



June 2, 2017

Taylor International Academy
c/o Robert Lusk, Academy Board legal
counsel
26555 Franklin Road
Southfield, MI 48033

RE: Contract Suspension

To Taylor International Academy:

On May 31, 2017, pursuant to Article X, Section 10.8 of the terms and conditions of the contract to charter a public school academy and related documents issued to Taylor International Academy ("Academy") by the Central Michigan University Board of Trustees ("University Board"), dated July 1, 2015 ("Contract"), The Governor John Engler Center for Charter Schools, as the authorized representative of the University Board ("Center"), issued a Notice of Contract Suspension.

Over the last few days, the Center has actively worked to assess whether it would be feasible for the Academy to reopen to complete the school year. In order to reopen school, we had to be certain that such a decision would not jeopardize the health, safety and welfare of the Academy's families, students and staff. As you know, the resignation of all Academy Board members earlier this week coupled with the Academy's educational service provider's decision to no longer provide services to the Academy, including critical members of the administrative team, presented significant challenges to overcome. In addition, we were informed that a number of Academy vendors were unwilling to provide any additional services to the Academy without being fully paid for the work already performed. As of today, the Academy lacks the funds necessary to pay all of its outstanding invoices and also timely pay for all essential services and other operational expenses that would be incurred to complete the school year. Accordingly, the conditions leading to the Contract suspension continue and therefore necessitate a permanent closure.

This letter is to inform you that the Contract suspension will continue indefinitely and that the last day of Academy classes for the 2016-2017 school year was Wednesday, May 31st. See attached. The Center will be working with the Academy and various community members and other stakeholders to get notice out to all Academy families and teachers that there will be no classes for the remainder of the school year.

Even though classes have ended, the Center will continue to work with the Academy on student transition and wind-down activities. The Center has retained Recon Management Group ("Recon"), a company that specializes in school closures, to secure the facility, including all student records, to ensure that these important documents can be transferred to families and their designated new school for the 2017-2018 school year. In addition, we are in the process of securing the Academy's financial records at the school site and will be working closely with the yet to be appointed receiver ("Receiver") that the Academy Board authorized be appointed at their May 25th board meeting. Furthermore, the Center and Recon will be working with the Receiver to ensure that all the necessary filings and reports are prepared and submitted to the Michigan Department of Education for all grant funding available for the Academy. These grant funds and any other funds that are not subject to an existing state school aid intercept agreement will then be made available to the Receiver for payroll and other vendor obligations.

With respect to the Academy's state school aid, the Center and Recon will also be working with Receiver and the Michigan Department of Education to address any pupil accounting issues that may arise due to the Academy's closure. As you may know, the Academy has exceeded the number of pupil instruction hours (by approximately 100 hours) required by state law even though it has not completed the remaining scheduled school days. Despite this abrupt closing of school, we have also been advised that the necessary academic requirements for all Academy students have been

completed. Specifically, all student grades as of May 31, 2017 have been entered and completed by Academy staff, and all required student testing has been administered and completed.

We are also working to communicate this closure decision to all Academy families and teachers. The Center is currently working with MAPSA to schedule a school fair that will be open to all Academy families to attend and have an opportunity to meet with other local public school representatives about enrolling their student for the 2017-2018 school year. In addition, we have asked Recon to coordinate dates and times in the next few days so that all Academy staff will have the opportunity to retrieve their personal belongs at the school.

Please understand that while the decision to close school early is a difficult one, we believe that it is a decision that is ultimately made in the best interest of the Academy's families, students and staff.

Sincerely,



Cindy Schumacher
Executive Director

Attachment

cc: Manuel Rupe, CMU Vice President and General Counsel
Len Wolfe, Dykema
Charter School Capital, Inc. Legal Department



NOTICE OF CONTRACT SUSPENSION
Issued and Effective: June 2, 2017

Pursuant to Article X, Sections 10.8 of the terms and conditions of the contract to charter a public school academy and related documents issued by the Central Michigan University Board of Trustees ("University Board") to Taylor International Academy ("Academy"), dated July 1, 2015 ("Contract"), the Center Director of The Governor John Engler Center for Charter Schools, as the authorized representative of the University Board ("Center Director"), issues this Notice of Contract Suspension, upon reasonable belief that certain conditions or circumstances exist such that the Academy Board:

- (1) has placed staff or students at risk; and
- (2) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property;

Based on information and belief, the Center's Director is aware that all Academy Board members have resigned from office leaving the Academy Board unable to act. The Academy's Educational Service Provider is no longer providing services, including critical members of the administrative team at the school site, leaving no administration at the school to oversee daily operations. In addition, the Academy lacks the funds necessary to pay all of its outstanding invoices and also timely pay for all essential services and other operational expenses that would be incurred to complete the 2016-2017 school year. Accordingly, the conditions leading to the Contract suspension, dated May 31, 2017, continue and therefore necessitate a permanent closure of the Academy for the remainder of the 2016-2017 school year.

A handwritten signature in blue ink that reads "Cindy Schumacher".

By: Cindy Schumacher

Its: Director

Dated: June 2, 2017