

*LAKE SUPERIOR STATE  
UNIVERSITY BOARD OF  
TRUSTEES*

A  
CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY  
AND RELATED DOCUMENTS

ISSUED BY

**LAKE SUPERIOR STATE UNIVERSITY BOARD OF TRUSTEES**  
(AUTHORIZING BODY)

TO

**INNOCADEMY**  
(A PUBLIC SCHOOL ACADEMY)

July 1, 2017

**TABLE OF CONTENTS**

Contract Documents

Tab

Resolutions Authorizing the Academy and Establishing the Method of Selection, Length of Term, and Number of Members of Board of Directors .....	A
Terms and Conditions of Contract.....	B
Contract Schedules.....	C
Schedule 1: Articles of Incorporation .....	1
Schedule 2: Bylaws.....	2
Schedule 3: Fiscal Agent Agreement.....	3
Schedule 4: Oversight Agreement .....	4
Schedule 5: Description of Staff Responsibilities .....	5
Schedule 6: Physical Plant Description .....	6
Schedule 7: Required Information for Public School Academy .....	7
• Section a: Governance Structure .....	a
• Section b: Educational Goals .....	b
• Section c: Educational Programs.....	c
• Section d: Curriculum.....	d
• Section e: Methods of Pupil Assessment .....	e

**TABLE OF CONTENTS**  
**(cont.)**

Schedule 7: Required Information for Public School Academy .....7

- Section f:  
Application and Enrollment  
of Students .....f
- Section g:  
School Calendar and  
School Day Schedule.....g
- Section h:  
Age or Grade Range  
of Pupils.....h

# Tab A

**AUTHORIZING RESOLUTION  
AND  
RESOLUTION**



**RESOLUTION ADOPTED BY LAKE SUPERIOR STATE UNIVERSITY  
BOARD OF TRUSTEES ON JANUARY 27, 2017**

On motion by Mark Mercer and second by Thomas Bailey,  
the following resolution was adopted unanimously:

**WHEREAS**, the Michigan Legislature has provided for the establishment of public school academies as part of the Michigan public school system; and

**WHEREAS**, under the Revised School Code, the Lake Superior State University Board of Trustees ("University Board"), as the governing body of a state public university, is an authorizing body empowered to issue contracts to organize and operate public school academies; and

**WHEREAS**, on April 27, 2012, the University Board issued to Innocademy (the "Academy") a Contract to Charter a Public School Academy (the "Current Contract") with a term of five (5) years; and

**WHEREAS**, the Current Contract will expire on June 30, 2017 and the Academy has asked the University Board to issue a new contract to charter a public school academy; and

**WHEREAS**, in addition to other Revised School Code requirements, the University Board's reauthorization process included consideration of increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria as the most important factor in the decision of whether or not to issue to the Academy a new contract to charter a public school academy; and

**WHEREAS**, the University Charter Schools Office (the "CSO"): (1) has evaluated and assessed the Academy's operation and performance related to the Current Contract, (2) determined that the Academy has satisfied the conditions that the University Board and the CSO have established; (3) determined that the Academy's academic achievement for all groups of pupils as measured by assessments and other objective criteria is satisfactory; and (4) recommends that the University Board issue a new contract to charter a public school academy to the Academy.

**NOW, THEREFORE, BE IT RESOLVED:**

1. The University Board takes the following action related to issuing a Contract to Charter a Public School Academy and Related Documents ("Contract") to the Academy:
  - a. The University Board approves the form of the Contract and related documents as submitted to and reviewed by the University Board;

- b. The University Board approves and authorizes the issuance of the Contract and related documents and authorizes the Lake Superior State University President (the "President") to execute the Contract and related documents issued by the University Board to the Academy, provided that, before execution of the Contract, the University President or his designee affirms the following:
- i. all terms of the Contract have been agreed upon and the Academy is able to comply with all terms and conditions of the Contract and applicable law;
  - ii. the Academy has submitted all due diligence and other information required by the CSO Officer and the University Board's legal counsel and the CSO Officer is satisfied that the Academy will be able to operate successfully;
  - iii. the Contract term does not exceed five (5) years and ends not later than June 30, 2022; and
  - iv. the Contract for the Academy is substantially similar to the charter contract reviewed and approved by the University Board on this date, with the only changes being those made by the CSO, in consultation with the University Board's legal counsel, that are in the University Board's best interest.

2. This resolution shall be incorporated in and made part of the Academy's Contract.

I, the undersigned, as Secretary of the Lake Superior State University Board of Trustees, do hereby certify the foregoing resolution was adopted by the Lake Superior State University Board of Trustees at a public meeting held on the 27th day of January, 2017, with a vote of 5 for, 0 opposed, and 0 abstaining.

Signature: Katherine M. Bardo, Board Secretary



# LAKE SUPERIOR STATE UNIVERSITY

## PUBLIC SCHOOL ACADEMY AND SCHOOL OF EXCELLENCE BOARDS OF DIRECTORS: METHOD OF SELECTION AND APPOINTMENT

The Lake Superior State University Board of Trustees declares that the method of selection, length of term, and number of board members of a public school academy (PSA) or school of excellence (SOE) shall be as follows.

### Method of Selection and Appointment

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

1. The Board shall appoint the initial and subsequent academy board of directors. The director of the charter school office shall recommend nominees to the Board based upon a review of the *Public School Academy Board Application* and interview of candidates.
2. The academy board of directors, by majority vote, shall nominate its subsequent members. The academy board of directors shall recommend to the Board at least one nominee for each vacancy. Nominees shall submit the *Public School Academy Board Application* for review by the charter school office. The charter school office shall interview all new applicants.
3. 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.
4. Under exigent conditions, and with approval of the Board's chair, the director of the charter school office may appoint a qualified individual to an academy's board of directors. All appointments made under this provision must be presented to the Board for final determination at its next regularly scheduled meeting. The Board reserves the right to review, rescind, ratify or approve any appointments made under this provision.

### Length of Term

The term of each position of the academy board of directors shall be for a period of three (3) years, except the terms of the initial positions of the academy board of directors which shall be staggered one (1), two (2), and three (3) year terms. All appointments shall be for a period of three years, except appointments made to fill the positions of the initial academy board of directors, an appointment made to complete the unexpired term of a vacant position or appointments made to give effect to the requirement for staggered terms.

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).

Prerequisite Qualifications of Members

Before individuals become members of an academy’s board of directors, the nominee must: (a) be recommended by a majority vote of the academy board; (b) submit the *Public School Academy Board Application* which must include authorization to process a criminal background check; (c) be recommended for appointment by the charter school office; (d) be appointed by the Board or its designee; (e) take the oath of office; (f) sign the *Oath of Public Office*.

The members of the academy board of directors shall not include: (a) employees of the academy; (b) any director, officer, or employee of a service provider or management company that contracts with the academy; (c) a Lake Superior State University official or employee, as a representative of Lake Superior State University. At least one member of the academy board must reside in the local community. Academy board members must be citizens of the United States of America.

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. The oath and acceptance of office must be on file with the University Charter Schools Office within ten (10) days of signing.

Board Training

The Board of Trustees notifies the PSA and SOE boards that participation by Board Members in board training annually is a criterion for renewal of charters by the LSSU Board of Trustees.

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

LSSU Board Approval:

Signed: Jenny Dee Krontz  
Jenny Krontz, Chair, Board of Trustees

Date April 27, 2012  
April 27, 2012

# Tab B

**CONTRACT TERMS  
AND CONDITIONS**

**TERMS AND CONDITIONS  
OF CONTRACT**

**DATED: JULY 1, 2017**

**ISSUED BY**

**THE LAKE SUPERIOR STATE UNIVERSITY BOARD OF TRUSTEES**

**TO**

**INNOCADEMY  
(A PUBLIC SCHOOL ACADEMY)**

**CONFIRMING THE STATUS OF  
INNOCADEMY**

**AS A**

**PUBLIC SCHOOL ACADEMY**

## TABLE OF CONTENTS

Page

### ARTICLE I

#### DEFINITIONS

Section 1.1.	Certain Definitions.....	1
Section 1.2.	Captions .....	4
Section 1.3.	Gender and Number .....	4
Section 1.4.	Statutory Definitions.....	5
Section 1.5.	Schedules .....	5
Section 1.6.	Application.....	5
Section 1.7.	Conflicting Contract Provisions.....	5

### ARTICLE II

#### RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

Section 2.1.	Constitutional Status of Lake Superior State University .....	5
Section 2.2.	Independent Status of the Academy .....	5
Section 2.3.	Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University.....	5
Section 2.4.	Academy Has No Power To Obligate or Bind State of Michigan, University Board or the University.....	6

### ARTICLE III

#### ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY

Section 3.1.	University Board Resolutions .....	6
Section 3.2.	University Board as Fiscal Agent for the Academy .....	6
Section 3.3.	Oversight Responsibilities of the University Board .....	6
Section 3.4.	Reimbursement of University Board Expenses .....	6
Section 3.5.	University Board Approval of Condemnation.....	7
Section 3.6.	Authorization of Employment .....	7
Section 3.7.	CSO Director Review of Certain Financing Transactions.....	7
Section 3.8.	Authorizing Body Contract Authorization Process .....	8
Section 3.9.	University Board's Invitation to Academy to Apply For Conversion to Schools of Excellence.....	8

### ARTICLE IV

#### REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

Section 4.1.	Limitation on Actions in Performance of Governmental Functions.....	9
Section 4.2.	Other Permitted Activities .....	9

Section 4.3.	Academy Board Members Serve In Their Individual Capacity.....	9
Section 4.4.	Incompatible Public Offices and Conflicts of Interest Statutes.....	9
Section 4.5.	Prohibition of Identified Family Relationships.....	10
Section 4.6.	Dual Employment Positions Prohibited.....	10
Section 4.7.	Oath of Public Office.....	10

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1.	Nonprofit Corporation .....	11
Section 5.2.	Articles of Incorporation.....	11
Section 5.3.	Bylaws.....	11
Section 5.4.	Quorum .....	11

ARTICLE VI

OPERATING REQUIREMENTS

Section 6.1.	Governance Structure.....	11
Section 6.2.	Educational Goals .....	11
Section 6.3.	Educational Programs .....	11
Section 6.4.	Curriculum .....	11
Section 6.5.	Method of Pupil Assessment .....	12
Section 6.6.	Application and Enrollment of Students.....	12
Section 6.7.	School Calendar and School Day Schedule.....	12
Section 6.8.	Age or Grade Range of Pupils .....	12
Section 6.9.	Collective Bargaining Agreements .....	12
Section 6.10.	Accounting Standards .....	12
Section 6.11.	Annual Financial Statement Audit.....	13
Section 6.12.	Address and Description of Physical Plant; Process for Expanding Academy's Site Operations.....	13
Section 6.13.	Contributions and Fund Raising .....	13
Section 6.14.	Disqualified Organizational or Contractual Affiliations.....	13
Section 6.15.	Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes .....	14
Section 6.16.	Matriculation Agreements .....	14
Section 6.17.	Postings of Accreditation Status .....	14
Section 6.18.	Academy Site Is Former Site of Closed Community District School; State School Reform/Redesign Officer Approval Required.....	14
Section 6.19.	New Public School Academies Located Within The Boundaries of A Community District. ....	14
Section 6.20.	Community District Accountability Plan.....	15

ARTICLE VII

TUITION PROHIBITED

Section 7.1.	Tuition Prohibited; Fees and Expenses.....	15
--------------	--	----

ARTICLE VIII

COMPLIANCE WITH APPLICABLE LAW

Section 8.1. Compliance with Applicable Law ..... 15

ARTICLE IX

AMENDMENT

Section 9.1. Amendments ..... 15  
Section 9.2. Process for Amendment Initiated by the Academy ..... 16  
Section 9.3. Process for Amendment Initiated by the University Board ..... 16  
Section 9.4. Final Approval of Amendments..... 16  
Section 9.5. Change in Existing Law ..... 16  
Section 9.6. Emergency Action on Behalf of University Board ..... 16

ARTICLE X

CONTRACT TERMINATION, SUSPENSION, AND REVOCATION

Section 10.1. Statutory Grounds for Revocation ..... 17  
Section 10.2. Other Grounds for Revocation..... 17  
Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed Or Placed In State School Reform/Redesign District; Economic Hardship Termination..... 18  
Section 10.4. Material Breach of Contract; Termination of Contract By University Board Caused By State School Reform/Redesign Officer Order..... 19  
Section 10.5. 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..... 20  
Section 10.6. Grounds and Procedures for University Termination of Contract..... 20  
Section 10.7. University Board Procedures for Revoking Contract ..... 20  
Section 10.8. Contract Suspension..... 23  
Section 10.9. Venue; Jurisdiction ..... 24  
Section 10.10. Appointment of Conservator/Trustee ..... 24  
Section 10.11. Academy Dissolution Account ..... 24

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. The Academy Budget ..... 25  
Section 11.2. Insurance ..... 26  
Section 11.3. Legal Liabilities and Covenant Against Suit ..... 30  
Section 11.4. Lease or Deed for Proposed Single Site ..... 30  
Section 11.5. Occupancy and Safety Certificates ..... 30  
Section 11.6. Criminal Background and History Checks; Disclosure of Unprofessional Conduct; Compliance with School Safety Initiative..... 30  
Section 11.7. Special Education..... 31  
Section 11.8. Deposit of Public Funds by the Academy..... 31

Section 11.9.	Nonessential Elective Courses.....	31
Section 11.10.	Required Provisions for ESP Agreements .....	31
Section 11.11.	Management Agreements .....	33
Section 11.12.	Administrator and Teacher Evaluation Systems.....	33

## ARTICLE XII

### GENERAL TERMS

Section 12.1.	Notices .....	33
Section 12.2.	Severability .....	34
Section 12.3.	Successors and Assigns.....	34
Section 12.4.	Entire Contract.....	34
Section 12.5.	Assignment .....	34
Section 12.6.	Non-Waiver.....	34
Section 12.7.	Governing Law .....	35
Section 12.8.	Counterparts.....	35
Section 12.9.	Term of Contract.....	35
Section 12.10.	Indemnification.....	35
Section 12.11.	Construction.....	35
Section 12.12.	Force Majeure .....	35
Section 12.13.	No Third Party Rights.....	35
Section 12.14.	Non-agency.....	36
Section 12.15.	University Board or CSO General Policies on Public School Academies Shall Apply.....	36
Section 12.16.	Survival of Provisions.....	36
Section 12.17.	Information Available to the Public.....	36
Section 12.18.	Termination of Responsibilities.....	36
Section 12.19.	Disposition of Academy Assets Upon Termination or Revocation of Contract.....	37

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 Michigan 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 Michigan Legislature has delegated to the governing boards of state public universities, community college boards, including tribally controlled 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 Lake Superior State University Board of Trustees has considered the authorization of the Academy and has approved the issuance of a contract to the Academy;

NOW, THEREFORE, pursuant to the Revised School Code, the University Board grants a contract conferring certain rights, franchises, privileges, and obligations of a public school academy and confirms the status of a public school academy in this state to the Academy. In addition, the parties agree that the granting of this Contract is subject to the following terms and conditions:

## ARTICLE I

### DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this 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 Innocademy which is established as a public school academy pursuant to this Contract.
- (b) “Academy Board” means the Board of Directors of the Academy.
- (c) “Accountability Plan” means a Community District accountability plan established, implemented and administered by the State School Reform/Redesign Officer under section 390 of the Code, MCL 380.390.
- (d) “Applicable Law” means all state and federal law applicable to public school academies.

- (e) “Application” means the public school academy application and supporting documentation submitted to the University Board for the establishment of the Academy and supplemented by material submitted pursuant to the University Board’s requirements for reauthorization.
- (f) “Authorizing Resolution” means the Resolutions adopted by the University Board on January 27, 2017.
- (g) “Charter Schools Office Director” or “CSO Director” means the person designated by the University Board to administer the operations of the Charter Schools Office.
- (h) “Charter Schools Office” or “CSO” means the office designated by the University Board as the initial point of contact for public school academy applicants and public school academies authorized by the University Board. The Charter Schools Office is also responsible for administering the University Board’s responsibilities with respect to the Contract.
- (i) “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.
- (j) “Community District” means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (k) “Contract” means, in addition to the definition set forth in the Code, these Terms and Conditions, the Authorizing Resolution, the Resolution, the Master Calendar, the ESP Policies, the Schedules, and the Application.
- (l) “Director” means a person who is a member of the Academy Board of Directors.
- (m) “Educational Service Provider” or “ESP” means an educational management organization 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, which contract has been submitted to the CSO Director for review as provided in Section 11.11 and has not been disapproved by the CSO Director, and is consistent with the CSO Educational Service Provider Policies, as they may be amended from time to time, and Applicable Law.
- (n) “Educational Service Provider Policies” or “ESP Policies” means those policies adopted by the Charter Schools Office Director that apply to a Management Agreement. The Charter Schools Office Director may, at any time and at his or her sole discretion, amend the ESP Policies. 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.

- (o) “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 actions or inactions of the Academy Board, then such gift or grant shall not constitute a financial borrowing or contribution for purposes of determining a Fund Balance Deficit.
- (p) “Lease Policies” means those policies adopted by the Charter Schools Office Director that apply to real property lease agreements entered into by the Academy. The Charter Schools Office Director may, at any time and at his or her sole discretion, amend the Lease Policies. Upon amendment, changes to the Lease Policies shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.
- (q) “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, which has been submitted to the CSO Director for review as provided in Section 11.11 and has not been disapproved by the CSO Director.
- (r) “Master Calendar” or “MCRR” means the Master Calendar of Reporting Requirements developed and administered by the Charter Schools Office setting forth a reporting time line for certain financial, administrative, facility, Academy Board and educational information relating to the Academy. The Charter Schools Office Director may, at any time and at his or her sole discretion, amend the Master Calendar. Upon amendment, changes to the Master Calendar shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.
- (s) “President” means the President of Lake Superior State University or his or her designee.
- (t) “Resolution” means the resolution adopted by the University Board on April 27, 2012, establishing the standard method of selection, length of term and number of members format for public school academies issued a Contract by the University Board, as amended from time to time.
- (u) “Schedules” means the following Contract documents of the Academy: Schedule 1: Articles of Incorporation, Schedule 2: Bylaws, Schedule 3:

Fiscal Agent Agreement, Schedule 4: Oversight Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, and Schedule 7: Required Information for Public School Academies.

- (v) “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.
- (w) “State School Reform/Redesign Office” means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 and codified at MCL 18.445.
- (x) “State School Reform/Redesign Officer” means the officer described in Section 1280c(9) of the Code, MCL 380.1280c(9), and authorized to act as the superintendent of the State School Reform/Redesign District under Section 1280c(6)(b) of the Code, MCL 380.1280c(6)(b).
- (y) “Superintendent” means the Michigan Superintendent of Public Instruction.
- (z) “Terms and Conditions” means this document entitled “Terms and Conditions of Contract, Dated July 1, 2017, Issued by the Lake Superior State University Board of Trustees to Innocademy Confirming the Status of Innocademy as a public school academy.”
- (aa) “University” means Lake Superior State University, a state public university, established pursuant to Article VIII, Sections 4 and 6 of the Michigan Constitution of 1963 and MCL 390.391 et seq.
- (bb) “University Board” means the Lake Superior State University Board of Trustees, an authorizing body as designated under Section 501 of the Code, MCL 380.501.
- (cc) “University Board Chairperson” means the Chairperson of the Lake Superior State University Board of Trustees or his or her designee. In Section 1.1(dd) below, “University Board Chairperson” means the Board Chairperson of the Lake Superior State University Board of Trustees.
- (dd) “University Charter Schools Hearing Panel” or “Hearing Panel” means such person(s) as designated by the University Board Chairperson.

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 use of any gender in this Contract shall be deemed to be or include the other genders, including neuter, 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 Part 6A of 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. Portions of the Applicant's Application have been incorporated into this Contract. In the event that there is an inconsistency or dispute between materials in the Application and the Contract, the language or provisions in 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 Resolution shall control over any other conflicting language in the Contract; (ii) the Authorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in the Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Resolution and the Authorizing Resolution; and (iv) the Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Resolution, Authorizing Resolution and these Terms and Conditions.

## ARTICLE II

### RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

Section 2.1. Constitutional Status of Lake Superior State University. The University is a constitutionally established body corporate operating as a state public university. In approving this Contract, the University Board voluntarily exercises additional powers given to the University Board under the Code. Nothing in this Contract shall be deemed to be any waiver of the University Board's constitutional autonomy and powers and the Academy shall not be deemed to be a part of the University. If applicable, the University Board has provided to the State School Reform/Redesign Officer the accreditation notice required under Section 502 of the Code, MCL 380.502.

Section 2.2. Independent Status of the Academy. The Academy is a body corporate and governmental entity authorized by the Code. The Academy is organized and shall operate as a public school academy and a nonprofit corporation. The Academy is not a division or part of the 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, if applicable.

Section 2.3. Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University. Any contract, agreement, note, 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 assigned or pledged for the payment of any Academy contract, agreement, note, mortgage, loan or other instrument of indebtedness.

Section 2.4. Academy Has No Power To Obligate or Bind State of Michigan, 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, 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, University Board or the University in any way guarantee, are financially obligated, or are in any way responsible for any contract, agreement, note, mortgage, loan or other instrument of indebtedness entered into by the Academy.

### ARTICLE III

#### ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY

Section 3.1. University Board Resolutions. The University Board has adopted the Resolution providing for the method of selection, length of term, number of Directors and the qualification of Directors. The University Board has adopted the Authorizing Resolution which approves the issuance of this Contract. The Resolution and the Authorizing Resolution are hereby incorporated into this Contract as Exhibit A. At anytime and at its sole discretion, the University Board may amend the Resolution. Upon University Board approval, changes to the Resolution shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these 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, or for any expenditure approved by or on behalf of the Academy Board. Except as provided in the Oversight Agreement and Article X of these Terms and Conditions, the University Board shall promptly, within five (5) 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 Agreement executed by the parties and incorporated herein as Schedule 4.

Section 3.4. Reimbursement of University Board Expenses. The Academy shall pay the University Board an administrative fee to reimburse the University Board for the expenses

associated with the execution of its authorizing body and oversight responsibilities. The terms and conditions of the administrative fee are set forth in Schedule 4.

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 CSO Director describing the proposed acquisition and the purpose for which the Academy desires to acquire the property. The CSO Director will generate a recommendation for consideration by the University Board with regard to the proposed acquisition. The request and the CSO Director's recommendation will be submitted by the CSO Director for the University Board's consideration in accordance with the University Board's generally applicable timelines and policies for the agendas of regularly-scheduled University Board committee meetings and formal sessions of the University Board. No acquisition may be made until the approval of the University Board is obtained by resolution adopted at a formal session of the University Board.

Section 3.6. Authorization of Employment. The University Board authorizes the Academy to employ or contract directly with 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. Additionally, the Academy Board shall require each individual who works at the Academy to disclose to the Academy Board any other public school or Educational Service Provider at which that individual works or to which that individual provides services. 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) select and engage employees; (ii) pay their wages; (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 shall ensure that the term or length of any employment contract or consultant agreement does not extend beyond the term of this Contract and shall terminate in the event this Contract is revoked or terminated. In no event may an Academy employee's employment contract term, inclusive of automatic renewals, extend beyond the term of this Contract.

