for that particular grade, but exists for another grade, the school may (subject to applicable enrollment limits and board approved offered seats) fill the available seat using the first student on the waiting list in a different grade, the grade deemed most beneficial to student and school considering class size, teacher capacity, and other school operational factors.

Communication Prior to the First Day

As part of the enrollment process, the school staff will communicate or meet with families, parents/guardians, and students prior to the first day of school. The school will send all applicants a reminder communication to inform parents/guardians of the importance of being present on the first day of school. If the student does not attend the first week of school or call in to request excused absences by the date and time indicated on the reminder, the student will forfeit his/her accepted or registered status in the school and will not be enrolled. The school may attempt to call all applicants who have not responded to inquire whether the applicant is still planning to attend.

Re-Enrolling No Shows

If a student does not attend and the student's family does not respond to communication from the school during the first week of school, the student shall be removed from the student list. The school will contact absent students by means that may include a telephone call, email, and letter to the home address as provided by the family to the school on the application. The school will not hold the student's seat beyond the first full week of school, without previous approval by the school's leadership. Thereafter, the school will unenroll the absent student and fill the vacant seat in accordance with the process outlined above.

PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI-Matriculating Schools)

Withdrawal Process

Students may be withdrawn from the school at any time in accordance with the procedure outlined below. Only the enrolling custodial parent/guardian may withdraw a student.

1. The school will verify that the withdrawing parent/guardian is the custodial parent/guardian.
2. The withdrawing parent/guardian must complete a withdrawal form and provide a signature to confirm the withdrawal decision.
3. The school will confirm receipt of the completed withdrawal form and signature and may follow up with the parent to further discuss the nature of the withdrawal. If resolution is not made as a result of the follow up conversation, the school will remove the student from the school's roster.

Appeals

Any parent or guardian may contest or appeal the random selection process, in writing, to the school's Board of Directors within 30 days of the lottery date. The bases for an appeal include the violation of law or written policy or material error in the application of the Enrollment and Admission policy.

Following receipt of the parent's/guardian's written appeal, a school board designee will contact the parent/guardian to discuss the nature of the concern or objection. Final decisions will be made by the school board or its designee.

AMENDMENT NO. 2

to the
July 1, 2023 Contract to Charter
A Public School Academy and Related Documents

Issued To

PEMBROKE ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 2

PEMBROKE ACADEMY

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 PEMBROKE ACADEMY (the "Academy"), as amended, the parties agree to further 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: 06/20/2024

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



Dated: June 10, 2024

By: Contessa Rudolph, Board President
Pembroke Academy
Designee of the Academy Board

Pembroke Academy
Contract Amendment No. 2

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.

Pembroke Academy
Contract Amendment No. 2

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.

AMENDMENT NO. 3

to the
July 1, 2023 Contract to Charter
A Public School Academy and Related Documents

Issued To

PEMBROKE ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

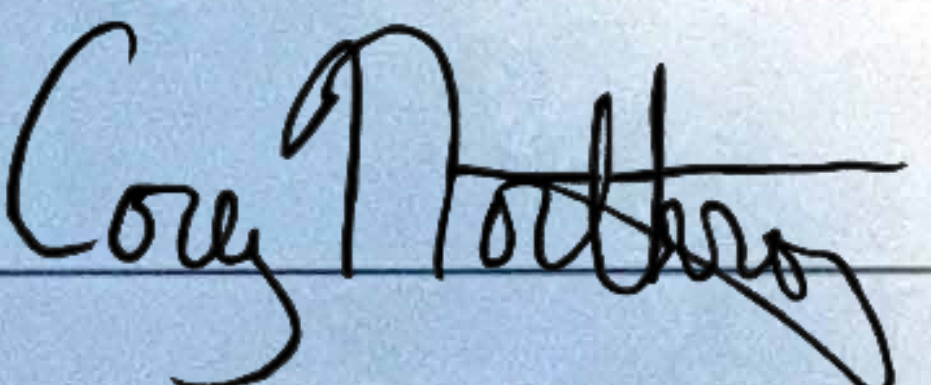
CONTRACT AMENDMENT NO. 3

PEMBROKE ACADEMY

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 PEMBROKE ACADEMY (the "Academy"), as amended, the parties agree to further amend the Contract as follows:

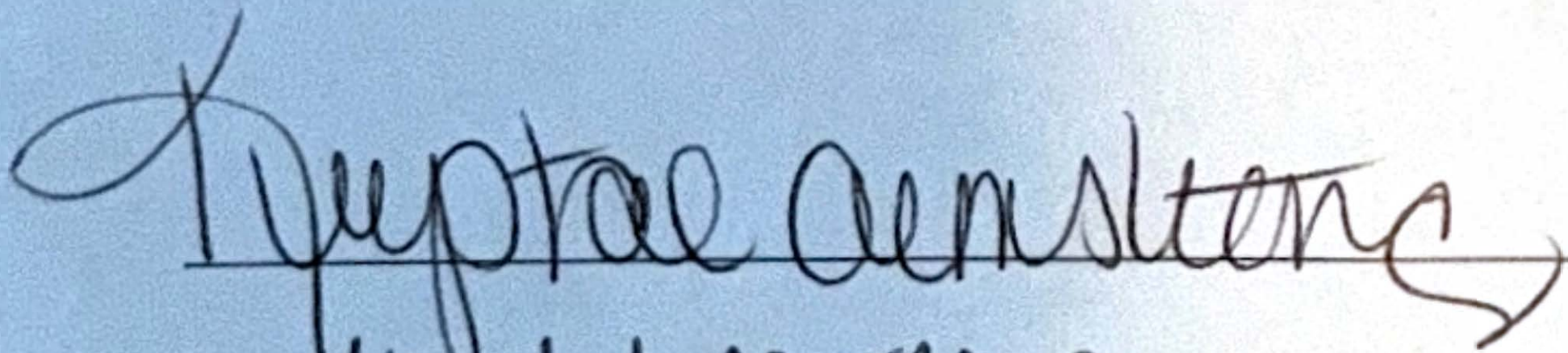
- 1.) Amend the Terms and Conditions of Contract by replacing the language contained within Article IV, Section 4.5. Prohibition of Identified Family Relationships, subsection (b), with the language attached as Tab 1.
- 2.) Further amend the Terms and Conditions of Contract by inserting at the end of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

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



Dated: 05/27/2025

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



Dated: 5/12/25

By: Krystal Armstrong
Pembroke Academy
Designee of the Academy Board

Pembroke Academy
Contract Amendment No. 3

Tab 1

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

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

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Tab 2

Terms and Conditions: Article XII, Section 12.24

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

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

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

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Tab 3

Amended Bylaws: Article VIII, Section 6

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

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

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

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

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

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

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

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

Amended Bylaws: Article IX

ARTICLE IX INDEMNIFICATION

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

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Tab 4

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

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

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