Section 3.7. CSO Director Review of Certain Financing Transactions. If the Academy proposes to (i) finance the acquisition, by lease, purchase, or other means, of facilities or equipment, or renovation of facilities, in excess of \$150,000, pursuant to arrangements calling for payments over a period greater than one (1) year, and which include a pledge, assignment or direction to one or more third parties of a portion of the funds to be received by the Academy from the State of Michigan pursuant to the State School Aid Act of 1979, as amended, being MCL 388.1601 et seq., or (ii) direct 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, the Academy shall submit the transaction for prior review by the CSO Director, as designee of the University Board, in the manner provided herein. The Academy shall, not later than thirty (30) days prior to the proposed closing date of the transaction, submit a written request to the CSO

Director describing the proposed transaction and the facilities or equipment to be acquired with the proceeds thereof (if any), and in the case of a transaction described in subparagraph (ii) of this Section, (a) a copy of the Academy Board's resolution authorizing the direct intercept of State School Aid Payments; (b) a copy of a State School Aid Payment Agreement and Direction document that is in a form acceptable to the University Charter Schools Office; and (c) copies of such other documentation regarding the transaction which is the subject of the proposed direct intercept as the University Charter Schools Office may request. Unless the CSO Director extends the review period, within thirty (30) days of receiving a written request in compliance with this Section, the CSO Director shall notify the Academy if the proposed transaction is disapproved (the CSO Director may disapprove the proposed transaction in his or her sole discretion). If the proposed transaction is disapproved, such disapproval may, but shall not be required to, state one or more conditions which, if complied with by the Academy and any lender, lessor, seller or other party, would cause such disapproval to be deemed withdrawn. No transaction described in this Section may be entered into that is disapproved by the CSO Director. By not disapproving a proposed transaction, the CSO Director is in no way giving approval of the proposed transaction, or any of the terms or conditions thereof.

Section 3.8. Authorizing Body Contract Authorization Process. Pursuant to the Code, the University Board is not required to issue a contract to the Academy. This Contract is for a fixed term and will terminate at that end of the Contract Term set forth in Section 12.9 without any further action of either the Academy or the University Board. The Academy shall seek a new contract by making a formal request to the University Board in writing at least two years prior to the end of the current Contract Term. The University Board shall provide to the Academy a description of the timeline and process by which the Academy may be considered for issuance of a new contract. The timeline and process for consideration of whether to issue a new contract to the Academy shall be solely determined by the University Board. 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. The University Board, at its own discretion, may change its timeline and process for issuance of a new contract at any time, and any such changes shall take effect automatically without the need for any amendment to the Contract. Consistent with the Code, the University Board may elect, at its sole discretion, not to consider the issuance of a contract, consider reauthorization of the Academy and elect not to issue a contract, or consider reauthorization of the Academy and issue a contract for a fixed term.

Section 3.9. University Board's Invitation to Academy to Apply For Conversion to Schools of Excellence. If the University Board is interested in accepting applications to issue contracts to charter Schools of Excellence under Part 6E of the Code, and the University Board determines that the Academy meets the University Board's and the Code's eligibility criteria for applying to convert the Academy to a School of Excellence, then the University Board may invite the Academy to submit an application to apply for a contract to convert the Academy to a school of excellence. In accordance with the Code, the University Board shall establish its own competitive application process and provide the necessary forms and procedures to eligible public school academies.

## 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 body corporate 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. Consistent with the provisions of this Contract, the Academy is permitted to engage in lawful activities that are not in derogation of the Academy's mission and status of operating a public school academy or that would not jeopardize the eligibility of the Academy for state school aid funds.

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 Resolution or Schedule 2: Bylaws. As set forth in the Resolution, a Director serves at the pleasure of the University Board, and may be removed with or without cause by the University Board 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 as an owner, officer, director, employee or consultant of or independent contractor to 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; and

- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University.
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any school building 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. 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 same-sex domestic partner:
  - (i) Is employed by the Academy;
  - (ii) Works at or is assigned to the Academy;
  - (iii) Has an ownership, officer, policymaking, managerial, administrative non-clerical, or other significant role with the Academy's ESP or employee leasing company.
  - (iv) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy.
- (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 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 same-sex domestic partner.

Section 4.6. Dual Employment Positions Prohibited. Any person working at the Academy is prohibited by law from being employed at the Academy in more than one full-time position and simultaneously being compensated for each position.

Section 4.7. Oath of Public Office. Academy Board members are public officials. Before entering upon the duties of a public school board member, each Academy Board member shall take, sign and file the constitutional oath of office with the Charter Schools Office.

## ARTICLE V

### CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Nonprofit Corporation. The Academy shall be organized and operated 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. The Restated Articles of Incorporation shall automatically be incorporated into this Contract. Any subsequent amendments to the Academy's Articles of Incorporation shall only be incorporated into this Contract pursuant to Article IX of these Terms and Conditions.

Section 5.3. Bylaws. The Bylaws of the Academy, as set forth in Schedule 2, shall be the Bylaws of the Academy. Upon Academy Board approval, the Amended Bylaws shall automatically be incorporated into this Contract. Any subsequent amendments to the Academy's Bylaws shall only be incorporated into this Contract pursuant to Article IX of these Terms and Conditions.

Section 5.4. Quorum. Notwithstanding any document in the Contract that is inconsistent with this Section, including the Academy's Articles of Incorporation and Bylaws, a quorum of the Academy Board that is necessary to transact business and to take action shall be a majority of the Academy Board members as set by the Authorizing Resolution.

## 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 Goals. The Academy shall pursue the educational goals identified in Schedule 7b. The educational goals shall include demonstrated improved pupil academic achievement for all groups of pupils.

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

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

Section 6.5. Method of Pupil Assessment. The Academy shall evaluate pupils' work based on the assessment strategies identified in Schedule 7e. To the extent applicable, pupil performance at the Academy shall be assessed using both the mathematics and reading portions of the Michigan Student Test of Educational Progress (M-STEP) or the Michigan Merit Examination (MME) designated under the Code. The Academy shall provide the Charter Schools Office with copies of reports, assessments and test results concerning the following:

- (a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the Charter Schools Office;
- (b) an assessment of the student performances at the end of each academic school year or at such other times as the University Board may reasonably request;
- (c) an annual education report in accordance with the Code;
- (d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the Charter Schools Office; and
- (e) all tests required under Applicable Law.

Section 6.6. Application and Enrollment of Students. The Academy shall comply with the application and enrollment policies identified in Schedule 7f. With respect to the Academy's pupil admissions process, the Academy shall provide any documentation or information requested by the Charter Schools Office that demonstrates the following:

- (a) The Academy has made a reasonable effort to advertise its enrollment efforts to all pupils; and
- (b) The Academy's open enrollment period was for a duration of at least 2 weeks and permitted the enrollment of pupils at times in the evening and on weekends.

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

Section 6.8. Age or Grade Range of Pupils. The Academy shall comply with the age and 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, and applicable State Board of Education and 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. In accordance with timeframes set forth in the Master Calendar, the Academy shall submit one (1) copy of the annual financial statement audit, auditor's management letters and any responses to auditor's management letters to the Charter Schools Office.

Section 6.12. Address and Description of Physical Plant; Process for Expanding Academy's Site Operations. 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.

The University Board's process for evaluating and approving the same configuration of age or grade levels at more than one (1) site is as follows:

By formal resolution, the Academy Board may request the authority to operate the same configuration of age or grade levels at more than one site. The Academy Board shall submit to the CSO a contract amendment, in a form and manner determined by the CSO. The contract amendment shall include all information requested by the CSO, including detailed information about the site, the Academy's proposed operations at the site and the information provided in Contract Schedules 4, 5, 6 and 7. Upon receipt of a complete contract amendment, the CSO Director shall review the contract amendment and make a recommendation to the University Board on whether the Academy's request for site expansion should be approved. A positive recommendation by the CSO Director of the contract amendment shall include a determination by the CSO Director that the Academy is operating in compliance with the Contract and is making measureable progress toward meeting the Academy's educational goals. The University Board may consider the Academy Board's site expansion request contract amendment following submission by the CSO Director of a positive recommendation. If the University Board approves the Academy Board's site expansion request contract amendment, the Contract shall be amended in accordance with Article IX of these Terms and Conditions. The University Board reserves the right to modify, reject or approve any site expansion request contract amendment in its sole and absolute discretion.

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 the University or the University Board.

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 Performance of its Targeted Educational Outcomes. The Academy shall perform the compliance certification duties required by the University Board and outlined in the Oversight Agreement set forth as Schedule 4. In addition to the University Board's oversight responsibilities and other reporting requirements set forth in this Contract, the Academy's compliance certification duties shall serve as the method for monitoring the Academy's compliance with Applicable Law and its performance in meeting its educational goals.

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 Charter Schools Office for review. Any matriculation agreement entered into by the Academy shall be incorporated into Schedule 7 by contract amendment pursuant to Article IX of these Terms and Conditions. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

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.

Section 6.18. Academy Site Is Former Site of Closed Community District School; State School Reform/Redesign Officer Approval Required. If the Academy's proposed site is located within the geographical boundaries of a Community District and is a site that was a former site of a Community District school closed by the State School Reform/Redesign Office within the last 3 school years, then the University Board shall not issue the Contract unless (a) the new Academy site has a substantially different leadership structure and curricular offering than the previous Community District school that operated at the site; and (b) the State School Reform/Redesign Officer has approved the Academy's use of the site. A copy of the State School Reform/Redesign Officer's approval shall be provided to the Charter Schools Office as part of the application process.

Section 6.19. New Public School Academies Located Within The Boundaries of A Community District. If the circumstances listed below in (a) and (b) or (c) 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 this Contract, that the Academy will have a 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), of the public schools in this State that the State School Reform/Redesign Office has determined to be among the lowest achieving 5% of all public schools; or (ii) has been on the list during the immediately preceding 3 school years; and

(b) If an Accountability Plan has been in effect for at least 3 full school years, the Academy's proposed site is at the same location as a public school that has

been assigned a grade of “F” under the Accountability Plan for 3 of the preceding 5 school years; or

(c) The Academy’s proposed site is not 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.

Section 6.20. Community District Accountability Plan. If any part of the Academy’s proposed site is located within the geographical boundaries of a Community District, then the Academy shall comply with the Accountability Plan. This provision shall not apply if a statewide accountability system is enacted into law replacing the Accountability Plan.

## 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 law.

## ARTICLE VIII

### COMPLIANCE WITH APPLICABLE LAW

Section 8.1. Compliance with Applicable Law. The Academy shall comply with all applicable state and federal laws, including, but not limited to, to the extent applicable, the Code, the State School Aid Act of 1979, the Open Meetings Act, the Freedom of Information Act (“FOIA”), the Public Employees Relation Act, the Prevailing Wage on State Contracts statute, the Uniform Budgeting and Accounting Act, the Revised Municipal Finance Act of 2001, the Elliott-Larsen Civil Rights Act, the Michigan Handicappers’ Civil Rights Act, and Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC & 12101 et seq. or any successor law. Additionally, the Academy shall comply with other state and federal laws which are applicable to public school academies. 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 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. Except as provided in Section 6.12 of these Terms and Conditions, the University Board delegates to the CSO Director the review and approval of changes or amendments to this Contract. In the event that a proposed change is not accepted by the CSO Director, the University Board shall 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 CSO Director the review and approval of changes or amendments to this Contract. The Academy Board may delegate to an officer 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 CSO 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 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 rights, the responsibilities or 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 Charter Schools Office Director, 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 Charter Schools Office Director 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 Charter Schools Office Director consults with the University Board Chairperson or the University President prior to taking the intended actions. When acting during an emergency situation, the Charter Schools Office Director 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 Charter Schools Office Director 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 TERMINATION, SUSPENSION, AND REVOCATION

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 10.7, 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 meet the educational goals 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 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 10.7, 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 goals 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 Charter Schools Office

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, Bureau of Commercial Services without first obtaining the Charter Schools Office's approval;

(g) The Charter Schools Office 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 Charter Schools Office 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 Or Placed In State School Reform/Redesign District; Economic Hardship Termination.

Except as otherwise provided in this Section 10.3, if the University Board is notified by the State School Reform/Redesign Officer that either (i) an Academy site is subject to closure under section 507 of the Code, MCL 380.507 ("State's Automatic Closure Notice"), or (ii) an Academy site is being placed in the State School Reform/Redesign District ("State's Reform District Notice") pursuant to section 1280c(6) of the Code, MCL 380.1280c(6), 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 or the State's Reform District Notice. If the State's Automatic Closure Notice or State's Reform District 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 or the State's Reform District Notice is received without any further action of the University Board or the Academy.

If the Charter Schools Office Director determines, in his or her discretion, that either the closure of one or more sites, or the placement of one or more sites in the State School Reform/Redesign District, creates a significant economic hardship for the Academy as a going concern, then the Charter Schools Office 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 10.7(c) do not apply to an automatic termination initiated by the State's Automatic

Closure Notice, the State's Reform District Notice, or an Economic Hardship Termination under this Section 10.3.

Following receipt of the State's Automatic Closure Notice or the State's Reform District Notice, the Charter Schools Office shall forward a copy of the notice to the Academy Board and may 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 or the State's Reform District Notice, including the granting of any hardship exemption rescinding the State's Automatic Closure Notice, shall be directed to the State School Reform/Redesign Officer, in a form and manner determined by the State School Reform/Redesign Office or the Michigan Department of Technology Management and Budget.

If the State School Reform/Redesign Officer rescinds the State's Automatic Closure Notice or the State's Reform District Notice for an Academy site or sites, the Academy is not required to close the identified site(s), but shall present to the Charter Schools Office a proposed Contract amendment incorporating the State School Reform/Redesign Officer's school improvement plan, if applicable, for the identified site(s).

Section 10.4. Material Breach of Contract; Termination of Contract By University Board Caused By State School Reform/Redesign Officer Order. If the University Board receives notice that (i) an order has been issued by the State School Reform/Redesign Officer under Section 1280c(2) of the Code, MCL 380.1280c(2), placing an Academy site or sites under the supervision of the State School Reform/Redesign Officer; or (ii) an order is issued by the State School Reform/Redesign Officer appointing a Chief Executive Officer to take control of an Academy site or sites pursuant to Section 1280c(7) of the Code, MCL 380.1280c(7), the Charter Schools Office Director may, at his or her discretion, deem such actions a material breach of this Contract. If the Charter Schools Office Director determines that the issuance of such an order constitutes a material breach of this Contract, the Charter Schools Office Director shall notify the Academy of the material breach and request a meeting with Academy Board representatives to discuss the matter. To remedy the material breach, the Academy shall work toward the development of a corrective action plan within thirty (30) days that is acceptable to the Charter Schools Office Director. In addition to other matters, the corrective action plan shall include the Academy's redesign plan, if applicable, prepared pursuant to section 1280c of the Code, MCL 380.1280c.

The development of a corrective action plan under this Section 10.4 shall not in any way limit the rights of the University Board to revoke, terminate, or suspend this Contract. If the Charter Schools Office Director determines that the Academy is unable to develop a corrective action plan that can remedy the material breach and that is acceptable to the University, the Charter Schools Office Director shall recommend that the University Board terminate the Contract at the end of the current school year. If the University Board approves to terminate the Contract under this Section 10.4, the Contract shall be terminated at the end of the current school year without any further action of either party. If this Contract is terminated pursuant to this

Section 10.4, the termination and revocation procedures in Section 10.6 and Section 10.7 shall not apply.

Section 10.5. 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 Charter Schools Office 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 Charter Schools Office 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 10.6. 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 Charter Schools Office 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 10.6, the revocation procedures in Section 10.7 shall not apply.

Section 10.7. University Board Procedures for Revoking Contract. The University Board's process for revoking the Contract is as follows:

(a) Notice of Intent to Revoke. The Charter Schools Office 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 Charter Schools Office 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 time line 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 Charter Schools Office 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 Charter Schools Office Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the Charter Schools Office Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the Charter Schools Office Director shall develop a plan for correcting the non-compliance ("Plan of Correction") which may include reconstitution pursuant to 10.7(d) of these Terms and Conditions. In developing a Plan of Correction, the Charter Schools Office 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 Charter Schools Office 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 Charter Schools Office 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 Resolution; (iii) withdrawing approval of a contract under Section 506 of the Code; or (iv) the appointment of a new Academy Board of Directors or a conservator/trustee to take over operations of the Academy.

Except as otherwise provided in this subsection, reconstitution of the Academy does not restrict the State School Reform/Redesign Officer from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s). If, however, the Academy is located within the boundaries of a Community District and an Accountability Plan is in place, the Charter Schools Office shall notify the State School Reform/Redesign Officer that the Plan of Correction includes a reconstitution of the Academy to ensure that the Academy is not subject to automatic closure by the State School Reform/Redesign Officer under section 507 of the Code, MCL 380.507.

(e) Request for Revocation Hearing. The Charter Schools Office Director may initiate a revocation hearing before the University Charter Schools Hearing Panel if the Charter Schools Office 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 10.7(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 Charter Schools Office Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the Charter Schools Office 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 10.7(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 Charter Schools Office 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 Charter Schools Office and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the Charter Schools Office 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 Charter Schools Office 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 Charter Schools Office 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 Charter Schools Office 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 Charter Schools Office 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 formal session, the University Board shall consider the Hearing Panel's recommendation at its next

formal session 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 formal session to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the Charter Schools Office, the Academy Board and the Michigan Department of Education.

(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.

Section 10.8. Contract Suspension. The University Board's process for suspending the Contract is as follows:

(a) The Charter Schools Office Director Action. If the Charter Schools Office 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 Charter Schools Office Director may immediately suspend the Contract, pending completion of the procedures set forth in Section 10.7. 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 10.7 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 Charter Schools Office 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 Charter Schools Office 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 10.7(e) of this Contract. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the Charter Schools Office 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 10.7(f) through (h).

Section 10.9. Venue; Jurisdiction. The parties agree that all actions or proceedings arising in connection with this Contract will be tried and litigated only in the Circuit Court of Chippewa County, Michigan, the Michigan Court of Claims or the Federal District Court for the Western District of Michigan. The parties hereby irrevocably accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of such courts. The parties irrevocably consent to the service of process out of any such courts in any such action or proceedings by the mailing of copies thereof by registered or certified mail, postage prepaid, to each such party, at its address set forth for notices in this Contract, such service to become effective ten (10) days after such mailing. The parties irrevocably waive any right they may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceedings is brought in accordance with this Section 10.9. This Section 10.9 shall not in any way be interpreted as an exception to the Academy's covenant not to sue contained in Section 11.3 of these Terms and Conditions.

Section 10.10. Appointment of Conservator/Trustee. Notwithstanding any other provision of the Contract, when the University Board determines that conditions or circumstances exist to lead the University Board to believe that the health, safety, educational or economic interest of the Academy or its students is at risk, the University Board may take immediate action against the Academy. As part of a reconstitution, the University Board may appoint a conservator/ trustee to manage the day to day operations of the Academy in place of the Academy Board. A conservator/ trustee appointed by the University Board shall have all the powers and authority of the Academy Board under this Contract and Applicable Law. Upon the appointment of a conservator/ trustee, the appointment and term of office for each Academy Board member shall be suspended and the conservator/ trustee shall act in place of the Academy Board. If this section has been implemented, the Academy is subject to a revocation hearing under Section 10.7, and the Hearing Panel under Section 10.7 determines revocation to be appropriate, the revocation shall become effective immediately upon the University Board's decision.

Section 10.11. Academy Dissolution Account. If the University Board terminates, revokes or fails to issue a new Contract to the Academy, the CSO Director shall notify the Academy that, beginning thirty (30) days after notification of the University Board's decision, the University Board shall 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 CSO Director’s notice, the Academy Board Treasurer shall provide the CSO Director, in a form and manner determined by the CSO, 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.

## 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.
- (b) Within ten (10) days after adoption by the Academy Board (but not later than July 1st) each year, the Academy Board shall submit to the Charter Schools Office a copy of its annual budget for the upcoming fiscal year. The budget must detail budgeted expenditures at the object level as described in the Michigan Department of Education’s Michigan School Accounting Manual. In addition, the Academy Board is responsible for approving all revisions and amendments to the annual budget. Within 10 business days after Academy Board approval, revisions or amendments to the Academy’s budget shall be submitted to the Charter Schools Office.
- (c) Unless exempted from transmitting under section 1219 of the Code, MCL 380.1219, the Academy, on or before July 7<sup>th</sup> 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.
- (d) 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 Charter Schools Office.
  - (ii) Within 30 days after making notification under subdivision (d)(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 Charter Schools Office.
  - (iii) After the Superintendent approves Academy's deficit elimination plan, the Academy shall post the deficit elimination plan on the Academy's website.
- (e) 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.
  - (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” at all times the following insurance coverages:

COVERAGE	REQUIREMENTS
General or Public Liability (GL)	Must be Occurrence form
	<b>Must include Sexual Abuse &amp; Molestation coverage</b>
	<b>Must include Corporal Punishment coverage</b>
	\$1,000,000 per occurrence & \$2,000,000 aggregate
	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
	<b>NOTE: Strict Disciplinary Academies must also have Security/Police Professional Liability coverage with MINIMUM of \$1,000,000 per occurrence</b>
COVERAGE	REQUIREMENTS
Errors & Omissions (E&O)	Must include Employment Practices Liability

	Must include Directors' and Officers' coverage
	Must include School Leaders' E&O
	Can be Claims Made or Occurrence form
	<b>If Claims Made, Retroactive Date must be the same or before date of original University-PSA contract</b>
	\$1,000,000 per occurrence & \$3,000,000 aggregate
	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Automobile Liability (AL) for Owned and Non-Owned Autos</b>	\$1,000,000 per accident
	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
	<b>Higher limits may be required if PSA has its own buses</b>
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Workers' Compensation</b>	Must be Occurrence Form
	Statutory Limits
	must carry Payroll, "if any" Employers' Liability
	<b>NOTE: If PSA is leasing employees from ESP and does not have payroll, PSA must carry Payroll, "if any" Employers' Liability.</b>
	PSA must be included as First Named Insured
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Crime</b>	Must include Employee Dishonesty coverage
	Must be Occurrence form
	\$500,000 per occurrence
	PSA must be included as First Named Insured
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Umbrella</b>	<b>Can be Claims Made or Occurrence form</b>
	<b>\$2,000,000 per occurrence &amp; \$4,000,000 aggregate</b>
	<b>If PSA has its own buses AND/OR has more than 1,000 students, must have MINIMUM \$5,000,000 per occurrence</b>
	<b>PSA must be included as First Named Insured</b>
	<b>University must be included as Additional Insured with Primary Coverage</b>
<b>ADDITIONAL RECOMMENDATIONS</b>	
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Property</b>	Limits to cover replacement for PSA's property exposures, including real and personal, owned or leased
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Performance Bond (or Letter of Credit with Indemnification)</b>	\$1,000,000 per claim/aggregate

**Insurance carrier(s) must have an AM Best Rating of "A - VII" or better.**

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 have a provision included in all policies requiring notice to the University Board, at least thirty (30) days in advance, upon termination or non-renewal of the policy. In addition, the Academy shall submit within ten (10) days of insurance renewal "Acord" copies of the insurance certificate of liability insurance and public school academy insurance verification document to the CSO Director, or upon request, submit copies of insurance policies binder sheets evidencing all insurance required by the Contract, and proof of naming University as additionally insured. The Academy shall properly maintain the necessary insurance certificates evidencing the insurance required by the Contract.

When changing insurance programs or carriers, the Academy must provide copies of the proposed policies to the University Board, or its designee, at least thirty (30) days prior to the proposed change. The Academy shall not cancel its existing coverage without the prior approval of the Charter Schools Office.

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.

Furthermore, if the Academy utilizes an Educational Service Provider, the following insurance requirements apply:

COVERAGE	REQUIREMENTS
<b>General or Public Liability (GL)</b>	Must be Occurrence form
	<b>Must include Sexual Abuse &amp; Molestation coverage</b>
	<b>Must include Corporal Punishment coverage</b>
	\$1,000,000 per occurrence & \$2,000,000 aggregate
	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
	<b>NOTE: Strict Disciplinary Academies must also have Security/Police Professional Liability coverage with MINIMUM of \$1,000,000 per occurrence</b>
COVERAGE	REQUIREMENTS
<b>Errors &amp; Omissions (E&amp;O)</b>	Must include Employment Practices Liability
	Must include Directors' and Officers' coverage
	Must include School Leaders' E&O
	Can be Claims Made or Occurrence form
	<b>If Claims Made, Retroactive Date must be the same or before date of original University-PSA contract</b>
	\$1,000,000 per occurrence & \$3,000,000 aggregate

	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Automobile Liability (AL) for Owned and Non-Owned Autos</b>	\$1,000,000 per accident
	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
	<b>Higher limits may be required if PSA has its own buses</b>
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Workers' Compensation</b>	Must be Occurrence Form
	Statutory Limits
	<b>NOTE: If PSA is leasing employees from ESP, ESP must have Employers' Liability with \$1,000,000 per occurrence AND Alternate Employer Endorsement naming PSA.</b>
	PSA must be included as First Named Insured
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Crime</b>	Must include Employee Dishonesty coverage
	Must be Occurrence form
	\$500,000 per occurrence
	PSA must be included as First Named Insured
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Umbrella</b>	<b>Can be Claims Made or Occurrence form</b>
	<b>\$2,000,000 per occurrence &amp; \$4,000,000 aggregate</b>
	<b>If PSA has its own buses AND/OR has more than 1,000 students, must have MINIMUM \$5,000,000 per occurrence</b>
	<b>PSA must be included as First Named Insured</b>
	<b>University must be included as Additional Insured with Primary Coverage</b>
<b>ADDITIONAL RECOMMENDATIONS</b>	
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Property</b>	Limits to cover replacement for PSA's property exposures, including real and personal, owned or leased
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Performance Bond (or Letter of Credit with Indemnification)</b>	\$1,000,000 per claim/aggregate

**Insurance carrier(s) must have an AM Best Rating of "A - VII" or better.**

The University's insurance carrier periodically reviews the types and amounts of insurance coverages 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.

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the full faith and credit of the University Board, the University or any other authorizing body, or to enter into a contract that would bind the University Board or 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 Board and the University do 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 or the University, or any of its Trustees, employees, agents, or independent contractors as a result of the issuing, overseeing, suspending, terminating or revoking of this Contract, or as a result of not issuing a new Contract at the end of the term of this Contract..

Section 11.4. Lease or Deed for Proposed Single Site. Prior to entering into any lease agreement for real property, the Academy shall provide to the Charter Schools Office copies of its lease or deed for the premises in which the Academy shall operate in a form and manner consistent with the Lease Policies, which are incorporated into and be deemed part of this Contract. A copy of the final executed Lease Agreement shall be included in this Contract under Schedule 6. The Charter Schools Office may, from time to time during the term of this Contract, amend the Lease Policies and such amended lease policies shall automatically apply to the Academy without the need for a Contract amendment under article IX of these Terms and Conditions. The Charter Schools Office may disapprove the proposed lease agreement submitted by the Academy if the lease agreement is contrary to this Contract, the Lease Policies, or Applicable Law. Any subsequent amendment to a lease agreement shall be submitted for review by the Charter Schools Office in the same form and manner as a new lease agreement.

A copy of the Academy's amended lease or deed shall be incorporated into this Contract under Schedule 6. Any subsequent amendments to any Academy real estate leasing agreement shall only be incorporated into this Contract pursuant to Article IX of these Terms and Conditions.

Section 11.5. Occupancy and Safety Certificates. 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 and safety certificates for the Academy's physical facilities. The Academy Board shall not conduct classes until the Academy has complied with this Section 11.5. Copies of these certificates shall be incorporated into this Contract under Schedule 6.

Section 11.6. Criminal Background and History Checks; Disclosure of Unprofessional Conduct; Compliance with School Safety Initiative. The Academy shall comply with 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 the Code concerning the disclosure of unprofessional conduct by persons applying for Academy employment. This Section 11.6 shall apply to such persons irrespective of whether they are employed by the Academy or employed by an educational service provider contracting with the Academy.

Section 11.7. 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.

Section 11.8. 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) business days after receipt of the funds by the Academy.

Section 11.9. Nonessential Elective Courses. 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 388.1166b. 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 this Contract as an amendment pursuant to Article IX of these Terms and Conditions.

Section 11.10. Required Provisions for ESP Agreements. Any Management Agreement with an ESP entered into by the Academy must contain the following provisions:

“Indemnification of Lake Superior State University. The parties acknowledge and agree that the Lake Superior State University Board of Trustees, Lake Superior State University and its members, officers, employees, agents or representatives (collectively “Lake Superior State University”) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify, defend, and hold harmless Lake Superior State University from and against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines penalties, demands, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses imposed upon or incurred by Lake Superior State University, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Lake Superior State University, which arise out of or are in any manner connected with Lake Superior State University Board of Trustees’ approval of the Academy’s application, Lake Superior State University Board of Trustees’ consideration of or issuance of a Contract, the Academy Board’s or [insert name of Educational Service Provider’s] preparation for and operation of the Academy, or which are incurred as a result of the reliance by Lake Superior State University, Lake Superior State University Board of Trustees or its members, or their respective officers, employees, agents or representatives, upon information supplied by the Academy Board or the Educational Service Provider, or which arise out of the failure of the Academy Board or [insert

name of Education Service Provider] to perform its obligations under the Contract or Applicable Law. The parties expressly acknowledge and agree that Lake Superior State University, Lake Superior State University Board of Trustees and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against either party to enforce its rights as set forth in this Agreement.”

“Agreement Coterminous With Academy’s Contract. If the Academy’s Contract issued by the Lake Superior State University Board of Trustees is suspended, revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically be suspended or terminated, as the case may be, on the same date as the Academy’s Contract is suspended, revoked, terminated or expires without further action of the parties.”

“Compliance with Academy’s Contract. [Insert name of Educational Service Provider] agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy’s obligations under the Academy’s Contract issued by Lake Superior State University Board of Trustees. The provisions of the Academy’s Contract shall supersede any competing or conflicting provisions contained in this Agreement.”

“Compliance with Section 503c. On an annual basis, [insert name of ESP] agrees to provide the Academy Board with the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy’s website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this agreement.”

“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 ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and [insert name of Educational Service Provider] shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.”

“Compliance with Section 12.17 of Contract Terms and Conditions. [Insert name of Educational Service Provider] shall make information concerning the operation and management of the Academy, including without limitation the information described in Schedule 4 of the Contract, available to the Academy as deemed necessary by the

Academy Board in order to enable the Academy to fully satisfy its obligations under Section 12.17(a) of the Contract Terms and Conditions.”

Section 11.11. Management Agreements. The Academy may enter into a Management Agreement with an ESP to contract out its administrative and/or educational functions and personnel. For purposes of this Contract, an employee leasing agreement shall be considered a Management Agreement, and an employee leasing company shall be considered an ESP. Any ESP agreement shall state that the ESP must acquire insurance in addition to the insurance the Academy must obtain under the Contract. The coverage must be similar to the insurance coverage required for the Academy and the ESP Agreement must detail the amount of such required coverage. Prior to entering any Management Agreement with an ESP, the Academy shall submit a copy of the final draft Management Agreement to the Charter Schools Office in a form and manner consistent with the ESP policies of the Charter Schools Office which are incorporated into and be deemed part of this Contract. A copy of the final executed Management Agreement shall be included in this Contract under Schedule 5. The Charter Schools Office may, from time to time during the term of this Contract, amend the ESP policies and the amended ESP policies shall automatically apply to the Academy without the need for a Contract amendment under article IX of these Terms and Conditions. The Charter Schools Office may disapprove the proposed Management Agreement submitted by the Academy if the Management Agreement is contrary to this Contract or Applicable Law. Any subsequent amendment to a Management Agreement shall be submitted for review by the Charter Schools Office in the same form and manner as a new Management Agreement.

Section 11.12. Administrator and Teacher Evaluation Systems. The Academy Board shall adopt and implement for all individuals employed by or contracted for the Academy as teachers or school administrators a rigorous, transparent, and fair performance evaluation system that complies with Applicable Law. If the Academy enters into an agreement with an Educational Service Provider, the Academy Board shall ensure that the Educational Service Provider complies with this section.

## **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 telegram; 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:

CSO Director  
Lake Superior State University  
Charter Schools Office  
650 W. Easterday Avenue  
Sault Ste. Marie, Michigan 49783

If to Outside Counsel:

Leonard C. Wolfe  
Dykema Gossett PLLC  
201 Townsend Street, Suite 900  
Lansing, Michigan 48933

If to Academy:

Innocademy  
8485 Homestead Drive  
Zeeland, MI 49464

If to Academy Counsel:

Carly E. McNeil  
Saunders Winter McNeil, PLLC  
250 Washington Avenue  
Grand Haven, Michigan 49417

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 Applicable 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 either the Academy or the University Board.

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 a 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 shall commence on the date first set forth above and shall remain in full force and effect until June 30, 2022, unless sooner revoked or terminated according to the terms hereof.

Section 12.10. Indemnification. 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 the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives harmless from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's receipt, consideration or approval of the Application, the University Board's approval of the Resolution or Authorizing Resolution, legal challenges to the validity of Part 6A of the Code or actions taken by the University Board as an authorizing body under Part 6A of the Code, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance of the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the failure of the Academy to perform its obligations under this Contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of governmental immunity provided under Section 7 of the Governmental Liability for Negligence Act, being MCL 691.1407 of the Michigan Compiled Laws.

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 and no other person or entity, including without limitation, the Educational Service Provider. Except as otherwise 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 CSO 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 CSO policies regarding public school academies which shall apply immediately, University Board or CSO 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 CSO 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 CSO 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 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. Information Available to the Public.

- (a) Information to be provided by the Academy. The Academy shall make information concerning its operation and management, including without limitation the information described in Schedule 4, available to the public in the same manner and to the same extent as is required for public schools and school districts under Applicable Law.
- (b) Information to be provided by Educational Service Providers. If the Academy enters into an agreement with an Educational Service Provider for operation or management of the Academy, the Management Agreement shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including without limitation the information described in Schedule 4, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under subparagraph (a).

Section 12.18. 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 any provision in the Academy's articles of incorporation or bylaws regarding the disposition of assets upon dissolution.

Section 12.19. 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 and in accordance with Part 6A of the Code.

As the designated representative of the Lake Superior State University Board of Trustees, I hereby issue this Contract to the Academy on the date set forth above.

**LAKE SUPERIOR STATE UNIVERSITY  
BOARD OF TRUSTEES**

By: David R. Filley  
Lake Superior State University, President

Date: July 1, 2017

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 of the terms and conditions of this Contract.

**INNOCADEMY**

By: Joel R. Smith  
, Academy Board Designee

Date: July 1, 2017

# Tab C

**CONTRACT SCHEDULES**

Schedules

Articles of Incorporation .....	1
Bylaws .....	2
Fiscal Agent Agreement .....	3
Oversight Agreement .....	4
Description of Staff Responsibilities .....	5
Physical Plant Description .....	6
Required Information for Public School Academy .....	7

# Tab 1

**CONTRACT SCHEDULE 1**  
**ARTICLES OF INCORPORATION**

*Michigan Department of Licensing and Regulatory Affairs*

*Filing Endorsement*

*This is to Certify that the RESTATED ARTICLES OF INCORPORATION - NONPROFIT*

*for*

*INNOCADEMY*

*ID NUMBER: 71031G*

*received by facsimile transmission on May 31, 2012 is hereby endorsed*

*Filed on June 4, 2012 by the Administrator.*

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



*In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 4TH day of June, 2012.*

A handwritten signature in black ink, appearing to read "Schiffner".

*Director*

*Bureau of Commercial Services*

The authorizing body for the corporation is: Lake Superior State University Board of Trustees (the "University Board").

## ARTICLE II

The purposes for which the corporation is organized are:

1. The corporation is organized exclusively for charitable and educational purposes, including for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the United States Internal Revenue Code ("IRC"), or corresponding section of any future federal tax code.
2. Specifically, the corporation is organized for the purposes of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Revised School Code (the "Code"), being Sections 380.501 to 380.507 of the Michigan Compiled Laws.
3. The corporation, including all activities incident to its purpose, shall at all times be conducted so as to be a government entity pursuant to Section 115 of the IRC or any successor law. Notwithstanding any other provisions 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, directorship basis.

The value of assets which the corporation possesses is: None

Real Property: None

Personal Property: None

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

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

#### ARTICLE IV

The address of the initial registered office is: 250 Washington Ave, Grand Haven, Michigan 49417.

The mailing address of the initial registered office is the same.

The name of the initial resident agent at the registered office is: Douglas J. McNeil.

#### ARTICLE V

The name and address of the incorporator is as follows:

Douglas J. McNeil  
250 Washington Ave  
Grand Haven, MI 49417

#### ARTICLE VI

The corporation is a governmental entity.

#### ARTICLE VII

Before execution of a contract to charter a public school academy between the corporation and 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.

The members of the corporation's Board of Directors shall be selected by the following method:

1. Method of Selection. The initial Board of Directors shall be the individuals named in the resolution approved by the University Board. Subsequent nominations and appointment to the corporation's Board of Directors shall be made according to procedures approved by the University Board.
2. Length of Term. The term of each member of the corporation's Board of Directors shall be three (3) years.
3. Number of Directors. The number of members of the Board of Directors of the corporation shall be not fewer than five (5) and not more than nine (9).
4. Qualifications. The members of the corporation's Board of Director's shall not include (1) any person appointed or controlled by another profit or non-profit corporation; (2) employees of the corporation; (3) any director, officer, or employee of a management

company that contracts with the corporation; and (4) University employees, as representatives of Lake Superior State University.

5. Oath and Acceptance of Public Office. All members of the corporation's Board of Directors must take the constitutional oath of public office and file an acceptance of office in a form prescribed the by the University Charter School Office. A person appointed to membership on the corporation's Board of Directors shall be administered the oath at a corporation Board of Directors meeting by an existing corporation Board member or other public official or in the presence of a notary public.
6. Removal of Members. Any corporation board member may be removed by a two-thirds (2/3) vote of the corporation's Board of Directors.

#### ARTICLE VIII

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, board, 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 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 IRC, or comparable provisions of any successor law.

To the extent permitted by law, upon dissolution of the corporation, the board shall after paying or making provisions 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 IX

The corporation and its incorporator, 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 Sections 691.1407 of the Michigan Compiled Laws.

#### ARTICLE X

These Articles shall not be amended except by the process provided in the contract executed by the corporation and the University Board.

#### ARTICLE XI

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

## ARTICLE XII

A volunteer director is not personally liable to the corporation for monetary damages for a breach of the director's fiduciary duty. This provision shall not eliminate or limit the liability of a director for any of the following:

- i) A breach of the director's duty of loyalty to the corporation;
- ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of the law;
- iii) A violation of Section 551(1);
- iv) A transaction from which the director derived an improper personal benefit;
- v) An act or omission that is grossly negligent.

If the corporation obtains tax exempt status under section 501(c)(3) of the IRC, the corporation assumes all liability to any person other than the corporation for all acts or omissions of a volunteer director occurring on or after the filing of the Articles incurred in the good faith performance of the volunteer director's duties.

This Article shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Government Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

## ARTICLE XIII

The corporation assumes the liability for all acts or omissions of a non-director volunteer, provided that:

- i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- ii) The volunteer was acting in good faith;
- iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- iv) The volunteer's conduct was not an intentional tort; and
- v) The volunteer's conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in §209(e)(v) of the Michigan Nonprofit Corporation Act.

This Article 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.

## ARTICLE XIV

The officers of the corporation shall be a President, Vice President, Secretary and a Treasurer, each of whom shall be selected by the Board of Directors. The Board of Directors

may select one or more Assistants to the officers, and may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the corporation.

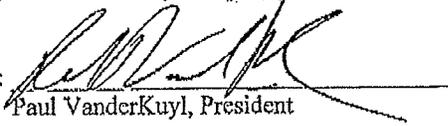
#### ARTICLE XV

The Restated 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.

These Restated Articles of Incorporation were duly adopted on the 28th day of April, 2012, in accordance with the provisions of Section 642 of the Act. These Restated Articles of Incorporation restate, integrate and **do further amend** the provisions of the Articles of Incorporation, and were duly adopted by the shareholders, members, or the directors casting the necessary number of votes in favor of these Restated Articles of Incorporation.

Signed this 28th day of April, 2012.

By:

  
Paul VanderKuyl, President

# Tab 2

**CONTRACT SCHEDULE 2**

**BYLAWS**

**BYLAWS  
OF  
INNOCADEMY**

**ARTICLE I  
NAME**

This organization shall be called Innocademy (the "Academy" or the "Corporation"), which shall be a Michigan public school academy authorized by the Lake Superior State University Board of Trustees.

**ARTICLE II  
FORM OF CORPORATION**

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

**ARTICLE III  
OFFICES**

Section 1. Principal Office. The principal office of the Corporation shall be located at 8460 Homestead Drive, Zeeland, Michigan, 49464.

Section 2. Registered Office. The registered office of the Corporation may be the same as the principal office of the Corporation, but in any event must be located in the state of Michigan and be the business office of the registered agent, as required by the Michigan Nonprofit Corporation Act, MCL 450.2101 et seq.

**ARTICLE IV  
BOARD OF DIRECTORS; MEETINGS; FISCAL YEAR**

Section 1. General Powers. The business, property, and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors 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 Michigan Revised School Code ("Code"), as amended, MCL 380.501 et seq. The Board of Directors may delegate such powers to the officers of the Board of Directors as it deems necessary to the extent permitted by applicable law.

Section 2. Method of Selection. Directors shall be selected in accordance with the Resolution adopted by the Lake Superior State University Board of Trustees. All Directors shall be citizens of the United States.

Section 3. Length of Term. The term of member of the Board of Directors shall be three (3) years, except that of the members first appointed, 1/3 shall be appointed for a term of three (3) years, 1/3 shall be appointed for a term of two (2) years, and the remainder shall be appointed for a term of one (1) year. At the first meeting, the Board of Directors shall designate which

members of the initial Board of Directors shall serve one (1), two (2), and three (3) year terms. The length of term of the members of the Board of Directors shall commence with the first meeting of the Board of Directors. The initial terms shall commence on the day of appointment and shall continue until June 30 of the respective term year. Subsequent terms shall be from July 1 through June 30 of the appropriate year.

Section 4. Number of Directors. The number of members of the initial Board of Directors shall not be fewer than five (5) nor more than nine (9), as determined by the University Board. Thereafter, the number of members of the Board of Directors shall never be fewer than five (5) nor more than nine (9), as determined from time to time by the University Board.

Section 5. Qualifications. Before individuals become members of the Board of Directors, the nominee must: (a) be recommended by a majority vote of the Academy Board; (b) submit the Public School Academy Board Application which must include authorization to process a criminal background check; (c) be recommended for appointment by the charter school office; (d) be appointed by the Board or its designee; (e) take the oath of office and; (f) sign the Oath of Public Office.

Members of the Board of Directors shall not include: (i) employees of the Academy; (ii) directors, officers, or employees of a management company that contracts with the Academy; (iii) members appointed or controlled by a profit or another non-profit corporation; or (iv) Lake Superior State University officials, as representatives of Lake Superior State University ("University").

Section 6. Oath. All members of the Board of Directors of the Corporation must file an acceptance of office with the University. All members of the Board of Directors of the Corporation shall take the oath of office required by Section 512(a)(4)(b)(iv) of the Code.

Section 7. Tenure. Each member of the Board of Directors ("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. Any director may be removed with cause by a two-thirds (2/3) vote of the Board of Directors of the Corporation or as directed by the University Board.

Section 9. Resignation. Any Director may resign at any time by providing written notice to the Corporation. Notice of resignation will be effective upon receipt or at a subsequent time designated in the notice. A successor shall be appointed as provided in Section 2 of this Article.

Section 10. Annual and Regular Meetings. The Board of Directors shall hold an annual meeting in July of each year. The Board of Directors may provide, by resolution, the time and place, within the state of Michigan, for the holding of regular meetings. The Corporation shall provide notice of the annual and all regular meetings as required by the Open Meetings Act, MCL 15.261 et seq.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called

by or at the request of the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix the place within the state of Michigan for holding any special meetings of the Board of Directors 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 12. Notice; Waiver. In addition to the notice provisions of the Open Meetings Act, notice of any special meeting shall be given at least twenty four (24) hours prior to the special meeting by written notice, stating the time and place of the meeting, delivered personally or mailed or sent by facsimile to each Director at the Directors business address. If mailed, such notice shall be deemed to be delivered forty eight (48) hours after it is deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when the facsimile is sent. Any Director may waive notice of any meeting by written statement, or telecopy 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 objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 13. Quorum. A majority of the Directors of the Board of Directors constitutes a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time, providing such notice as is required by the Open Meeting Act.

Section 14. Manner of Acting. The act of the majority of the Directors of the Board of Directors shall be the act of the Board of Directors.

Section 15. Open Meetings. All meetings of the Board of Directors, including committee meetings, shall at all times be in compliance with the Open Meeting Act, to the extent the Open Meetings Act is applicable.

Section 16. Board Vacancies. A vacancy on the Board of Directors shall occur as specified in the Code. Any vacancy shall be filled as provided in Section 2 of this Article.

Section 17. Compensation. A Director of the Corporation shall serve as a volunteer director. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at meetings of the Board of Directors.

Section 18. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors 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

as may be prescribed by the Board from time to time.

Section 6. Vice President. The Vice President shall be a member of the Board of Directors. 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 the President, and when so acting, shall have all the powers 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 Board of Directors.

Section 7. Secretary. The Secretary shall be a member of the Board of Directors. The Secretary shall: (a) keep the minutes of the Board of Directors meeting 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 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 of the Board.

Section 8. Treasurer. The Treasurer of the Corporation shall be a member of the Board of Directors. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the school; (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 Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent of 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 Board of Directors.

Section 9. Assistants and Acting Officers. The Assistants to the officers, if any, selected by the Board of Directors, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary, Treasurer, or President, or by the Board of Directors. The Board of Directors shall have them power to appoint any person 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 Board of Directors may by resolution otherwise determine.

Section 10. Salaries. Officers of the Board of Directors may not be compensated for their services. They may, however, be reimbursed for traveling and other expenses.

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 VI**  
**CONTRACTS, LOANS, CHECKS AND DEPOSITS;**  
**SPECIAL CORPORATE ACTS**

Section 1. Contracts. The Board of Directors 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 Board of Directors 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.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loan, advance, overdraft or withdrawal by an officer or director of the Corporation, other than in the ordinary course of the business of the Corporation, shall be made or permitted.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidence of indebtedness issued in the name of Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being sections 21.145 and 21.146 of the Michigan Compiled Laws.

Section 5. Voting of Securities Owned by this Corporation. Subject always to the specific directions of the Board of Directors, 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 Board of Directors, 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. Any contract or other transaction between this Corporation and one or more of its Directors, or between this Corporation and any firm of which one or more of this Corporation's Directors are members or employees, or in which one or more of this Corporation's Directors are interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting at which the Board of Directors of the Corporation acts upon, or in reference to, such contract or transaction, and notwithstanding the participation of the Director or Directors in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the Director's present, such interested Director or Directors to be counted in determining whether a quorum is present, but not to be counted as voting upon the matter or in calculating the majority of such quorum necessary to carry such vote. This Section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

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 section 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. Public disclosure of the contract means as follows:

- (i) Prompt disclosure of any pecuniary interest in a contract with the Corporation. The disclosure shall be made a matter of corporate record at a regular or special meeting.
- (ii) The contract is approved by a vote of not less than 2/3 of the directors of the Corporation at a regular or special meeting. If applicable, the vote shall be without the vote of the director making the disclosure.
- (iii) The Corporation discloses the following summary information in its board minutes:
  - a. The name of each party involved in the contract;
  - b. The terms of the contract, including duration, financial consideration between parties, facilities or services of the Corporation, and the nature and assignment of Corporation employees for the contract; and
  - c. The nature of any pecuniary interest.

## ARTICLE VII INDEMNIFICATION

Each person who is or was a trustee, Director, officer or member of a committee of the Corporation and each person who serves or has served at the request of the Corporation as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture or other enterprise, shall be indemnified by the Corporation to the fullest extent

permitted by the laws of the State of Michigan as they may be in effect from time to time. 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 Board, grant rights to indemnification to any employee or agent of the Corporation to the extent provided under the laws of the State of Michigan as they may be in effect from time to time.

**ARTICLE VIII  
SEAL**

The Board of Directors may adopt a corporate seal.

**ARTICLE IX  
AMENDMENTS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by obtaining (a) the affirmative vote of a majority of the Board of Directors at any regular or special meeting of the Board of Directors, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements for special meetings, and (b) the written approval of the changes or amendments by the University President. In the event that a proposed change is not accepted by the University President, 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. Amendments to these Bylaws take effect only after they have been approved by both the Corporation Board of Directors and by the University President or the University Board.

**SECRETARY'S CERTIFICATE**

The undersigned, Secretary of the Corporation, does hereby certify that the foregoing Bylaws of the Corporation have been duly adopted by the Board of Directors at a meeting of the Board held on April 28, 2012.

IN WITNESS WHEREOF, the undersigned, duly elected and acting Secretary of the Corporation, has signed this Certificate as of the 28th day of April, 2012.

  
Secretary

# Tab 3

**CONTRACT SCHEDULE 3**  
**FISCAL AGENT AGREEMENT**

### SCHEDULE 3

#### FISCAL AGENT AGREEMENT

This Agreement is part of the Contract issued by the Lake Superior State University Board of Trustees (“University Board”), an authorizing body as defined by the Revised School Code, as amended (the “Code”), to Innocademy (the “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 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

“Account” means an account established by the Academy 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 of 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 Lake Superior State 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 School Aid Act of 1979, as amended.

## ARTICLE II

### FISCAL AGENT DUTIES

Section 2.01. 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 Board 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 3.02.

Section 2.02. Transfer to Academy. Except as provided in Article X of the Terms and Conditions and in the Oversight 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 Account designated by a resolution of the Board of Directors of the Academy and by a method of transfer acceptable to the Fiscal Agent.

Section 2.03. 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 or approve expenditures made by the Academy Board.

Section 2.04. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board 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, the Academy shall submit to the Charter Schools Office: (i) a copy of the Academy Board’s resolution authorizing the direct intercept of State School Aid Payments; and (ii) a copy of a State School Aid Payment Agreement and Direction document that is in a form and manner acceptable to the Fiscal Agent.

## ARTICLE III

### STATE DUTIES

Section 3.01 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 3.02. 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 4.01. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, an Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended.

Section 4.02. 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 4.03. 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 4.04. Repayment of Overpayment. The Academy shall be directly responsible for reimbursing the State for any overpayments of State School Aid Payments. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or may seek collection of the overpayment from the Academy.

Section 4.05. Deposit of Academy Funds. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of State School Aid Payments and Other Funds received by the Academy.

## ARTICLE V

### RECORDS AND REPORTS

Section 5.01. 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 5.02. Reports. The Fiscal Agent shall prepare and send to the Academy within thirty (30) days of September 1, 2017, and annually thereafter, a written report dated as of August 31 summarizing 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 6.01. 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 6.02. Limitation of 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 Lake Superior State University Board of Trustees to Innocademy.

BY: Mary G. Martin  
Mary G. Martin, Executive Director  
Bureau of State and Authority Finance  
Michigan Department of Treasury

Date: 6-15, 2017

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 Lake Superior State University Board of Trustees to Innocademy.

BY: Mary G. Martin  
Mary G. Martin, Executive Director  
Bureau of State and Authority Finance  
Michigan Department of Treasury

Date: 6-15, 2017

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 Lake Superior State University Board of Trustees to Innocademy.

BY: Mary G. Martin  
Mary G. Martin, Executive Director  
Bureau of State and Authority Finance  
Michigan Department of Treasury

Date: 6-15, 2017

# Tab 4

**CONTRACT SCHEDULE 4**  
**OVERSIGHT AGREEMENT**

## SCHEDULE 4

### OVERSIGHT AGREEMENT

This Agreement is part of the Contract issued by the Lake Superior State University Board of Trustees (“University Board”), an authorizing body as defined by the Revised School Code, as amended (the “Code”), to Innocademy (the “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 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

“Agreement” means this Oversight Agreement.

“Compliance Certification Duties” means the Academy’s duties set forth in Section 2.02 of this Agreement.

“Charter Schools Office” means the office designated by the University Board as the initial point of contact for public school academy applicants and public school academies authorized by the University Board. The Charter Schools Office is responsible for administering the Oversight Responsibilities with respect to the Contract.

“Oversight Responsibilities” means the University Board’s oversight responsibilities set forth in Section 2.01 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 AND COMPLIANCE CERTIFICATION RESPONSIBILITIES

Section 2.01. Oversight Responsibilities. The Charter Schools Office, as it deems necessary to fulfill the University Board's Oversight Responsibilities, may undertake the following:

- a. Conduct a review of the Academy's audited financial reports as submitted, including the auditor's management letters, and report to the University Board any exceptions as well as any failure on the part of the Academy to meet generally accepted public sector accounting principles.
- b. Conduct a review of the records, internal controls or operations of the Academy to determine compliance with the Contract and Applicable Law.
- c. Conduct a meeting annually between the Academy Board of Directors and a designee of the University Board to determine compliance with the Contract and Applicable Law.
- d. Institute action pursuant to the terms of the Contract to suspend, revoke or reform the Contract.
- e. Monitor the Academy's compliance with the Contract, the Code, and all other Applicable Law.
- f. Request periodic reports from the Academy regarding any aspect of its operation, including, without limitation, whether the Academy has met or is achieving its targeted educational goals and applicable academic performance standards set forth in the Contract.
- g. Request evidence that the Academy has obtained the necessary permits and certificates of compliance 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 the Bureau of Fire Services, and local health departments.
- h. Determine whether the Academy has failed to abide by or meet the educational goals or applicable academic performance standards as set forth in the Contract.
- i. Provide supportive services to the Academy as deemed necessary and/or appropriate by the University Board or its designee.
- j. Evaluate whether the Academy appropriately administers all optional or statutorily mandated assessments pursuant to the Academy's student population, goals, and programs.
- k. Take other actions, as authorizing body, as permitted or required by the Code.

Section 2.02. Compliance Certification Duties. The Academy agrees to perform all of the following Compliance Certification Duties:

- a. Submit information to the Charter Schools Office in accordance with the Master Calendar of Reporting Requirements adopted by the Charter Schools Office. The Master Calendar may be amended from time to time as deemed necessary by the Charter Schools Office Director.
- b. Submit quarterly financial reports to the Charter Schools Office in a form and manner determined by the Charter Schools Office. Submit other financial reports as established by the Charter Schools Office.
- c. Permit inspection of the Academy's records and/or premises at any reasonable time by the Charter Schools Office.
- d. Report any litigation or formal proceedings alleging violation of any Applicable Law by the Academy to counsel for the University Board as designated in Article XII of the Terms and Conditions.
- e. Upon request, provide copies of information submitted to the Michigan Department of Education, the Superintendent of Public Instruction, or State Board of Education to the Charter Schools Office.
- f. Provide proposed minutes of all Academy Board of Directors' meetings to the Charter Schools Office no later than ten (10) business days after such meeting, and provide approved final minutes to the Charter Schools Office within five (5) business days after the minutes are approved.
- g. Submit to the Charter Schools Office prior to the issuance of the Contract, copies of insurance policies evidencing all insurance as required by the Contract.
- h. Submit to the Charter Schools Office a copy of the Academy's lease, deed or other purchase arrangement for its physical facilities as required by the Contract.
- i. Submit to the Charter Schools Office, copies of all fire, health and safety approvals required by Applicable Law for the operation of a school.
- j. Submit annually to the Charter Schools Office, the dates, times and a description of how the Academy will provide notice of the Academy's pupil application and enrollment process. The Academy's pupil application and enrollment admission process must be conducted in a fair and open manner in compliance with the Contract and the Code. At a minimum, the Academy shall make a reasonable effort to advertise its enrollment openings by newspaper, mail, media, internet or other acceptable communication process. All Academy notices of the open enrollment period must include language that the open enrollment period includes evening and weekend times for enrolling students in the Academy. In addition, the Academy

must set forth in all public notices the date for the holding of a random selection drawing if such a drawing becomes necessary.

k. Upon receipt from the Michigan Department of Licensing and Regulatory Affairs, Bureau of Construction Codes and the Bureau of Fire Services, the Academy shall submit to the Charter Schools Office a copy of any Certificate of Occupancy approval for the Academy's school facility outlined in Schedule 6. The Academy shall not occupy or use the school facility identified in Schedule 6 until such facility has been approved for occupancy by the Bureau of Construction Codes and the Bureau of Fire Services or other local authorized building department.

l. Submit to the Charter Schools Office copies of ESP agreements, if any, in compliance with the Contract and the Code.

m. By July 1st of each year, the Academy Board shall provide a copy of the Academy Board's public meeting schedule for the upcoming school year. The Academy Board's public meeting schedule shall include the date, time and location of the public meetings for the upcoming school year. Within ten (10) business days of Academy Board approval, the Academy Board shall provide a copy to the Charter Schools Office of any changes to the Academy Board public meeting schedule.

n. Prior to December 31 of each year and whenever necessary thereafter, the Academy Board shall approve and submit a revised operating school budget that includes, without limitation, the following: (i) the total projected amount of state school aid revenues based on the Academy's September pupil membership count; (ii) revised personnel costs; (iii) any start-up expenses incurred by the Academy; and (iv) the total amount of short-term cash flow loans obtained by the Academy. The Academy will make budget revisions in a manner prescribed by law. Within ten (10) days of the Academy Board approving the budget (original and amended, if applicable), the Academy shall place a copy of that budget on the Academy's website within a section of the website that is accessible to the public.

o. If the Academy operates an online or other distance learning program, it shall submit a monthly report to the Michigan Department of Education, with a copy to the Charter Schools Office, in the form and manner prescribed by the Michigan Department of Education, that reports the number of pupils enrolled in the online or other distance learning program, during the immediately preceding month.

p. Unless the University Charter Schools Office submits, within 5 days of submission, provide a copy of the budgetary assumptions submitted by the Academy to the Center for Educational Performance and Information (CEPI) and confirm that the submitted budgetary assumptions were used in the adoption of the Academy's annual budget.

q. Submit copies to the University Charter Schools Office of any periodic financial status reports required of the Academy by the Department of Treasury.

r. Provide copies of notices, reports and plans, including deficit elimination or enhanced deficit elimination plans, to the University Charter Schools Office under Section 1220 of the Code.

To the extent that any dates for the submission of materials by the Academy under Section 2.02 conflict with dates set forth in the Master Calendar, the dates in the Master Calendar shall control.

Section 2.03. Waiver and Delegation of Oversight Procedures. The University Board or its designee and the Academy may agree to modify or waive any of the Oversight Duties or Compliance Certification Duties. The University Board may delegate its Oversight Duties, or any portion of its Oversight Duties, to an officer of the University or other designee.

### ARTICLE III

#### RECORDS AND REPORTS

Section 3.01. Records. The Academy will keep records in which complete and correct entries shall be made of all Compliance Certification Duties conducted, and these records shall be available for inspection at reasonable hours and under reasonable conditions by the Charter Schools Office.

### ARTICLE IV

#### MISCELLANEOUS

Section 4.01. Administrative Fee. The Academy agrees to pay to the University Board an administrative fee of 3% of the State School Aid Payments received by the Academy. This fee shall be retained by the University Board from each State School Aid Payment received by the University Board 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. If the Academy elects to enter into a contract for an administrative review with the University Charter Schools Office, the costs of performing an administrative review shall not be part of the administrative fee under this section but shall be an added service provided by the University Charter Schools Office to the Academy on a fee for service basis, as authorized under the Code.

Section 4.02. 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 4.03. Audit and Evaluation. The Academy:

a. hereby authorizes the Charter Schools Office 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, 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 Charter Schools Office 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.

b. shall upon request, provide the Charter Schools Office with copies or view access to data, documents or information submitted to the Michigan Department of Education, the Superintendent of Public Instruction, the State Board of Education, the Center for Educational Performance and Information, or any other state or federal agency.

Section 4.04. 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 University Charter Schools Office. Within fifteen (15) days of receipt of the notification from the Academy, the University Charter Schools Office Director shall notify the Academy whether the University Charter Schools Office 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 University is not interested in performing an administrative review or 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 shall prohibit the Academy from electing to enter into a contract for an administrative review with an intermediate school district. Nothing in this section shall require the Academy from electing to enter or not enter into a contract for an administrative review with the University or an intermediate school district.

## ARTICLE V

### TRANSPARENCY PROVISION

Section 5.01. Information to Be Made Publicly Available by the Academy and ESP.

A. Information to Be Made Publicly Available by the Academy. The following described categories of information are specifically included within those to be made available to the public and the Charter Schools Office by the Academy in accordance with Section 12.17(a) of the Terms and Conditions:

1. Copy of the Contract
2. Copies of the executed Constitutional Oath of public office form for each serving Director
3. List of currently serving Directors with name, address, and term of office
4. Copy of the Academy Board’s meeting calendar
5. Copy of public notice for all Academy Board meetings

6. Copy of Academy Board meeting agendas
7. Copy of Academy Board meeting minutes
8. Copy of Academy Board approved budget and amendments to the budget
9. Copies of bills paid for amounts of \$10,000.00 or more as submitted to the Academy Board
10. Copy of the quarterly financial reports submitted to the Charter Schools Office
11. Copy of curriculum and other educational materials given to the Charter Schools Office
12. Copy of school improvement plan (if required)
13. Copies of facility leases, mortgages, modular leases and/or deeds
14. Copies of equipment leases
15. Proof of ownership for Academy owned vehicles and portable buildings
16. Copy of Academy Board approved ESP Agreement(s)
17. Copy of Academy Board approved services contract(s)
18. Office of Fire Safety certificate of occupancy for all Academy facilities
19. MDE letter of continuous use (if required)
20. Local County Health Department food service permit (if required)
21. Asbestos inspection report and Asbestos management plan (if required)
22. Boiler inspection certificate and lead based paint survey (if required)
23. Phase 1 environmental report (if required)
24. List of current Academy teachers and school administrators with names and addresses and their individual salaries as submitted to the Registry of Educational Personnel
25. Copies of administrator and teacher certificates or permits for all current administrative and teaching staff
26. Evidence of fingerprinting, criminal back-ground and record checks and unprofessional conduct check required by the Code for all Academy teachers and administrators
27. Academy Board approved policies
28. Copy of the annual financial audit and any management letters issued to the Academy Board

29. Proof of insurance as required by the Contract

30. Any other information specifically required under the Code

B. Information to Be Made Publicly Available by the ESP. The following information is specifically included within the types of information available to the Academy by the Educational Service Provider (if any) in accordance with Section 12.17(b) of the Terms and Conditions:

1. Any information needed by the Academy in order to comply with its obligations to disclose the information listed under Section 5.01(A) above

# Tab 5

**CONTRACT SCHEDULE 5**

**DESCRIPTION OF STAFF RESPONSIBILITIES**

**INNOCADEMY**  
**STAFF RESPONSIBILITIES**  
**TABLE OF CONTENTS**

Building Lead/Behavior Specialist ..... 5-1

Intervention Specialist..... 5-3

Spanish FLES Teacher..... 5-6

K-6 Music Teacher..... 5-7

Human Resources..... 5-9

ESP Agreement ..... 5-10

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## BUILDING LEAD/BEHAVIOR SPECIALIST

IES Schools offers a refreshing education environment where teachers influence every aspect of our schools from curriculum to finance and everything in between. Our staff supports each other, provides just right learning for our kids, drives constant improvement in all we do, all while creating a warm, friendly and welcoming environment to teach and learn.

### **Building Lead:**

- Work with the school board at monthly meetings to set up the strategic vision for the school and discuss what is happening at the school academically, socially, and developmentally to meet that vision.
- Attend meetings and establish relationships with the Allegan ISD to prepare staff training, and stay on top of educational changes and opportunities within the area.
- Collaborate with teachers to establish a culture of caring and teacher led structure throughout the school and develop behavior expectations and enforcement.
- Organize bi-weekly division (staff) meetings: creating agenda in collaboration with staff, and lead discussion)
- Continue to develop parent leadership through regular School Enhancement Team meetings
- Play a vital role in both the community building and outreach aspect of Innocademy Allegan
- Provide customer service to Innocademy families with frequent, engaging, and informative communication.
- Focus on the whole child, intentionally growing each individual academically, physically, emotionally, and socially.
- Exercise flexibility daily by wearing many hats, prioritizing, and problem solving while maintaining a poised professional demeanor.
- Have "dirty hands" with a balance of administration responsibilities and teaching responsibilities.

### **Behavior specialist**

- Designing and implementing appropriate behavioral supports for students
- Plan and implement instructional services that meet individual student needs while maintaining high levels of behavioral and academic expectations;
- Participate in the development of Behavior Support Plans and Individualized Educational Plans;
- Provide direct behavioral support to students by encouraging and assisting students in maintaining appropriate standards of classroom social skills and behavior.
- Assess and monitor student progress as identified in the student's Behavior Support Plan and Individualized Education Plan.

- Conduct Functional Behavioral Assessments to drive intervention planning and implementation;
- Document and report student progress towards Individualized Educational goals and behavioral objectives.
- Provide staff development training on best practices for working with students with autism and positive behavioral supports;

**Qualifications:** Holds Michigan Teaching Certificate and Administrator Certificate

Applicant must be positive, energetic, flexible, and a team player that can complement Innocademy's amazing culture. Having patience, solid communications skills and a good sense of humor are also highly recommended to be successful in this role. Candidates should have a Bachelor's degree and/or relevant experience.

**Schedule:** Year-Round School Calendar (See website for more details: [www.allegan.innocademy.com](http://www.allegan.innocademy.com))



## Job Description

**Title:** Intervention Specialist

**Job Description:** The Elementary Intervention Specialist's role will be to work directly with students needing additional support in order to become proficient in reading, writing, and mathematics. The role will be to provide support and interventions to at-risk students in those areas. They will teach and provide small group interventions for students identified as needing the most intense intervention as a result of non-proficient test scores. The person serving in this capacity will work closely with the building's Academic Coach and classroom teachers to create and maintain flexible groups for maximum effectiveness. The Intervention Specialist must be able to organize pre-test data, progress monitor, and post-test students in their intervention groups. Assessment support is provided for implementation and data analysis of formative and summative assessments including the MSTEP and NWEA.

### Qualifications:

1. Valid State of Michigan Teaching Certificate preferred
2. Training in varied assessments for progress monitoring
3. Knowledge of the Michigan State Standards in Literacy and Mathematics
4. Knowledge of the Michigan School Improvement Framework

### Required knowledge, skills and abilities:

1. Willingness to work cooperatively on a teaching team
2. Experience in the alignment of grade level content standards to curriculum, assessment and instruction
3. Strong knowledge of best practice and research regarding intervention strategies designed to improve achievement in students struggling in reading, writing and mathematics
4. Knowledge of differentiated instruction strategies
5. Knowledge of what the research has established as effective practices for struggling readers

6. Knowledge of how to connect the use of formative and summative assessments with curriculum, instruction and student achievement
7. Knowledge of how to use assessment data to monitor learning and to guide instruction
8. Effective written and oral communication skills
9. Knowledge and ability to use various forms of educational technology
10. Ability to use effective public relations skills necessary for the successful implementation of new programs
11. Ability to provide leadership to school based Multi-Tiered System of Support
12. Ability to communicate with parents in effective manner

**Essential Functions:**

1. Provide targeted instruction to struggling students using research-based interventions
2. Use data, including district-wide common assessments, to assist teachers in determining who will be targeted for interventions.
3. Communicate regularly with teachers and school leads on student progress and achievement.
4. Evaluate current school intervention efforts in light of what the research establishes as effective practices for struggling students and identify which practices need to be revised.
5. Work with staff to show progress and needs of all students within building

## Spanish FLES Teacher

**Position Summary:** We look for candidates who thrive on innovation, collaboration, and ultimately student success. This individual will provide instructional leadership, direction and inspiration to the students; will work with the school leader to enhance learning, will provide coordination and oversight to students, scheduling, curriculum, instruction and assessment, and in facilitating the operational budget.

Working at the Homestead campus in Zeeland, the Teacher-Leader will focus on the execution of a blended learning model working closely with the E-Learning Coach to ensure that students graduate prepared for success as global leaders. The Teacher-Leader will be responsible for implementing the mission and vision of the school.

**Specific Responsibilities:** A teacher who holds appropriate certification according to the state board rules will be responsible for all of the following for each course in which a pupil is enrolled: (i) Improving learning by planned instruction. (ii) Diagnosing the pupil's learning needs. (iii) Assessing learning, assigning grades, and determining advancement. (iv) Reporting outcomes to administrators and parents or legal guardians.

### General Responsibilities:

- Deliver instruction and assessment using best practices all while considering the individual student.
- Develop and align curriculum to the Common Core as well as the iCademy foundations and mission statement.
- Provide customer service to iCademy families with frequent, engaging, and informative communication.
- Reviewing/editing/updating course curriculum regularly to ensure it is up to date and accurate.
- Perform any related tasks to improve the nature, experience, and delivery of online courses where appropriate.
- Grading and providing quality feedback to students' assignment submissions.
- Providing detailed progress reports and assessments of student activities.
- Exercise flexibility daily by wearing many hats, prioritizing, and problem solving while maintaining a poised professional demeanor.
- Embrace global thinking and learning that helps expand circles of influence by seeking geographic and cultural opportunities that grow iCademy students and staff.
- Seek geographic and cultural opportunities that foster global thinking and learning to help expand circles of influence for iCademy students and staff.
- Utilize sound educational practices related to technology in daily instruction (blended-learning) as well as to prepare students for a rapidly changing society.

### Skills:

- Commitment to the highest ethical conduct and professional integrity

- Entrepreneurial spirit
- Enthusiasm for technology
- Must be computer literate and extremely familiar with on-line technologies. Must be adept at word processing, email, search engines, and web browsing.
- Urgently and relentlessly pursues high academic student achievement
- Ability to align parents, students and the community around the achievement of iCademy's mission, vision and goals
- Love of learning and commitment to continued professional development
- Reflective, self-aware and adaptable to communication and work styles.
- Critical thinker and problem solver who takes initiative to address challenges
- Engage with technology, data analysis and data-driven planning, decision-making and instruction
- Excellent use of the English language, excellent writing skills
- Extreme flexibility to accommodate multiple priorities

Qualifications: Required Education/Experience:

- Four-year (BA) college degree recognized by the Department of Education
- Teacher certification In Spanish

Preferred Education/Experience:

- On-line teaching experience is recommended but not required
- Masters Degree is recommended but not required.

**Position Title: K-6 Music Teacher**

**Qualifications:** Holds Michigan Teaching Certificate

**Teaching Times:** Our K-6 Music Teacher will provide music to grades K-6 on Tuesdays.

**Summary:** A Michigan Teaching Certificate required. Innocademy is a PreSchool-6 charter school in Fenntville, Michigan with a focus on multi-age global learning. Innocademy is rooted in the principles of daily Spanish instruction, field experiences, community and international partnerships, STEAM and a teacher-led school. We look for candidates who thrive on ownership, collaboration, customer service, and leadership.

- Develop and align curriculum to the Common Core as well as the Innocademy foundations and mission statement.
- Provide customer service to Innocademy families with frequent, engaging, and Informative communication.
- Focus on the whole child, intentionally growing each Individual academically, physically, emotionally, and socially.
- Exercise flexibility daily by wearing many hats, prioritizing, and problem solving while maintaining a poised professional demeanor.
- Embrace global thinking and learning that helps expand circles of influence by seeking geographic and cultural opportunities that grow Innocademy students and staff.
- Seek geographic and cultural opportunities that foster global thinking and learning to help expand circles of influence for Innocademy students and staff.
- Utilize sound educational practices related to technology in daily instruction as well as to prepare students for a rapidly changing society.

**Schedule:** Year-Round School Calendar (See website for more details: [www.innocademy.com](http://www.innocademy.com))

## **Parapro Job Description**

**Summary:** Innocademy is rooted in the principles of Leadership, daily Spanish instruction, multilage learning, field experiences, community and international partnerships, and is a teacher-led school. We look for candidates who thrive on ownership, collaboration, customer service, and leadership.

### **Description:**

- Focus on the whole child, intentionally growing each individual academically, physically, emotionally, and socially.
- Exercise flexibility daily by wearing many hats, prioritizing, and problem solving while maintaining a poised professional demeanor.
- Embrace global thinking and learning that helps expand circles of Influence by seeking geographic and cultural opportunities that grow Innocademy Allegan students and staff.
- Seek geographic and cultural opportunities that foster global thinking and learning to help expand circles of influence for Innocademy students and staff.
- Utilize sound educational practices related to technology in daily instruction (blended-learning at the middle school level) as well as to prepare students for a rapidly changing society.

## **Human Resources Job Description**

IES has an opening for a Human Resource expert at the Homestead Campus in Zeeland. This position will be a key member of our HR team to handle various activities such as:

- Handling employment processing, compensation, health and welfare benefits, and records management.
- Training and completing compliance and personnel transactions.
- Preparing and completing necessary reports to keep our company compliant with regulations.
- Protecting the organization's value by keeping information confidential.
- Complying with federal, state, and local legal requirements by studying existing and new legislation; anticipating legislation; enforcing adherence to requirements; advising management on needed actions.
- Participating in professional organizations and attending monthly ISD Human Resource meetings.
- Working with a team of teachers throughout the hiring process for new employees.

**Education:** Typically BS/BA in related discipline or advanced degree. Human Resource experience in schools is preferred.

**Knowledge and Skills:** Demonstrates and applies a broad knowledge of field of specialization through successful completion of assignments. Successfully applies knowledge of fundamental concepts, practices, and procedures for area of specialization. Demonstrates knowledge of organization's values and foundations. Is able to train new employees, assist

## MANAGEMENT AGREEMENT

This Management Agreement is made and entered into as of the 1st day of July, 2017, by and between the **Innovative Education Services, Inc.**, a Michigan non-profit corporation (“IES”), and **Innocademy**, a body corporate and public school academy (the “Academy”).

### RECITALS

The Academy is a charter school, organized as a public school academy under the Revised School Code, MCL 380.1 et seq. (the “Code”). The Academy has been granted a contract (the “Contract”) by the Lake Superior State University Board of Trustees (“LSSU”) to organize and operate a public school academy, with LSSU as the authorizing body.

The Academy and IES desire to create an enduring educational partnership, whereby the Academy and IES will work together to bring educational excellence and innovation to the Zeeland, Michigan area, based on IES’s school design, comprehensive educational program and management principles.

In order to facilitate the commencement of school for the 2017-2018 school year, and to implement an innovative educational program at the school, the parties desire to establish this arrangement for the management and operation of the Academy.

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

### ARTICLE I

#### CONTRACTING RELATIONSHIP

- A. **Authority.** The Academy represents that it is authorized by law to contract with a private entity and for that entity to provide educational management services. The Academy further represents that it has been issued the Contract by LSSU to organize and operate a public school academy. The Academy is therefore authorized by the Code and LSSU to supervise and control such academy, and is invested with all powers necessary or desirable for carrying out the educational program contemplated in this Agreement.
- B. **Contract.** The Academy hereby contracts with IES, to the extent permitted by law, for the provision of all labor, materials, facilities, equipment and supervision necessary for the provision of educational services to students, and the management, operation and maintenance of the Academy in accordance with the educational goals, curriculum, methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade range of pupils to be enrolled, educational goals, and method to be used to monitor compliance with performance of targeted educational outcomes, all

as adopted by the Academy Board of Directors (“Board”) and included in the Contract issued to the Academy by LSSU.

- C. **Status of the Parties.** IES is a non-profit Michigan corporation, and is not a division of or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of IES. The parties to this Agreement intend that the relationship created by this Agreement is that of an independent contractor and not employer – employee. Except as expressly provided in this Agreement, no agent or employee of IES shall be deemed to be the agent or employee of the Academy. IES shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship between IES and the Academy is based solely on the terms of this Agreement, and the terms of any other written agreements between IES and the Academy.

## ARTICLE II

### TERM

- A. **Term.** This Agreement shall be effective as of June 1, 2017 and shall expire on June 30, 2020, unless otherwise terminated or renegotiated in accordance with Article VII.

## ARTICLE III

### FUNCTIONS OF IES

- A. **Responsibility.** IES shall be responsible and accountable to the Board for the administration, operation and performance of the Academy in accordance with the Contract. IES’s responsibility is expressly limited by: (i) the budget IES and the Academy agree upon pursuant to the terms of this Agreement, and (ii) the availability of state funding to pay for said services. Neither IES nor the Academy shall be required to expend Academy funds on services in excess of the amount set forth in the Academy budget.
- B. **Educational Program.** IES agrees to implement the educational goals and programs as incorporated in the Contract (the “Educational Program”). In the event IES determines that it is necessary to modify the Educational Program, IES shall inform the Board of the proposed changes and obtain board approval, and if required under the Contract, approval of LSSU. The parties hereto acknowledge that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency, and that the Academy and IES are interested in results and not in inflexible prescriptions. At the end of each academic semester, and otherwise as

requested, IES will provide the Board with updated reports on progress towards implementing each of the Academy's educational goals in the Educational Program.

**C. Specific Functions.** IES shall be responsible for the management, operation, administration, accounting and education at the Academy. Such functions include the following:

1. Implementation and administration of the Educational Program, including the selection and acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs.
2. Management of all personnel functions, including professional development for the School Administrator and all instructional personnel and the personnel functions outlined in Article VI.
3. All aspects of the business administration of the Academy.
4. All aspects of the accounting operation, including general ledger management and financial reporting.
5. Food service, if any is provided, for the Academy.
6. Before and after school child care, if any is provided, for the Academy through the use of IES's Child Development Centers.
7. Any other function necessary or expedient for the administration of the Academy as approved by the Board.

**D. Purchases.** Purchases made by IES on behalf of the Academy with Academy monies including, but not limited to, instructional materials, supplies, and equipment will be the property of the Academy.

**E. Subcontracts.** IES reserves the right to subcontract any and all aspects of all services it agrees to provide to the Academy including, but not limited to transportation and/or food service. However, IES shall not subcontract the management, oversight or operation of the teaching and instructional program, except as specifically permitted in this Agreement or with approval of the Board.

**F. Place of Performance.** IES reserves the right to perform functions other than instruction, such as purchasing, professional development, and administrative functions, off-site, unless prohibited by state or local law.

- G. **Educational Facilities.** It is IES's responsibility to locate facilities to be used by the Academy. The Board agrees that IES may own the facilities used by the Academy and further agrees that IES may rent or lease these facilities to the Academy at Fair Market Value. Fair Market Value shall be based on cost/square foot/year for property and shall be charged in either 12 or 9 equal monthly payments. IES shall fully disclose its ownership interest in any Educational Facilities which may be utilized by the Academy prior to leasing such facilities to the Academy. Any facilities rental arrangement or other agreement between IES and the Academy shall be separately documented and shall meet all the requirements of the LSSU policies in effect from time to time.
- H. **IES Office Space.** For the term of this Agreement, suitable office space shall be provided at the Academy for IES personnel and subcontractors. The office space shall be used by IES for IES activities related to the Academy. The Academy shall also provide IES, upon IES's request, with an additional room to be used for activities related to the Academy. The Academy agrees that IES may incur, on the Academy's behalf, office and rental expenses associated with off-site central management.
- I. **Student Recruitment.** IES and the Board shall be jointly responsible for the recruitment of students subject to agreement on general recruitment and admission policies. Students shall be selected in accordance with the procedures set forth in the Contract, the Board Policies and with the Code and other applicable law.
- J. **Due Process Hearings.** IES shall provide student due process hearings in conformity with the requirements of state and federal law regarding discipline, special education, confidentiality and access to records, to an extent consistent with the Academy's own obligations. The Board shall retain the right to provide due process as required by law.
- K. **Legal Requirements.** IES shall provide educational programs that meet federal, state, and local requirements, and the requirements imposed under the Code and the Contract, but the Academy shall interpret state and local regulations liberally to give IES flexibility and freedom to implement its educational and management programs.
- L. **Rules & Procedures.** IES shall recommend reasonable rules, regulations and procedures applicable to the Academy and is authorized and directed to enforce such rules, regulations and procedures adopted by the Board.
- M. **School Year and School Day.** The school year and school day shall be as provided in the Contract submitted to and approved by LSSU. The Board reserves the right to modify the school year/day to ensure that the State mandated days and hours of instruction are met.
- N. **Pupil Performance Standards and Evaluation.** Consistent with the Contract, IES shall implement pupil performance evaluations which permit evaluation of the education

progress of each Academy student. IES shall be responsible and accountable to the Board for the performance of students who attend the Academy. IES will utilize assessment strategies acquired by the terms of the Contract. The Board and IES will cooperate in good faith, to identify measures of school performance and goals for Academy students including, but not limited to, parent satisfaction.

- O. **Services to Disabled Students and Special Education.** IES shall provide special education services to students who attend the Academy in conformity with the Contract and applicable law. IES may subcontract as necessary and appropriate for the provision of services to students whose special needs cannot be met within the Academy's program, subject to approval of the Academy Board. Such services shall be provided in a manner that complies with local, state and federal laws and applicable regulations and policies.
- P. **Compliance with Academy's Contract.** IES agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract issued by LSSU. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.
- Q. **Unusual Events.** IES agrees to timely notify the Board and/or school administrator of any anticipated or known: (i) material health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could adversely affect the Academy in complying with its responsibilities hereunder.
- R. **Student and Financial Records.** All student and financial information related to the Academy are Academy property and shall be available for inspection at the Academy or at IES's central office by the Academy's independent auditor, LSSU, or the public upon reasonable request consistent with the Contract and applicable law.

#### ARTICLE IV

#### OBLIGATIONS OF THE BOARD

- A. **Good Faith Obligation.** The Board shall be responsible for its fiscal and academic policy. The Board shall exercise good faith in considering the recommendations of IES including, but not limited to, IES's recommendations concerning policies, rules, regulations and budgets.
- B. **Assistance to IES.** The Academy shall cooperate with IES in furnishing all information and submitting all forms and reports required in association with this Agreement, including timely notice of all Board meetings. The Academy shall timely furnish IES all documents and records necessary for IES to properly perform its responsibilities under this agreement.

- C. **Unusual Events.** The Academy agrees to timely notify IES of any anticipated or known: (i) material health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could adversely affect IES in complying with its responsibilities hereunder.
- D. **Retained Authority.** The Board shall retain the authority to make reasonable regulations relative to anything necessary for the proper establishment, maintenance, management, and carrying on of the Academy, including regulations relative to the conduct of pupils while in attendance at the Academy or en route to and from the Academy. The Academy Board shall further retain the obligation, as provided in section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials and equipment.
- E. **Educational Consultant.** The Board may retain at its own expense an educational consultant to review the operations of the Academy and the performance of IES under this Agreement. IES shall cooperate with such consultant in the performance of his or her responsibilities to the Board. Notwithstanding anything contained elsewhere in this Agreement, without Board authorization, IES shall have no authority to select, evaluate, assign, supervise or control any consultant retained by the Board.

## ARTICLE V

### FINANCIAL ARRANGEMENTS

- A. **Revenues.** Except as hereinafter provided, all monies received by the Board shall be deposited within three (3) business days with a financial institution acceptable to the Board. Only Academy Board members shall be named signatories on the account. Except as specifically excluded by the terms of this Agreement, the term "Revenues" shall include all funds received by on or behalf of the Academy including, but not limited to;
- 1) State Aid Funds.
  - 2) Special Education funding provided by Federal or State Governments to the Academy that is directly allocable to special education students in the Academy.
  - 3) Gifted and Talented funding provided by Federal and State Governments that is directly allocable to gifted and talented students in the Academy.
  - 4) At-Risk funding provided by Federal and State Governments to the Academy that is directly allocable to at-risk students in the Academy.
  - 5) Funding provided by Federal and State Governments to the Academy that is directly allocable to students in the Academy with limited English proficiency.

- 6) Federal and State grant sources, including Title I, which is directly allocable to the Academy.
- 7) Grants and donations received by the Academy (except to the extent IES is not required or involved in soliciting, administering, or managing such grants and/or donations).
- 8) Fees charged to students for extra services as and to the extent permitted by law.

(All of the above are hereinafter collectively referred to as the "Revenues").

The Revenues shall be expended by IES in accordance with the approved Budget and as otherwise authorized by the Board. The expenditure of Revenues received from governmental entities shall be consistent with all applicable regulations and policies, and in the case of private donations, the directives of the donor where applicable.

## **B. Budget**

1. Projected Budget. IES shall provide the Board with an annual projected Budget (the "Budget"). The budget shall be submitted to the Board at least 30 days prior to June 30<sup>th</sup> for the following academic year.
2. Budget Detail. The Budget shall contain reasonable detail as requested by the Board. The Budget shall include all projected expenses and costs reasonably associated with operating the Academy and the IES school program including, but not limited to, the projected cost of: all services and education programs provided to the Academy, leasehold and other lease obligations incurred by the Academy, maintenance and repairs to Academy facilities and capital improvements except as otherwise agreed upon, supplies and furnishings necessary to operate the Academy, all taxes of any kind that are assessed or imposed, insurance premiums, utilities, professional fees, and other costs and expenses connected to operating the Academy. The Board shall determine the amount of the budget reserve.
3. Approval. The Budget shall be prepared by IES and submitted to the Board for approval. The Budget may be amended from time to time as deemed necessary by the Board.
4. Expenditures. IES shall not expend the Revenues in such a way as to deviate from the provisions of the Budget without Board approval.

- C. Fee. IES shall be entitled to receive compensation for services described in this Agreement in accordance with the provisions set forth on Schedule 1 attached hereto and made a part of this Agreement (the "Fee").

- D. **Availability of Funds.** IES shall only be required to perform its responsibilities upon this Agreement to the extent that the Academy has received and made available to IES sufficient Revenues to make payments in accordance with the terms of the Budget.
- E. **Other Public School Academies.** The Academy acknowledges that IES may enter into similar management agreements with other public school academies. IES shall maintain separate accounts for expenses incurred by or on behalf of the Academy and other Public School Academies, and shall only charge the Academy for expenses incurred by or on behalf of the Academy. If IES incurs authorized reimbursable expenses on behalf of the Academy and other public school academies which are incapable of precise allocation, then IES shall allocate such expenses among all such academies, including the Academy, on a prorated basis based upon the number of students enrolled at such academies, or upon such other equitable basis as is acceptable to the parties.
- F. **Financial Reporting.** IES shall provide the Board with:
- 1) The projected annual Budget as required by the terms of this Agreement.
  - 2) Detailed statements of all Revenues received, and detailed statements of all direct expenditures for services and or expenses rendered or incurred to or on behalf of the Academy, whether incurred on-site or off-site, upon request.
  - 3) Reports on Academy operations, finances, and student performance shall be provided upon request, but not less frequently than two (2) times per year.
  - 4) Other information on a periodic basis to enable the Board to monitor IES's performance and the efficiency of its operation of the Academy, and to reconcile the Fee paid to IES.
- G. **Access to Records.** IES shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in possession of IES, and shall retain all of these records for a period of consistent with MDE requirements. IES and the Academy shall maintain the proper confidentiality of personnel, students, and other records as required by law.
- H. **Review of Operational Budget.** The Academy Board shall be responsible for reviewing, revising and approving the annual Academy Budget.
- I. **Annual Audit.** The Board shall select and retain the independent auditors. The Academy shall pay for the Academy's annual financial audit.
- J. **Other Financing.** In accordance with the Contract and applicable law, the Board may apply to IES for financing from time to time. Any such financing shall be subject to a separate written agreement between the parties as to terms, and may cover the cost of funds for the development and on-going operations of any and all aspects of the

Academy's program. The Academy shall reimburse IES for any such financing from state school aid payment and/or other revenue sources.

## ARTICLE VI

### PERSONNEL & TRAINING

- A. **Personnel Responsibility.** IES, subject to Board approval, shall select qualified personnel to perform services at the Academy. The staff shall be employees of IES. Compensation of all employees will be paid in accordance with the budget referenced in Article V. For purposes of this Agreement, compensation shall include salary, bonus (if applicable), fringe benefits, and state and federal tax withholdings for IES staff assigned to work at the Academy. Consistent with the Board approved budget, IES shall have the responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, transfer and terminate personnel consistent with state and federal law. If IES executes contracts with administrative or teaching staff that have a term longer than one (1) year, the Board reserves the right to have the School Administrator or teacher placed elsewhere by IES if the Board is reasonably dissatisfied with their respective performance at the end of the academic year.
- B. **School Administrator.** The School Administrator shall be accountable for the performance of the Academy. IES shall have the authority, consistent with state law, to select, employ, and supervise the School Administrator and hold the School Administrator accountable for the success of the Academy. The duties of the School Administrator, and the terms of the School Administrator's employment contract shall be determined by IES. IES shall timely consult with the Board with respect to an actual or anticipated change in the individual IES employs under this Agreement.
- C. **Teachers.** Consistent with the Board approved budget, IES shall determine the number of teachers required for the operation of the Academy. IES shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy. The curriculum taught by such teachers shall be the curriculum prescribed in the Contract. Such teachers may, in the discretion of IES, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, such teachers may also work at other schools managed or operated by IES. Each teacher assigned or retained by the Academy shall have completed all applicable criminal background checks and hold a valid Michigan teaching certificate issued by the State Board of Education under the Code, to the extent required under the Code.
- D. **Support Staff.** Consistent with the Board approved budget, IES shall determine the number of support staff required for the operation of the Academy. IES shall provide the Academy with qualified staff to efficiently operate the Academy's school in accordance with the Contract. The support staff may, in the discretion of IES, work at the Academy

on a full or part time basis. If assigned to the Academy on a part time basis, the support staff may also work at other schools managed or operated by IES.

- E. **Training.** IES shall provide training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Non-instructional personnel shall receive such training as IES determines reasonable and necessary under the circumstances.
- F. **Evaluation.** IES shall conduct annual staff evaluations that are rigorous, transparent, and fair following both federal and state laws and guidelines.
- G. **No Non-Compete Clause.** IES agrees that, during the term of this Agreement, IES will not include any non-competes clause in any employment or independent contractor agreement for IES employees or persons assigned by IES to work at the Academy.

## ARTICLE VII

### TERMINATION OF AGREEMENT

#### A. Termination.

1. **By IES.** IES may terminate this Agreement prior to the end of the terms specified in Article II in the event the Board fails to remedy a material breach within 30 days after notice from IES. A material breach includes, but is not limited to, IES's failure to receive for any reason compensation or reimbursement as required by the terms of this Agreement, or the Academy's loss or suspension of its Contract.
2. **By Academy.** The Academy may terminate this Agreement prior to the end of the terms specified in Article II in the event that IES shall fail to remedy a material breach within 30 days after notice from the Board. Material breach includes, but is not limited to: (i) failure to account for its expenditures or to pay Academy operating costs (provided funds are available to do so), (ii) failure to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board which are not in violation of the Contract, this Agreement, or law, or (iii) receipt by the Board of unsatisfactory reports from IES or from an educational consultant retained by the Board about matters concerning IES's performance or the performance of the staff which are not adequately corrected or explained.
3. **Revocation or Termination of Contract.** If the Contract issued by LSSU is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked or termination without further action of the parties.

**B. Termination/Expiration**

1. **Removal of personal property.** Upon termination of this Agreement, equipment and other assets acquired with Academy Revenue and owned by the Academy shall remain the exclusive property of the Academy. Equipment leased by the Academy shall remain subject to the interest of the Lessor/Owner.
2. **Out-of-Pocket Expenses.** Upon termination of this Agreement, for any reason, all out-of-pocket expenses authorized by the Board to be paid by IES on behalf of the Academy shall be immediately repaid by the Academy unless otherwise agreed in writing by IES.

C. **Transition.** In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, IES shall provide the Academy reasonable assistance for up to 90 days to assist in the transition back to a regular school program.

**ARTICLE VIII**

**AUTHORIZER'S REQUIRED CONTRACT PROVISIONS**

A. Indemnification of Lake Superior State University. The parties acknowledge and agree that the Lake Superior State University Board of Trustees, Lake Superior State University and its members, officers, employees, agents or representatives (collectively "Lake Superior State University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify, defend, and hold harmless Lake Superior State University from and against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines penalties, demands, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses imposed upon or incurred by Lake Superior State University, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Lake Superior State University, which arise out of or are in any manner connected with Lake Superior State University Board of Trustees' approval of the Academy's application, Lake Superior State University Board of Trustees' consideration of or issuance of a Contract, the Academy Board's or IES's preparation for and operation of the Academy, or which are incurred as a result of the reliance by Lake Superior State University, Lake Superior State University Board of Trustees or its members, or their

respective officers, employees, agents or representatives, upon information supplied by the Academy Board or IES, or which arise out of the failure of the Academy Board or IES to perform its obligations under the Contract or Applicable Law. The parties expressly acknowledge and agree that Lake Superior State University, Lake Superior State University Board of Trustees and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against either party to enforce its rights as set forth in this Agreement.

- B. Agreement Coterminous with Academy's Contract.** If the Contract issued by LSSU is suspended, revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement 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.
- C. Compliance with Academy's Contract.** IES agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract issued by the LSSU. The provisions of the Contract shall supersede any competing or conflicting provisions contained in this Agreement.
- D. Compliance with Section 503c.** On an annual basis, IES agrees to provide the Board with the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, 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 Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this Agreement.
- E. 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 Office 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 IES shall have no recourse against the Academy or the College Board for implementing such site closure or reconstitution.
- F. Compliance with Section 12.17 of Contract Terms and Conditions.** IES shall make information concerning the operation and management of the Academy, including without limitation the information described in Schedule 4 of the Contract, available to the Academy and its auditors as deemed necessary by the Board in order to enable the

Academy to fully satisfy its obligations under Section 12.17(a) of the Contract Terms and Conditions.

- G. **Purchases by IES.** If IES purchases equipment, materials, and supplies on behalf or as an agent of the Academy, such equipment, materials, and supplies will remain the property of the Academy. IES will comply with Section 1274 of the Code as if it were the Academy when making such purchases from a third party supplier. If IES procures equipment, materials and supplier at the request of or on behalf of the Academy, IES shall not include any added fees or charges to the cost of the equipment, materials and supplies purchased from third parties.
- H. **Rights to Curriculum.** The Academy shall own all proprietary rights to any curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by IES at the direction of the Board and paid for with Academy funds dedicated for the specific purpose of developing such curriculum or materials.
- I. **FERPA Compliance.** The Academy designates the employees of IES as agents of the Academy having a legitimate educational interest such that they are entitled to access of educational records under 20 U.S.C. Section 1232g, the Family Educational Rights and Protection Act ("FERPA").
- J. **Marketing Costs.** Any marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy, and shall not include any costs for the marketing and development of IES.
- K. **Governmental Immunity.** Any provision of this Agreement which can be construed to restrict the Academy Board from waiving its governmental immunity or require the Academy Board to assert, waive, or not waive its governmental immunity shall be considered void and unenforceable.
- L. **Other Prohibited Restrictions.** Any provision of this Agreement which could be interpreted to: a) interfere with the Academy Board's exercise of its statutory, contractual and fiduciary responsibilities governing the operation of the Academy; b) prohibit the Academy Board from acting as an independent, self-governing public body; or c) allow or require public decisions to be made other than in compliance with the Open Meetings Act, shall be considered void and unenforceable.
- M. **Academy Bank Account.** No provision of this Agreement shall alter the Academy Board's Treasurer's legal obligation to direct that the deposit of all funds of the Academy be placed in the Academy's depository bank account required by applicable law. The signatures on the Academy's bank account shall only be Academy Board members properly designated by Board resolution. Interest amount earned on deposits shall accrue to the Academy.

**N. Chief Administrative Officer.** The Chief Administrative Officer of the Academy shall be a Board member. No employee of IES may be the Academy's Chief Administrative Officer.

## ARTICLE IX

### INSURANCE

- A. **Insurance Coverage.** IES shall obtain, on its own behalf, insurance in the amount required by the Contract. The Academy, IES, and when necessary, LSSU will be named as additional named insureds, consistent with the requirements of the Contract. In addition, the Academy shall maintain an umbrella liability policy of two million dollars (\$2,000,000.00) with IES listed as an additional insured. The building and related capital facilities remain the responsibility of IES and IES shall cover its property with insurance. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this paragraph. Each party shall comply with any information or reporting requirements required by 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.
- C. **Other Insurance Requirements.** In addition to the insurance requirements outlines above, the parties hereto agree to comply with all applicable insurance coverage requirements as specifically set forth in Section 11.2 of the Contract, the terms and conditions of which are incorporated herein by reference.

## ARTICLE X

### WARRANTIES AND REPRESENTATIONS

- A. **Academy Warranties and Representations.** The Academy represents that it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement. The Board warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.
- B. **IES Warranties and Representations.** IES warrants and represents that it is a corporation in good standing and is authorized to conduct business in the State of Michigan. IES will comply with all registration and licensing requirements relating to

conducting business under this Agreement. The Academy agrees to assist IES in applying for such licenses and permits in obtaining such approvals and consents.

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

## ARTICLE XI

### MISCELLANEOUS

- A. **Sole Agreement.** This Agreement supercedes and replaces any and all prior agreements and understandings between the Academy and IES.
- B. **Force Majeure.** Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement under Article VI if sufficient grounds exist as required by said Article VI.
- C. **State Governing Law/Waiver of Jury Trial.** The rights of all parties hereto shall be subject to the jurisdiction of and be construed according to the laws of the State of Michigan. IES and the Academy hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either IES or the Academy against the other.
- D. **Agreement in Entirety.** This Agreement (including Attachments) constitutes the entire agreement of the parties.
- E. **Official Notices.** All notices and other communications required by the terms of this Agreement shall be in writing and sent to the parties hereto at the facsimile number or address set forth below. Notice may be given by (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal or personal delivery if given by facsimile or personal delivery, or upon the date of postmark, if sent by certified or registered mail. The address of the parties hereto for the purposes aforesaid shall be:

THE ACADEMY:

Innocademy  
8485 Homestead Drive  
Zeeland, MI 49464  
Telephone: (616) 748-5637  
Facsimile: (616) 772-0373

with a copy to:  
Nick deVries  
Innocademy  
School Board President  
Telephone: (616) 634-0621

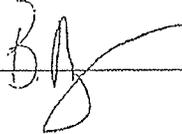
IES: Innovative Education Services, Inc.  
Attn:  
8485 Homestead  
Zeeland, MI 49464  
Telephone: 616-610-0031  
Facsimile:

- F. **Assignment.** IES may assign this Agreement with the prior consent of the Board and after review of the proposed assignment by LSSU in accordance with the LSSU ESP policies.
- G. **Amendment.** This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both the President of the Academy's School Board and an authorized officer of IES. Prior to formalizing any amendment to this Agreement, such amendment must first be reviewed by LSSU.
- H. **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.
- I. **Cost 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 attorney's fees and costs of suit.
- J. **Delegation of Authority.** Nothing in this Agreement shall be construed as delegating to IES powers or authority of the Board which are not subject to delegation by the Board under Michigan law.
- K. **Compliance with Law.** The parties to this Agreement agree to comply with all applicable laws and regulations.
- L. **Compliance with MCL 380.1136.** Except as permitted under the Code, IES shall not sell or otherwise provide to a for-profit business entity any personally

identifiable information that is part of an Academy Student's educational record. If IES receives information that is part of an Academy Student's educational records, IES shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this Section, the terms "educational records" and "personally identifiable information" shall have the same meaning as those terms in Section 1136 of the Code, MCL 380.1136.

IN WITNESS WHEREOF, the undersigned have executed this Agreement

Date: Aug. 23, 2017

IES  
By:   
Its President

Date: 08/23/17, 2017

Innocademy  
By:   
Its President

# Tab 6

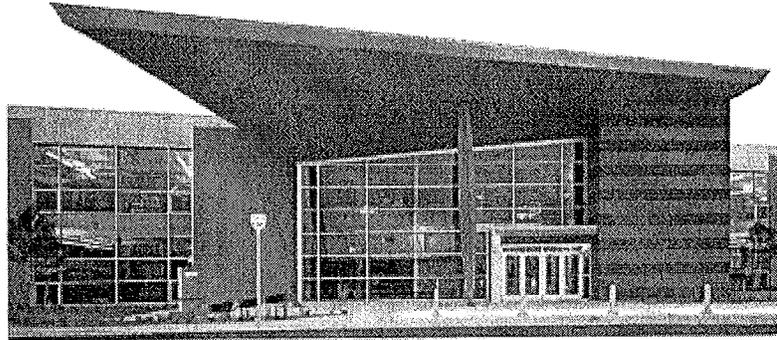
**CONTRACT SCHEDULE 6**  
**PHYSICAL PLANT DESCRIPTION**

**INNOCADEMY**  
**Physical Plant**

	<b><u>Page</u></b>
Physical Plant Description .....	6-1
Floor Plan.....	6-3
Site Plan/Legal Description .....	6-3
Occupancy Approval .....	6-8
Lease Agreement .....	6-9

## SCHEDULE 6

### PHYSICAL PLANT DESCRIPTION



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)(j); 380.503(5)(d).

2. The address and a description of the proposed physical plant (the "Proposed Site") of Innocademy ("Academy") is as follows:

Address: 8485 Homestead Drive  
Zeeland, MI 49464

Description: The Academy occupies a 98,000 sq. ft. building on a ten acre lot.

Term of Use: Term of Contract.

Configuration of Grade Levels: Pre-Kindergarten through eighth grade.

Name of School District and Intermediate School District:

Local: Zeeland Public Schools

ISD: Ottawa Area ISD

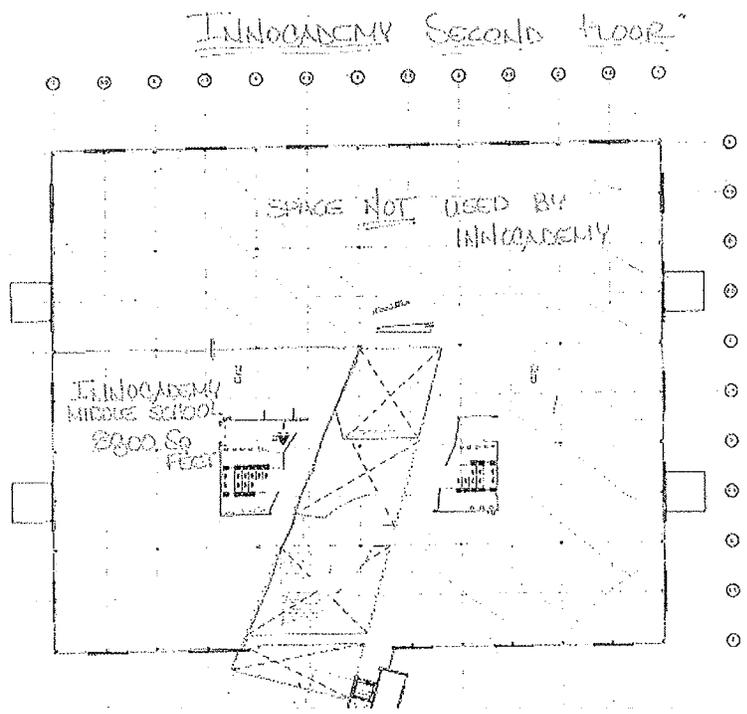
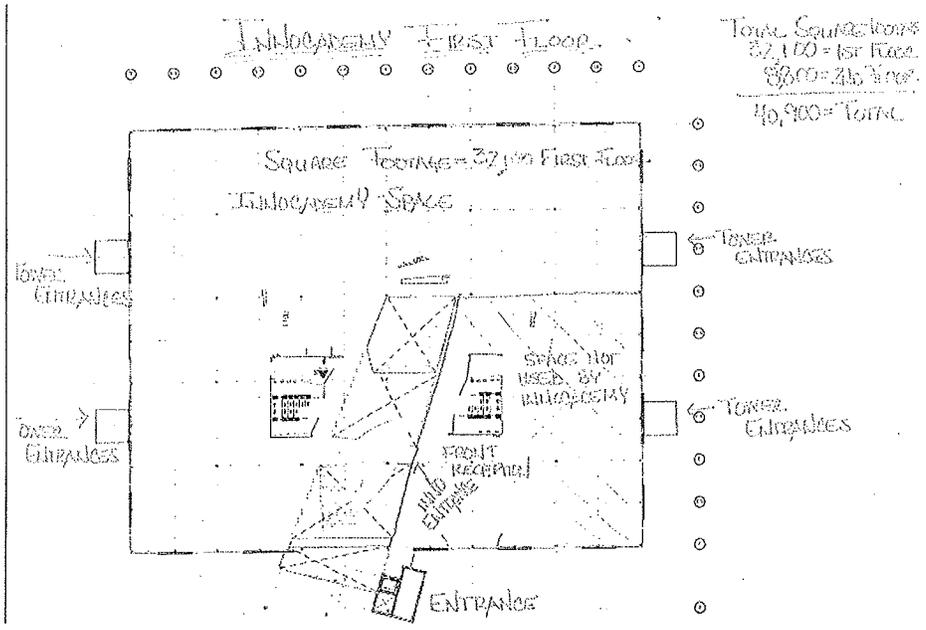
3. It is acknowledged and agreed that the following information about this Proposed Site is provided on the following pages, or must be provided to the satisfaction of the College Board, before the Academy may operate as a public school in this state.

- A. Size of building
- B. Floor Plan
- C. Description of Rooms
- D. Copy of lease or purchase agreement

4. In addition, the Academy and the College 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 proposed physical facility. These approvals must be provided and be acceptable to the College 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 College Board.

5. If the Proposed Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the College 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 College 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 College, and the amendment regarding the new site has been executed.

6. The Academy agrees to comply with the single site restrictions contained in this Schedule 6 for the configuration of grade levels identified at the site. 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.



**EXHIBIT A**

**LEGAL DESCRIPTION**

Said land and tenements are situated in the Township of Zeeland, Ottawa County, Michigan, commonly known as 8485 Homestead Drive, and are more particularly described as follows. to-wit:

Part of the Northwest 1/4 commencing South 0 degrees, 18 minutes, 49 seconds,

East 370 feet from North 1/4 corner: thence South 0 degrees, 18 minutes, 49 seconds, East 645.45 feet thence South 89 degrees, 49 minutes, 26 seconds\_ West 683 feet thence North 0 degrees 10 minutes 34 seconds West 105.81 feet; thence North 89 degrees 49 minutes 26 seconds East 11.77 feet; thence Northeasterly 55.46 feet along a 283 foot radius curve to the right (chord bears North 22 degrees 1 minute 25 seconds East 55.38 feet); thence North 27 degrees 38 minutes 18 seconds East 61.23 feet; thence North 35 degrees, 6 minutes, 20 seconds, West 295.13 feet, Northeasterly 737.48 feet along a 2470.48 foot radius curve to the right (chord bears North 63 degrees 32 minutes 23 seconds East 734.82 feet); thence North 0 degrees 18 minutes 49 seconds West 1.05 feet; thence Northeasterly 20.95 feet along a 2471.48 foot radius curve to the right (chord bears North 72 degrees 20 minutes 35 seconds East 20.95 feet); thence South 0 degrees 18 minutes 49 seconds East (deeded as South 0 degrees 18 minutes 49 seconds West) 140.75 feet; thence North 89 degrees 41 minutes 11 seconds East 110 feet to point of beginning, Section 20, Town 5 North, Range 14 West, Zeeland

Township, Ottawa County, Michigan.

Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan: thence South 00 degrees 18 minutes 49 seconds East 370.00 feet along the North and South 1/4 Line of said Section 20; thence South 89 degrees 41 minutes 11 seconds West 110.00 feet; thence North 00 degrees 18 minutes 49 seconds West 140.75 feet; thence Westerly along the Southeasterly right of way line of I-196 business loop 20.95 feet on a 2471.48 foot radius curve to the left, long chord bearing South 72 degrees 20 minutes 35 seconds West 20.95 feet for the point of beginning; thence South 00 degrees 18 minutes 49 seconds East 1.05 feet. thence Southwesterly parallel with and 1.00 foot from said right of way line, 877.48 feet on a 2470.48 foot radius curve to the left, long chord bearing South 61 degrees 55 minutes 03 seconds West 872.87 feet; thence North 39 degrees 59 minutes 05 seconds West 1.00 feet; thence Northeasterly along said right of way line, 878.18 feet on a 2471.48 foot radius curve to the right long chord bearing North 61 degrees 55 minutes 15 seconds East 873.57 feet to point of beginning.

Except:

That part of the following described TRACT "A" lying Northeasterly of a limited access right of way line (restricting all ingress and egress) described as:  
Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West; thence South 0' 18' 49" East along the North-South 1/4 line of said Section, 323.87 feet; thence North 72° 49' 16" West, 34.60 feet to a point on the existing Westerly right of way line of 84th Avenue (66' wide) and point of beginning: thence continuing North 72" 49' 16" West, 178.4 feet, more or less, to a point on the existing Southerly limited access right of way line of Highway U.S. I-196 Business Loop, and point of ending.

TRACT "A": Part of the Northwest 1/4 commencing South 0 degrees, 18 minutes, 49 seconds East 370 feet from North 1/4 corner; thence South 0 degrees, 18 minutes, 49 seconds, East 645.45 feet: South 89 degrees, 49 minutes, 26 seconds, West 683 feet; North 0 degrees, 10 minutes, 34 seconds, West 105.81 feet; North 89 degrees, 49 minutes, 26 seconds, East 11.77 feet; Northeasterly 55.46 feet along a 283 foot radius curve to the right (chord bears North 22 degrees, 1 minute, 25 seconds, East 55.38 feet); thence North 27 degrees, 38 minutes, 18 seconds, East 61.23 feet; North 35 degrees, 6 minutes, 20 seconds, West 295.13 feet; Northeasterly 737.48 feet along a 2470.48 foot radius curve to the right; thence North 0 degrees, 18 minutes, 49 seconds, West 1.05 feet; Northeasterly 20.95 feet along a 2471.48 foot radius curve to the right (chord bears North 72 degrees, 20 minutes, 35 seconds, East 20.95 feet); thence South 0 degrees, 18 minutes, 49 seconds, West 140.75 feet; thence North 89 degrees, 41 minutes, 11 seconds, East 110 feet to point of beginning. Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan.

AND, commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan; thence South 00 degrees, 18 minutes, 49 seconds, East 370.00 feet along the North and South 1/4 Line of said Section 20; thence South 89 degrees, 41 minutes, 11 seconds, West 110.00 feet; thence North 00 degrees, 18 minutes, 49 seconds, West 140.75 feet; thence Westerly along the Southeasterly right of way line of I-196 business loop 20.95 feet on a 2471.48 foot radius curve to the left, long chord bearing South 72 degrees, 20

minutes, 35 seconds, West 20.95 feet for the point of beginning; thence South 00 degrees, 18 minutes, 49 seconds, East 1.05 feet; thence Southwesterly parallel with and 1.00 foot from said right of way line, 877.48 feet on a 2470.48 foot radius curve to the left, long chord bearing South 61 degrees, 55 minutes, 03 seconds, West 872.87 feet; thence North 39 degrees 59 minutes, 05 seconds, West 1.00 feet; thence Northeasterly along said right of way line, 878.18 feet on a 2471.48 foot radius curve to the right, long chord bearing North 61 degrees, 55 minutes, 15 seconds, East 873.57 feet to point of beginning.

Also except:

Part of the Northwest 1/4 of Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan, described as: Commencing at the North 1/4 corner of said Section 20; thence South 00 degrees 18 minutes 49 seconds East 1015.45 feet along the North-South 1/4 line of said section; thence South 89 degrees 49 minutes 26 seconds West 683.00 feet along the Northerly right-of-way line of Homestead Drive; thence North 00 degrees 10 minutes 34 seconds West 105.81 feet; thence North 89 degrees 49 minutes 26 seconds East 11.77 feet; thence Northeasterly 55.46 feet on the arc of a 283.00 foot radius curve to the right, the chord bearing North 22 degrees 01 minutes 25 seconds East 55.38 (central angle - 11 degrees 13 minutes 45 seconds); thence North 27 degrees 38 minutes 18 seconds East 61.23 feet to the Point of Beginning; thence North 35 degrees 06 minutes 20 seconds West 296.13 feet; thence Northeasterly along the Southeasterly right-of-way line of I-196 business loop 10.75 feet on the arc of a 2471.48 foot radius curve to the right, the chord bearing North 55 degrees 06 minutes 41 seconds East 10.75 feet (central angle - 00 degrees 14 minutes 55 seconds); thence South 35 degrees 06 minutes 20 seconds East 290.55 feet; thence South 27 degrees 38 minutes 18 seconds West 12.09 feet to the Point of Beginning.

Also except:

This parcel is located in Zeeland Township, Ottawa County, Michigan, and is described as follows: Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West; thence South 00 degrees 18 minutes 49 seconds East 370.00 feet along the North-South 1/4 line of said Section 20; thence South 89 degrees 41

minutes 11 seconds West 110.00 feet; thence North 00 degrees 18 minutes 49 seconds West 80.80 feet; thence North 72 degrees 49 minutes 16 seconds West 97.52 feet to the Southerly right-of-way line of Business Loop I-196 (Limited Access Highway); thence Southwesterly 661.19 feet along a 2471.48 foot radius curve to the left, the chord of which bears South 62 degrees 39 minutes 04 seconds West 659.22 feet to the Point of Beginning of this description; thence South 35 degrees 06 minutes 20 seconds East 1.00 feet; thence Southwesterly 1.00 foot distant front and parallel to the Southerly right-of-way line of said highway 139.91 feet along a 2470.48 foot radius curve to the left, the chord of which bears South 53 degrees 21 minutes 51 seconds West 139.89 feet; thence North 39 degrees 59 minutes 05 seconds West 1.00 feet to said right-of-way line; thence Northeasterly along said right-of-way line 140.00 feet along a 2471.48 foot radius curve to the right, the chord of which bears North 53 degrees 21 minutes 50 seconds East 139.98 feet to the Point of Beginning.

Also described as:

This parcel is located in Zeeland Township, Ottawa County, Michigan, and is described as follows: Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West; thence South 00 degrees 18 minutes 49 seconds East 370.00 feet along the North-South 1/4 line of said Section 20 to the Point of Beginning of this description; thence continuing South 00 degrees 18 minutes 49 seconds East 645.45 feet; thence South 89 degrees 49 minutes 26 seconds West 683.00 feet; thence North 00 degrees 10 minutes 34 seconds West 105.81 feet; North 89 degrees 49 minutes 26 seconds East 11.77 feet; thence Northeasterly 55.46 feet along a 283.00 foot radius curve to the right, the chord of which bears North 22 degrees 01 minutes 25 seconds East 5538 feet; thence North 27 degrees 38 minutes 18 seconds East 73.32 feet thence North 35 degrees 06 minutes 20 seconds West 290.55 feet to the Southerly right-of-way line of Business Loop I-196 (limited access highway); thence Northeasterly along said right-of-way 650.44 feet along a 2471.48 foot radius curve to the right, the chord of which bears North 62 degrees 46 minutes 33 seconds East 648.57 feet thence South 72 degrees 49 minutes 16 seconds East 97.52 feet; thence South 00 degrees 18 minutes 49 seconds East 80.80 feet; thence North 89 degrees 41 minutes 11 seconds East 110 feet to the Point of Beginning.

# CERTIFICATE OF USE AND OCCUPANCY

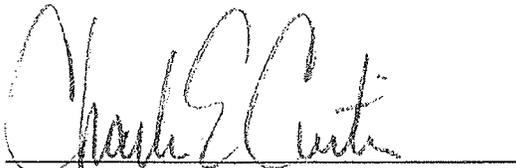
## PERMANENT

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. B033585  
Innocademy  
8460 Homestead Drive  
Zeeland, Michigan  
Ottawa County

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

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



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

October 17, 2012

## LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is effective this 1<sup>st</sup> day of July, 2017, (the "Effective Date"), by and between Innovative Education Services, Inc., a Michigan non-profit corporation, hereinafter called "Lessor", and Innocademy, a Michigan public school academy, hereinafter called "Lessee".

Now therefore, inconsideration of the mutual promises and conditions set forth herein, it is agreed:

1. LEASED PREMISES. Lessor hereby demises and leases to Lessee and Lessee hereby accepts and hires from Lessor a certain portion of the facilities located at 8485 Homestead Drive, Zeeland Township, Ottawa County, Michigan, Tax Parcel Number 70-17-20-100-026, as legally described on Exhibit A hereto and made a part hereof. The specific portion of the facility, which constitutes approximately 40,900 square feet as described and diagrammatically shown in the attached Exhibit B, shall be defined as (the "Leased Premises"). The Leased Premises is leased to Lessee in its "AS IS" condition, without representation or warranty by Lessor other than as specifically set forth herein.

### 2. TERM.

(A) TERM. The Term shall commence on the Effective Date, and shall remain in effect until June 30, 2020, unless terminated earlier in accordance with the terms and conditions set forth herein. In the event that the charter contract ("Contract") issued to Lessee by the Lake Superior State University Board of Trustees is revoked, suspended, terminated, or expires by its terms, this Lease and all obligations herein shall immediately terminate on the same date as the Contract is revoked, suspended, terminated or expires by its terms.

(B) SURRENDER AT END OF TERM; WAIVER. Lessee shall immediately surrender possession of the Leased Premises at the expiration of the Term hereof or upon its termination. Lessee shall return the Leased Premises broom clean and free of debris, and in the same condition as it was on the Effective Date, subject to the permitted Alterations (as hereinafter defined). Upon the termination of this Lease and at the request of Lessor, Lessee shall sign an acknowledgement of termination.

(C) HOLDING OVER. Lessee shall not remain in possession of the Leased Premises after the termination of this Lease without the prior written consent of Lessor, which may be withheld in Lessor's sole and absolute discretion. Unless otherwise agreed in writing, any holdover occupancy by Lessee shall be deemed to be on a month-to-month basis at a rental rate equal to 200% of the rental rate otherwise in effect, plus all Additional Rent required pursuant to the terms of this Lease.

### 3. RENT.

(A) BASIC RENT. Lessee agrees to pay to Lessor, in lawful money of the United States

of America, payable in equal monthly installments of \$ 26,666.67 per month in advance and without notice, demand or set off ("Basic Rent"). The Basic Rent shall be due on the first day of each month during the Term.

(B) LATE CHARGE. If any monthly Basic Rent is not paid on or before the fifth (5th) day of the month, at Lessor's option, a monthly late charge of five percent (5%) of the monthly Basic Rent shall be due and payable by Lessee as Additional Rent for each and every month that said monthly Basic Rent is delinquent.

(C) ADDITIONAL RENT. In addition to Basic Rent, Lessee shall promptly pay to Lessor all other sums of money and charges which have been designated herein as Additional Rent. Basic Rent and Additional Rent are sometimes referred to together in this Lease as "Rent."

#### 4. UTILITIES AND SERVICES.

(A) UTILITIES. Tenant shall be responsible for the payment of all utilities servicing the Leased Premises and shall pay for the same within twenty (20) days after receipt of any and all invoices therefor or after demand by Lessor.

(B) INTERRUPTION OF SERVICES. This Lease shall not be affected and there will be no diminution or abatement of rent or other payments and no constructive eviction shall be claimed or allowed because of the interruption or curtailment of any services or utilities in or to the Leased Premises or from improvements made to the same.

#### 5. USE AND PROHIBITED USES.

(A) USE. Lessor makes no representation or warranties about the current zoning classification of the Leased Premises. Lessee hereby acknowledges and agrees that it is Lessee's sole responsibility to obtain any and all local, state and federal permits and licenses required for Lessee's occupancy and use of the Leased Premises which shall be used exclusively for the operation of a Michigan public school academy.

(B) PROHIBITED USES. Lessee shall not use the Leased Premises for any illegal purpose or any purpose which shall constitute a nuisance nor do or suffer anything to be done in or about the Leased Premises which will violate any laws, ordinances, rules, regulations or orders imposed or issued by any governmental entity or agency.

#### 6. LESSEE'S OBLIGATIONS. Lessee shall:

(A) Not permit any person on the Leased Premises to willfully or wantonly destroy, deface, damage, impair or remove any part of the structure of the Leased Premises or the facilities, equipment or appurtenances thereto or used in common nor shall Lessee do any such thing.

(B) Not cause liens of any kind (whether for materials, wages, labor or services) to be placed against the Leased Premises. If any such liens are filed, with or without Lessee's knowledge, Lessee shall immediately, at Lessee's sole cost and expense, take whatever action is necessary to cause such liens to be satisfied and discharged. Lessee shall obtain and file appropriate lien waivers prior to the commencement of any work by Lessee in the Leased Premises.

(C) To the extent permitted by applicable law, Indemnify and save harmless Lessor from any and all loss, cost, expense and damages of any nature, arising out of or in any manner related to Lessee's breach of any of its covenants and obligations hereunder or to Lessee's use and occupancy of the Leased Premises.

(D) Not permit any of its employees, invitees, contractors, subcontractors, licensees, subtenants or agents, to, store, use, dispose of or release (either with or without negligence) any biologically or chemically active or other Hazardous Substances and Materials on or about the Leased Premises. Without limitation, Hazardous Substances and Materials shall include asbestos, petroleum-based products, explosives and those described in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Resources Conservation and Recovery Act, as amended, 42 U.S.C. Section 6901, et seq., or any other federal, state or local laws, ordinances or regulations and the regulations relating to environmental regulations or hazardous activities. To the extent permitted by law, Lessee shall indemnify and hold harmless Lessor from any and all claims, damages, fines, judgments, penalties, costs, liabilities, or losses (including any all sums paid for attorney's fees, consultant and expert fees) arising during or after the Term as a result of any such Hazardous Substances and Materials.

## 7. MAINTENANCE AND REPAIRS.

(A) BY LESSOR. Lessor shall have no repair or maintenance obligations pertaining to the Leased Premises.

(B) BY LESSEE.

(1) Maintenance and Repair Responsibility. At its sole cost and expense, Lessee shall at all times maintain the Leased Premises in a neat, clean and orderly condition including the interior surfaces of the ceilings, walls, floors, carpeting and doors, and shall maintain, repair and replace, if necessary for the operation of Lessee's business, servicing the Leased Premises, including plumbing, electric and heating, ventilating and air-conditioning (HVAC) systems. Lessee shall at all times and at its sole cost and expense, maintain in a neat, clean and orderly condition and repair all fixtures, appliances and special facilities installed by or for Lessee. Lessee shall at all times maintain the parking areas, sidewalks and outside areas in a neat, broom clean condition, free of debris, snow and ice. Lessee shall be solely responsible for all repairs, including alterations to the

Leased Premises which may be required by any governmental or public authority or agency or insurer during the Term hereof and thereafter if Lessee remains in possession. Lessee's obligations hereunder shall also include obtaining any and all local, state and federal permits and licenses required for Lessee's occupancy and use of the Leased Premises.

(2) Alterations. Lessee shall not make any alterations, additions or replacements to the Leased Premises, without the written consent of Lessor, which may be withheld in Lessor's sole and absolute discretion. In addition, any Alterations, shall be subject to specific requirements imposed by Lessor, including without limitation, (i) satisfactory contract terms and conditions with a responsible contractor including, without limitation, necessary lien rights and indemnity obligations; and (ii) satisfactory proof of insurance coverage naming Lessor as an additional insured.

(C) FAILURE BY LESSEE. In the event that Lessee fails in any material obligation it may have under this Section 7 to maintain the Leased Premises in good order, condition and repair, Lessor may give written notice to Lessee to perform the work which is reasonably required to remedy the situation. If Lessee fails to commence such work within ten (10) days following the giving of such notice and to diligently prosecute the same to completion, Lessor may do either or both of the following: (i) enter the Leased Premises, perform such work and charge Lessee for the cost thereof as Additional Rent; (ii) treat such failure as an Event of Default under Section 15(A)(2) and, upon compliance therewith, proceed to exercise any of Lessor's remedies set forth in Section 15.

(D) EMERGENCY REPAIRS. Notwithstanding anything in subsection 7(c) to the contrary, if any emergency repairs are required and Lessee fails to complete the same, Lessor shall have the right, but not the obligation to make the emergency repairs necessary. Lessor may enter the Leased Premises, perform such emergency repair(s) and charge Lessee for the cost thereof as Additional Rent.

(E) NON-LIABILITY OF LESSOR. Lessor shall not be liable for any injury to or interference with Lessee's business arising from the performance of any repairs, maintenance or improvements in or the Leased Premises or to any appurtenances or equipment therein; provided, however, that Lessor shall perform all such work with due diligence and in a manner so as to minimize interference with Lessee's business.

8. ACCESS BY LESSOR. Lessor hereby reserves the right on behalf of itself, its employees and agents to enter the Leased Premises at all reasonable times for the purposes of inspection, making repairs or improvements or to exhibit the Leased Premises to prospective tenants, purchasers, mortgagees, appraisers, insurers, contractors or workmen without liability to Lessee for any loss of quiet enjoyment of the Leased Premises. Except in the event of an emergency, Lessor shall give prior oral or written notice to Lessee before any such entry.

## 9. LESSEE'S INSURANCE.

(A) INSURANCE COVERAGE. Unless otherwise agreed, during the Term, Lessee agrees to maintain insurance and also shall provide coverage for its contractors/subcontractors or require any contractors/subcontractors it may engage to maintain, at the Lessee's and/or its contractors/subcontractor's sole cost and expense, all insurance coverage as required by federal or state law, including worker's compensation insurance and any additional insurance amounts and coverage sufficient to cover Lessee's and contractor's/subcontractor's obligations and liabilities (contractual liability) under and arising out of this Agreement and in compliance with the following minimum insurance amounts:

1. Commercial General Liability \$2,000,000 per occurrence and \$4,000,000 annually.
2. Workers' Compensation
3. Employers' Liability
4. Commercial Automobile Liability
5. Umbrella/Excess Liability
6. Owner's Protective Liability
7. "All Risk" Property Insurance

Aggregate - Bodily Injury, Property Damage, Blanket Contractual Liability (including tort liability assumed under this agreement), products and completed operations, and personal and advertising injury with coverage as least as broad as the most recently issued ISO liability form

Statutory – Required by laws of state(s) in which Work is performed, and state(s) where workers are furnished, and state of the principal place of business of the seller complying with all state laws and provided for federally mandated coverage of similar kinds for employees of seller, engaged in or with respect to the operations encompassed by this agreement in such amount as may be required by statute or law

\$1,000,000 per person/disease/accident;

\$2,000,000 Combined Single Limit - Bodily Injury, Property Damage, and/or Death arising out of the ownership, maintenance, or use of all owned, non- owned, and hired motor vehicles including loading and unloading

\$3,000,000 per occurrence and annual aggregate

\$2,000,000 per occurrence and \$4,000,000 annual aggregate - Bodily Injury, Property Damage, Blanket Contractual Liability (including tort liability assumed under this agreement), products and completed operations, and personal and advertising injury with coverage as least as broad as the most recently issued ISO liability form

Covering 100% replacement cost for real and personal property located at the Leased Premises providing protection against all risks covered by fire and extended coverage insurance, including, but not limited to, vandalism, malicious mischief, flood, windstorm (whether or not it is named), 18-months loss of rents, 12-months, business interruption, and earth movement.

The requirement for "All Risk" property insurance will go in to effect on September 24, 2012.

Lessee and/or Lessee's contractors/subcontractors shall be required to name Lessor and its successors, affiliates, subsidiaries, and/or assigns as an additional insured coverage under Item 1, 3, 4, 5, and 6 above, as applicable. On item 7 above, Lessee and/or Lessee's contractor's/subcontractor's shall name Lessor as loss payee.

All of Lessee's and/or Lessee's contractors/subcontractor's policies will provide coverage on a primary and noncontributory basis, with respect to any act, actions, omissions, negligence and/or willful misconduct of the Lessee, including, but not limited to, their agents, employees, representatives, affiliates, director's, officer's, and/or contractors/subcontractors. Each policy of the Lessee, as well as each policy of any contractors/subcontractors, shall contain a full separation of insured's (or severability) clause, with the exception of payment of premium, which will be the responsibility of the First Named Insured. IPO to be listed as additionally insured.

Lessee and/or Lessee's contractors/subcontractors shall provide certificates of such insurance coverage plus evidence of workers' compensation insurance as required by law, to Lessor. Such certificates shall provide for at least thirty (30) days' notice to Lessor of changes in the terms of Lessee's and/or contractors/subcontractor's policies.

Lessor does not in any way represent that the types or the limits of insurance specified above are sufficient or adequate to protect Lessee's and/or any contractors/subcontractors, interests or liabilities. Lessee and/or contractors/ subcontractors, shall be solely responsible for assuring that its agents, employees, designees, subsidiaries and subcontractors that might be involved in the Work are adequately insured to protect Lessee's and/or any contractors/subcontractors interests. The limits listed above represent the minimum requirements and are not intended in any way to limit the liability of the Lessee and/or any contractors/ subcontractors.

(B) WAIVER OF SUBROGATION. Lessee agrees to waive, and to have each of its Insurances Companies endorse each applicable insurance policy to waive, all rights of

subrogation against Lessor, including, but not limited to the Lessor's agents, officers, directors, and employees.

#### 10. DAMAGES BY FIRE OR OTHER CASUALTY.

(A) PARTIAL DAMAGE. If, through no fault or negligence of Lessee, its employees, business patrons or invitees, the Leased Premises shall be partially damaged by fire or other casualty but not to such extent as to render the same wholly untenable, repairs shall be made by Lessor as soon as reasonably may be done and the Rent shall be equitably apportioned according to the square footage of the Leased Premises rendered unusable from the date of such fire or casualty until the same are restored.

(B) LESSOR'S RIGHT TO TERMINATE. If, however, in such event the damage by fire or other casualty shall be so extensive as to render the Leased Premises wholly untenable, Lessor shall have the option of terminating this Lease. In the event of such termination, Lessor shall refund to Lessee any Rent allocable to the period subsequent to the occurrence of said fire or other casualty. Lessee shall thereupon surrender possession of the Leased Premises and all keys and personal property to Lessor.

11. WAIVER OF SUBROGATION. Neither Lessor nor Lessee shall be liable to the other nor to any insurer of the other party claiming by way of subrogation through or under either one with respect to any loss, damage, injury or death to the extent that either party shall be reimbursed or has the right to be reimbursed out of hazard insurance carried by Lessor or by Lessee, as the case may be, with respect to such loss, damage, injury or death. In the event that their respective insurance policies do not already provide for waiver of subrogation, Lessor and Lessee each agree to obtain a waiver of subrogation endorsement from their respective insurers.

12. ASSIGNMENT; SUBLETTING. Lessee shall not sublet or assign the Leased Premises or any part thereof, nor transfer possession or occupancy thereof to any person, corporation, partnership or association, nor advertise the same in any newspaper or other place, nor transfer or encumber this Lease Agreement without the prior written consent of Lessor, which consent may be withheld by Lessor in its sole and absolute discretion; nor shall any assignment hereof be effected by operation of law or otherwise without such consent.

13. SIGNS. Unless specifically approved in writing by Lessor in advance, no sign, placard, picture, advertisement, name or notice shall be displayed, printed or affixed to the outside or inside of the building located at the Leased Premises, the Leased Premises or in the vicinity of the same. Upon the expiration or earlier termination of this Lease, Lessee hereby agrees to remove all signs erected by Lessee and repair any damage caused thereby and otherwise leave the area of the sign in a neat and clean condition.

14. CONDEMNATION.

(A) TAKING. In the event that all or a part of the Leased Premises shall be taken by eminent domain or conveyed in lieu thereof (a "Taking"), Lessor may terminate this Lease.

(B) WAIVER BY LESSEE; RELOCATION DAMAGES. Lessee waives all claims against Lessor by reason of the complete or partial taking of the Leased Premises and hereby relinquishes and assigns unto Lessor any rights and damages to which Lessee might otherwise be entitled for condemnation of the leasehold estate created by this Lease; provided, however, that Lessee shall nevertheless be entitled to make any claims which Lessee may have against the condemning authority for relocation damages, damages for tenant improvements and any other payments lawfully due tenants as such, without diminution of the sums due Lessor.

#### 15. LESSEE'S DEFAULT.

(A) EVENTS OF DEFAULT. Any one or more of the following shall constitute an "Event of Default" under this Lease:

(1) Payment Default. Failure by Lessee to pay any installment of Basic Rent, Additional Rent or of any other sum provided for under this Lease for a period of five (5) days after the same is due.

(2) Hazardous Conditions. Failure by Lessee to perform or observe any other covenant or condition of this Lease which is of such nature as to create or cause a situation which is hazardous to Lessor or to other tenants, persons or businesses or which may result in civil or criminal penalties being imposed upon Lessor or Lessee, Lessee shall cure such default as soon as possible but in no event later than forty-eight (48) hours after receipt of notice thereof. If Lessor is unable to serve notice on Lessee after making reasonable efforts to do so, Lessor may, at its option, correct such condition and charge Lessee for the cost thereof as Additional Rent or exercise any other of Lessor's remedies herein set forth.

(3) Non-Payment Default. Failure by Lessee to perform or observe in any material respect any other covenant or condition contained in this Lease which failure shall continue for a period of ten (10) days after written notice thereof by Lessor to Lessee.

(4) Assignment For Benefit Of Creditors. An assignment by Lessee for the benefit of creditors or the appointment of a receiver for Lessee by legal proceedings or otherwise.

(5) Bankruptcy. Institution of bankruptcy proceedings by Lessee, or institution of bankruptcy proceedings against Lessee which are not withdrawn or dismissed within sixty (60) days after the institution of such proceedings.

(B) LEASE TERMINATION. In the event of default by Lessee, Lessor may also serve on Lessee written notice of default and of its election to terminate the Lease. In such event Lessee shall have no right to avoid such termination by payment of any sum due or by the performance of any condition, term or covenant broken. Lessee shall, however, thereupon surrender quiet and peaceable possession of the Leased Premises to Lessor. Notwithstanding any statute, rule of law or decision of any court to the contrary, Lessee shall remain liable, even after termination of this Lease, for Basic Rent, any other sums due hereunder and for all damages caused by any or all of Lessee's non-payment defaults under this Lease.

(C) RE-ENTRY; RE-LETTING. In case this Lease shall be terminated as aforesaid, then Lessor, may, without notice, re-enter the Leased Premises by aid of legal process and terminate all services. Lessor shall use commercially reasonable efforts to attempt to re-let the Leased Premises or any part or parts thereof. Such re-letting may at Lessor's option be for a term which is less than or exceeds the period which would otherwise have constituted the balance of the Term of this Lease, and Lessor may grant concessions or free rent or make improvements or additions to the Leased Premises in order to facilitate a re-letting of the same, so long as Lessor's actions are commercially reasonable; provided, however, that Lessor may, without violating its obligations hereunder, attempt to lease other comparable unleased space prior to attempting to relet the Leased Premises. Lessor shall receive and collect all rents received from such re-letting (during the balance of the Term of this Lease) and shall first apply such rents against the expenses which Lessor may have incurred in recovering possession of the Leased Premises, placing the same in good order and condition for re-letting and such other expenses including attorneys' fees and other legal costs which Lessor may have incurred in connection with such repossession, and apply the remaining rentals as credits against all rentals due and owing from Lessee to Lessor. The balance, if any, may be retained by Lessor. No such re-entry by Lessor shall be deemed to be an acceptance of surrender by Lessee of this Lease or of the Leased Premises.

(D) ACCEPTANCE OF DELINQUENT RENTALS. The acceptance by Lessor of delinquent rentals hereunder with knowledge of a breach by Lessee of any covenant herein or condition broken shall not in and of itself be deemed a waiver of such breach or condition broken, and any pending eviction proceedings or actions for monetary damages may be prosecuted further by Lessor without prejudice based upon this action alone.

(E) CUMULATIVE REMEDIES. All of Lessor's remedies herein set forth (or provided by law) shall be cumulative and not exclusive and may be pursued simultaneously or separately at the sole option of Lessor.

16. PREVAILING PARTY-ATTORNEY'S FEES & LEGAL COSTS. Where litigation is instituted as between Lessor and Lessee for any cause arising under this Lease or in any manner related hereto, the prevailing party in such litigation shall be entitled to recover in addition to all other legal damages, the reasonable expenses of such litigation including

attorneys' fees and other legal costs.

17. EXCULPATION. Lessor shall not be liable for any injury or damage to any property at any time on or about the Leased Premises from any cause whatsoever (including but not limited to water, rain, snow or ice which may leak into or issue from the Leased Premises or from pipes or plumbing in the same) excepting any injury or damage resulting from the willful, grossly negligent or illegal conduct of Lessor, its employees, agents or invitees. There shall be no personal liability on the part of the Lessor, Lessor's beneficiaries or any successor in interest with respect to this Lease. Lessee shall look solely to the equity of the then owner of the Leased Premises for the satisfaction of any remedies of the Lessee in the event of any claim against Lessor or breach by Lessor of any of its obligations hereunder.

18. WAIVER OF NONPERFORMANCE. Failure by either Lessor or Lessee to exercise any of the respective rights hereunder upon nonperformance by the other party of any condition, covenant or provision herein contained shall not be construed as a waiver thereof, nor shall the defective performance (or waiver of nonperformance) of any such condition, covenant or provision by the other party be construed as a waiver of the rights of the non-defaulting party as to any subsequent defective performance or nonperformance hereunder.

19. CHARTER SCHOOL AUTHORIZER REQUIREMENTS. The parties hereto acknowledge that Lessee is a Michigan public school academy and that the terms and conditions of this lease must at all times be compliant with the lease policies of the Lessee's authorizer being Lake Superior State University Board of Trustees ("LSSU"). Accordingly, the following provisions are hereby incorporated into the Lease:

- (a) The Lessee shall have no liability or obligation to investigate, clean, remove, remediate, or otherwise deal with hazardous material present at the Leased Premises prior to the time that the Lessee occupies same. Lessor will indemnify the Lessee for damages and costs of litigation caused by a condition of the Leased Premises, if those damages or litigation are directly or indirectly related to Lessor's prior use of hazardous material at the Leased Premises.
- (b) All records of the Leased Premises and physical plant related to the Lessee will be made available by Lessor to the Lessee's independent auditors and the LSSU Charter Schools Office.
- (c) Any amendments to the Agreement shall be reviewed and approved by the LSSU Charter Schools Office prior to execution by the parties hereto.
- (d) Any fixtures purchased with the Lessee's funds shall be owned by the Lessee.

- (e) If Lessor procures equipment, materials and supplies at the request of or on behalf of the Lessee, Lessor shall follow applicable competitive bidding laws and shall be prohibited from adding any fees or upcharges to the expenses actually incurred by Lessor in making such purchases.
- (f) If the Lessee makes improvements to the Leased Premises, Lessor shall repay to the Lessee any costs associated with such improvements if the Agreement is terminated by Lessor without cause prior to the end of the lease term.
- (g) If a third party will occupy the Lessee's building, site, or physical plant, the Lessee must provide to the LSSU charter schools office a written analysis of the potential implications of such occupancy, including potential security, school safety, and church-state issues.
- (h) Any provision of the Agreement which can be construed to: a) restrict the Lessee Board ability to act an independent, self-governing public body, b) interfere with the Lessee Board's exercise of its statutory, fiduciary, contractual and fiduciary responsibilities governing the operation of the Lessee, or c) allow or require public decisions to be made other than in compliance with the Open meetings Act, shall be void and unenforceable.
- (i) Any provision of the Agreement which can be construed to restrict the Lessee Board from waiving its governmental immunity or require the Lessee Board to assert, waive, or not waive its governmental immunity shall be void and unenforceable.

20. ENTIRE CONTRACT. This Lease constitutes the entire contract between the parties hereto and there are no understandings, promises, representations or warranties, oral or written, relating to the subject matter of this Lease, which exist or bind any of the parties hereto, their respective heirs, executors, administrators, successors or assigns, except as set forth herein. No amendment, change or addition to this lease shall be binding upon Lessor or Lessee unless reduced to writing and signed by both parties. This Lease specifically replaces and supersedes the Lease Agreement dated July 1, 2016.

21. APPLICABLE LAW. It is mutually understood and agreed that this Lease shall be interpreted in accordance with the laws of the State of Michigan and that no presumption shall be deemed to exist in favor of or against either party hereto as a result of the preparation or negotiation of the same.

22. SEVERABILITY. If any particular term, covenant or provision of this Lease shall be determined to be invalid and unenforceable, the same shall not affect the remaining provisions of this Lease which shall nevertheless remain in full force and effect.

23. CONSTRUCTION. All words herein referring to Lessor or to Lessee shall be taken to be of such gender and number as the circumstances may require and if the Lessee be more than one person, the provisions hereof shall be taken to bind and apply to them jointly and severally.

24. NOTICE. Whenever in this Lease there shall be required or permitted that notice or demand be given or served to either party to this Lease, such notice or demand shall be given in writing, by certified or registered U.S. Mail, return receipt requested, by recognized overnight courier with receipt delivery, or by facsimile transmission, to the applicable address or addresses set forth herein, or to such other addresses as may be designated by notice given pursuant to this Section. All notices shall be deemed given when delivered to the applicable address or addresses or when such deliver is refused, as indicated by return receipts or other evidence:

If to Lessor:

Innovative Education Services, Inc.

8484 Homestead Drive

Zeeland, Michigan 49464

Telephone: (616) 610-0031

If to Lessee:

Innocademy

Attn: Nick deVries, Board President

11316 Barkton Drive

Holland, MI 49424

(616) 990-6013

25. COUNTERPARTS. This Lease may be signed in counterparts, each of which shall be deemed an original and all of which when taken together shall constitute one instrument.

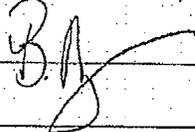
[Remainder of page intentionally left blank]

[Signature page to Lease]

The following duly qualified and authorized officers or representatives of each party, have executed this Lease, in duplicate originals, effective as of the day and year first above written.

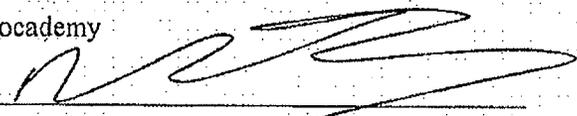
LESSOR:

Innovative Education Services, Inc.

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

LESSEE:

Innocademy

By:   
Its: Board President

## EXHIBIT A

### LEGAL DESCRIPTION

Said land and tenements are situated in the Township of Zeeland, Ottawa County, Michigan, commonly known as 8485 Homestead Drive, and are more particularly described as follows. to- wit:

Part of the Northwest 1/4 commencing South 0 degrees, 18 minutes, 49 seconds, East 370 feet from North 1/4 corner: thence South 0 degrees, 18 minutes, 49 seconds, East 645.45 feet thence South 89 degrees, 49 minutes, 26 seconds\_ West 683 feet thence North 0 degrees 10 minutes 34 seconds West 105.81 feet; thence North 89 degrees 49 minutes 26 seconds East 11.77 feet; thence Northeasterly 55.46 feet along a 283 foot radius curve to the right (chord bears North 22 degrees 1 minute 25 seconds East 55.38 feet); thence North 27 degrees 38 minutes 18 seconds East 61.23 feet; thence North 35 degrees, 6 minutes, 20 seconds, West 295.13 feet, Northeasterly 737.48 feet along a 2470.48 foot radius curve to the right (chord bears North 63 degrees 32 minutes 23 seconds East 734.82 feet); thence North 0 degrees 18 minutes 49 seconds West 1.05 feet; thence Northeasterly 20.95 feet along a 2471.48 foot radius curve to the right (chord bears North 72 degrees 20 minutes 35 seconds East 20.95 feet); thence South 0 degrees 18 minutes 49 seconds East (deeded as South 0 degrees 18 minutes 49 seconds West) 140.75 feet; thence North 89 degrees 41 minutes 11 seconds East 110 feet to point of beginning, Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan.

Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan: thence South 00 degrees 18 minutes 49 seconds East 370.00 feet along the North and South 1/4 Line of said Section 20; thence South 89 degrees 41 minutes 11 seconds West 110.00 feet; thence North 00 degrees 18 minutes 49 seconds West 140.75 feet; thence Westerly along the Southeasterly right of way line of I-196 business loop 20.95 feet on a 2471.48 foot radius curve to the left, long chord bearing South 72 degrees 20 minutes 35 seconds West 20.95 feet for the point of beginning; thence South 00 degrees 18 minutes 49 seconds East 1.05 feet. thence Southwesterly parallel with and 1.00 foot from said right of way line, 877.48 feet on a 2470.48 foot radius curve to the left, long chord bearing South 61 degrees 55 minutes 03 seconds West 872.87 feet; thence North 39 degrees 59 minutes 05 seconds West 1.00 feet; thence Northeasterly along said right of way line, 878.18 feet on a 2471.48 foot radius curve to the right long chord bearing North 61 degrees 55 minutes 15 seconds East 873.57 feet to point of beginning.

Except:

That part of the following described TRACT "A" lying Northeasterly of a limited access right of way line (restricting all ingress and egress) described as: Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West; thence South 0' 18' 49"

East along the North-South 1/4 line of said Section, 323.87 feet; thence North 72° 49' 16" West, 34.60 feet to a point on the existing Westerly right of way line of 84th Avenue (66' wide) and point of beginning; thence continuing North 72° 49' 16" West, 178.4 feet, more or less, to a point on the existing Southerly limited access right of way line of Highway U.S. I-196 Business Loop, and point of ending.

TRACT "A": Part of the Northwest 1/4 commencing South 0 degrees, 18 minutes, 49 seconds East 370 feet from North 1/4 corner; thence South 0 degrees, 18 minutes, 49 seconds, East 645.45 feet; South 89 degrees, 49 minutes, 26 seconds, West 683 feet; North 0 degrees, 10 minutes, 34 seconds, West 105.81 feet; North 89 degrees, 49 minutes, 26 seconds, East 11.77 feet; Northeasterly 55.46 feet along a 283 foot radius curve to the right (chord bears North 22 degrees, 1 minute, 25 seconds, East 55.38 feet); thence North 27 degrees, 38 minutes, 18 seconds, East 61.23 feet; North 35 degrees, 6 minutes, 20 seconds, West 295.13 feet; Northeasterly 737.48 feet along a 2470.48 foot radius curve to the right; thence North 0 degrees, 18 minutes, 49 seconds, West 1.05 feet; Northeasterly 20.95 feet along a 2471.48 foot radius curve to the right (chord bears North 72 degrees, 20 minutes, 35 seconds, East 20.95 feet); thence South 0 degrees, 18 minutes, 49 seconds, West 140.75 feet; thence North 89 degrees, 41 minutes, 11 seconds, East 110 feet to point of beginning. Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan.

AND, commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan; thence South 00 degrees, 18 minutes, 49 seconds, East 370.00 feet along the North and South 1/4 Line of said Section 20; thence South 89 degrees, 41 minutes, 11 seconds; West 110.00 feet; thence North 00 degrees, 18 minutes, 49 seconds, West 140.75 feet; thence Westerly along the Southeasterly right of way line of I-196 business loop 20.95 feet on a 2471.48 foot radius curve to the left, long chord bearing South 72 degrees, 20 minutes, 35 seconds, West 20.95 feet for the point of beginning; thence South 00 degrees, 18 minutes, 49 seconds, East 1.05 feet; thence Southwesterly parallel with and 1.00 foot from said right of way line, 877.48 feet on a 2470.48 foot radius curve to the left, long chord bearing South 61 degrees, 55 minutes, 03 seconds, West 872.87 feet; thence North 39 degrees 59 minutes, 05 seconds, West 1.00 feet; thence Northeasterly along said right of way line, 878.18 feet on a 2471.48 foot radius curve to the right, long chord bearing North 61 degrees, 55 minutes, 15 seconds, East 873.57 feet to point of beginning.

Also except:

Part of the Northwest 1/4 of Section 20, Town 5 North, Range 14 West, Zeeland Township, Ottawa County, Michigan, described as: Commencing at the North 1/4 corner of said Section 20; thence South 00 degrees 18 minutes 49 seconds East 1015.45 feet along the North-South 1/4 line of said section; thence South 89 degrees 49 minutes 26 seconds West 683.00 feet along the Northerly right-of-way line of Homestead Drive;

thence North 00 degrees 10 minutes 34 seconds West 105.81 feet; thence North 89 degrees 49 minutes 26 seconds East 11.77 feet; thence Northeasterly 55.46 feet on the arc of a 283.00 foot radius curve to the right, the chord bearing North 22 degrees 01 minutes 25 seconds East 55.38 (central angle - 11 degrees 13 minutes 45 seconds); thence North 27 degrees 38 minutes 18 seconds East 61.23 feet to the Point of Beginning; thence North 35 degrees 06 minutes 20 seconds West 296.13 feet; thence Northeasterly along the Southeasterly right-of-way line of I-196 business loop 10.75 feet on the arc of a 2471.48 foot radius curve to the right, the chord bearing North 55 degrees 06 minutes 41 seconds East 10.75 feet (central angle - 00 degrees 14 minutes 55 seconds); thence South 35 degrees 06 minutes 20 seconds East 290.55 feet; thence South 27 degrees 38 minutes 18 seconds West 12.09 feet to the Point of Beginning.

Also except:

This parcel is located in Zeeland Township, Ottawa County, Michigan, and is described as follows: Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West; thence South 00 degrees 18 minutes 49 seconds East 370.00 feet along the North-South 1/4 line of said Section 20; thence South 89 degrees 41 minutes 11 seconds West 110.00 feet; thence North 00 degrees 18 minutes 49 seconds West 80.80 feet; thence North 72 degrees 49 minutes 16 seconds West 97.52 feet to the Southerly right-of-way line of Business Loop I-196 (Limited Access Highway); thence Southwesterly 661.19 feet along a 2471.48 foot radius curve to the left, the chord of which bears South 62 degrees 39 minutes 04 seconds West 659.22 feet to the Point of Beginning of this description; thence South 35 degrees 06 minutes 20 seconds East 1.00 feet; thence Southwesterly 1.00 foot distant front and parallel to the Southerly right-of-way line of said highway 139.91 feet along a 2470.48 foot radius curve to the left, the chord of which bears South 53 degrees 21 minutes 51 seconds West 139.89 feet; thence North 39 degrees 59 minutes 05 seconds West 1.00 feet to said right-of-way line; thence Northeasterly along said right-of-way line 140.00 feet along a 2471.48 foot radius curve to the right, the chord of which bears North 53 degrees 21 minutes 50 seconds East 139.98 feet to the Point of Beginning.

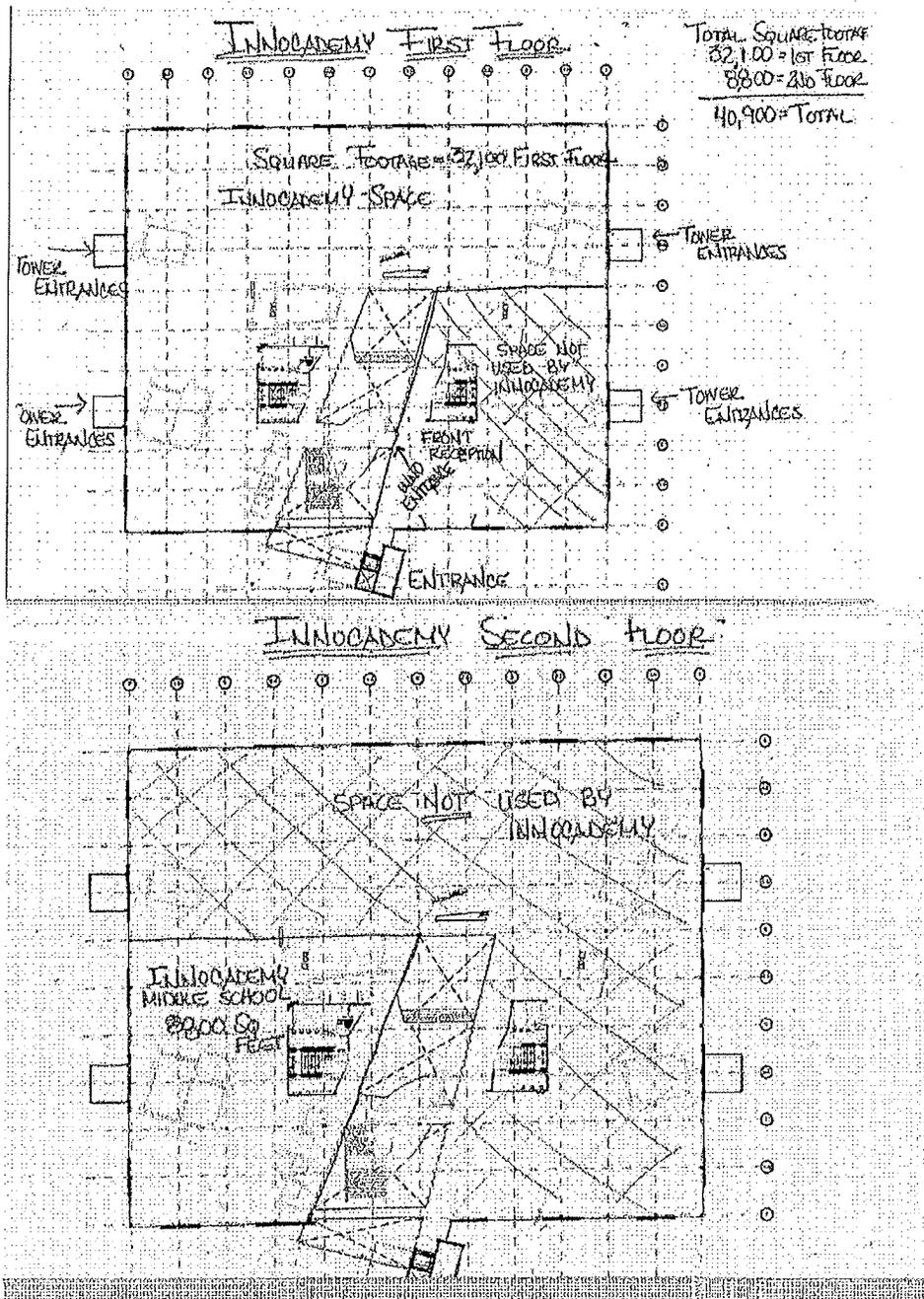
Also described as:

This parcel is located in Zeeland Township, Ottawa County, Michigan, and is described as follows: Commencing at the North 1/4 corner of Section 20, Town 5 North, Range 14 West; thence South 00 degrees 18 minutes 49 seconds East 370.00 feet along the North-South 1/4 line of said Section 20 to the Point of Beginning of this description; thence continuing South 00 degrees 18 minutes 49 seconds East 645.45 feet; thence South 89 degrees 49 minutes 26 seconds West 683.00 feet; thence North 00 degrees 10 minutes 34 seconds West 105.81 feet; North 89 degrees 49 minutes 26 seconds East 11.77 feet; thence Northeasterly 55.46 feet along a 283.00 foot radius curve to the right, the chord of which bears North 22 degrees 01 minutes 25 seconds East 55.38 feet; thence North 27 degrees 38 minutes 18 seconds East 73.32 feet thence North 35 degrees 06 minutes 20

seconds West 290.55 feet to the Southerly right-of-way line of Business Loop I-196 (limited access highway); thence Northeasterly along said right-of-way 650.44 feet along a 2471.48 foot radius curve to the right, the chord of which bears North 62 degrees 46 minutes 33 seconds East 648.57 feet thence South 72 degrees 49 minutes 16 seconds East 97.52 feet; thence South 00 degrees 18 minutes 49 seconds East 80.80 feet; thence North 89 degrees 41 minutes 11 seconds East 110 feet to the Point of Beginning.

EXHIBIT B

DIAGRAM OF LEASE PREMISES



# Tab 7

**CONTRACT SCHEDULE 7**  
**REQUIRED INFORMATION FOR**  
**PUBLIC SCHOOL ACADEMY**

## SCHEDULE 7

### REQUIRED INFORMATION FOR PUBLIC SCHOOL ACADEMY

Required Information for Public School Academy. This Schedule contains information required by Part 6A of the Revised School Code (“Code”). 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 Goals. The educational goals 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 application and enrollment of students criteria of the Academy are 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 are set forth in Section h of this Schedule.

# Tab A

**SECTION A**  
**GOVERNANCE STRUCTURE**

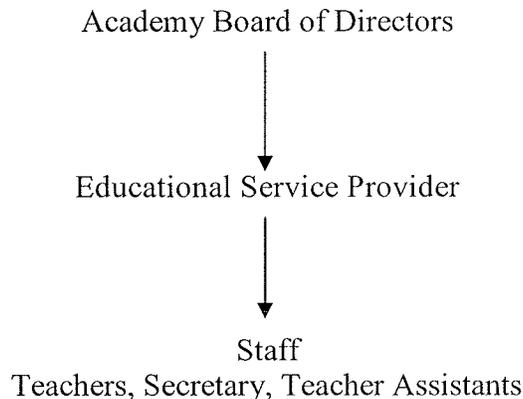
## Schedule 7a

### Governance Structure

The University Board shall appoint the Board of Directors of the Academy ("Academy Board"). The Academy Board has all the powers and duties permitted by law to manage the business, property and affairs of the Academy. The Academy Board is responsible for assuring that the Academy operates according to the terms and conditions of its contract and the applicable laws. The Bylaws further describe the Academy Board's governance structure.

The Academy is incorporated as a non-stock, directorship nonprofit corporation. The University Board establishes the initial number of board members to be five (5). The Academy Board shall have at least five, but no more than 9 members, as determined by the University Board. The University Board shall select the members of the Academy Board according to the terms and conditions set forth by the University Board. The names of the initial Academy Board members and their terms of office are contained in the Resolution. The selection of subsequent Academy Board members will be administered according to the Bylaws.

The Academy Board shall manage the business, property and affairs of the Academy. The Academy Board shall set all educational, fiscal, and administrative policies for the Academy. A copy of the Academy's organizational chart is set forth below.



The Innocademy Board of Directors currently consists of five (5) members. The Lake Superior State University Board of Trustees appointed each of the following individuals as Academy Board members. The term of office for each individual was decided by resolution of the Academy Board.

Nominations and appointments of subsequent Academy Board members shall be made in accordance with this Contract. Vacancies in office shall be determined and filled pursuant to the provisions set forth in the Bylaws. The current Academy Board members are as follows:

	Name	Term Expires
President	Joel Smith	June 2018
Vice President	Jeff Lukas	July 2019
Secretary	Lindsay VanderZwaag	June 2020
Treasurer	Nick deVries	June 2020
Trustee	Matt Dietsche	June 2019

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# Tab B

**SECTION B**  
**EDUCATIONAL GOALS**

## **Educational Goals**

### **The mission of the Academy:**

By embracing innovation, we will inspire our students to become global thinkers and leaders through the way they positively impact others at home and abroad.

## **Educational Goals**

Pursuant to the Terms and Conditions of this Contract, the Academy shall demonstrate measurable progress toward the educational goals identified below in the table in this schedule and in accordance with applicable law. The Academy shall pursue the educational goal of preparing students for success in college, work and life. The achievement or measurable progress toward meeting these goals may constitute grounds for the University Board to continue the Contract, suspend the Contract, or revoke the Contract.

Upon request, the Academy Board shall provide the CSO with a written report, along with supporting data, assessing the Academy's progress toward achieving these goals. The Academy Board shall demonstrate improved pupil academic achievement for all groups of pupils. This report shall also include how the Academy is assessing student literacy and providing the special assistance necessary to help all students bring their reading skills to grade level. For students that fail to score satisfactorily on the Reading portion of the 4<sup>th</sup> or 7<sup>th</sup> grade MSTEP (or successor state assessment), this special assistance must also include a plan for helping these students bring their reading skills to grade level within 12 months.

It is expected that the academy will meet the state of Michigan's accreditation standards and any improvement targets required to be achieved pursuant to state and federal law. The Academy is also expected to remain off of the Priority and Focus school lists published by the Michigan Department of Education. If the Academy already has school buildings identified on these lists, it is expected to make the progress necessary for them to no longer be so identified.

### **Measures for Determining Educational Goal Achievement**

To measure progress in preparing all students academically for success in college, work and life, the Academy's performance will be assessed using the measures of student growth and achievement specified below. The Academy will administer the specified tests in accordance with the testing windows identified in the Academy's Master Calendar of Reporting Requirements. Student test results from the fall testing window will be used as the baseline for determining the amount of growth the Academy needs to make with students to help them reach the college readiness achievement targets.

### Measure 1: Student Growth

Improved academic achievement for all groups of students in grades 2<sup>nd</sup> through 8<sup>th</sup> will be assessed using the following metrics and growth targets.

Grade(s)	Metric	Growth Targets
Grades 2-8	Growth made by students from fall-to-spring in reading and math as measured by the median distance from the growth target at the academy level on the Performance Series® by Scantron or the Measures of Academic Progress® by NWEA.	Students' fall-to-spring academic growth, will demonstrate measurable progress toward the grade-level reading and math achievement targets identified in the schedule. <sup>1</sup>

<sup>1</sup> Measurable progress will be defined as closing the fall-to spring gap by 70%. Spring college readiness targets were determined by a study commissioned by Central Michigan University and are based on ensuring students earn a minimum composite score of "21" on the American College Test or ACT.

Note:

- Growth is not measured for 9<sup>th</sup> graders on up due to the following reason; academies essentially grow their own students and by the time they are in secondary grades, growth should be reflected in cohort student's achievement score. Cohort students are those students that have attended an academy for three or more consecutive academic years.
- Growth requirements are included for all students except those whose fall score was equal to or greater than the spring college and career readiness target.

### Measure 2: Student Achievement

The academic achievement of all students in grades 2 through 11, who have been enrolled for three or more consecutive academic years at the Academy, will be assessed using the following metrics and achievement targets. Academies that are in their first year of operations will not be evaluated using academic achievement data. After the Academy enters its second year of operation, academic achievement data for all groups of students will be used in the evaluation.

Grade(s)	Metric	Achievement Targets
Grades 2-8	The college readiness level in reading and math as measured by the median distance from the achievement target at the school level on Performance Series® (PST) by Scantron or the Measures of Academic Progress® (MAP) by NWEA.	Cohort students will achieve scores equal to or greater than the grade-level reading and math college readiness achievement targets identified in this schedule.
Grades 2-8	The median subject scores as measured by performance on PST or MAP	Cohort students will achieve subject scores greater than that of non-cohort students. <sup>1</sup>
Grades 9 and 10	The median subject scores as measured by performance on the PSAT®.	
Grade 11	The median subject scores as measured by performance on the SAT®.	

<sup>1</sup>Cohort students are those students who have attended the academy for three or more consecutive academic years.

### Performance Series (PS) and Measures of Academic Progress (MAP) College Readiness Targets

Grade	PS Reading Spring Target	MAP Reading Spring Target	PS Math Spring Target	MAP Math Spring Target
2	2265	190	2191	191
3	2504	201	2380	204
4	2691	208	2497	214
5	2843	215	2615	224
6	2921	218	2733	229
7	2948	222	2800	236
8	3012	227	2890	242

\*College readiness targets as determined by CMU's College Readiness Study which is based on students earning a composite score of "21" on the ACT.

**Measure 3: Student Achievement-Relative Performance and State/Federal Accountability**

The academic achievement of Full Academic Year (FAY) Students will be assessed using the following metrics and achievement targets. FAY students are defined as those students that have attended an academy from the fall through the spring testing periods of an academic year.

Grade(s)	Metric	Growth Targets
Grades 3-8	State Assessment Michigan Student Test of Educational Progress (M-STEP) or successor test	The Academy will meet state requirements.
Grades 9 and 10	Pre-Scholastic Aptitude Test (PSAT)	
Grade 11	State Assessment Michigan Merit Exam (MME, SAT) or successor test	
Grades 3-11	State Accountability Scorecard	To meet the requirements of the state accreditation system, the Academy will achieve/sustain a 70% or higher

#### Measure 4: Academy Specific Goals

Specify Academy Goals and the Metrics by which achievement will be measured. Mission specific goals and achievement measures should demonstrate that the Academy is accomplishing its mission and should not overlap with the student achievement and growth, and accountability goals listed above.

Goal	Measure	Metric	Target
Innocademy's parent involvement will increase each year not only in number of hours, but also in % of parents who donate their time and talents to school	Tracking of involvement through diligent documentation when any parent volunteers in any manner for the school.	% of parents who volunteer their time and/or talent	By June 2022, 80% of the parent population will volunteer with their time and/or talents, both within the school and outside of the school.
To grow the whole child, Innocademy students will experience and develop strategies in the areas of global awareness, leadership, and stewardship.	Number of student travelers	Increased number of student travelers	By June 2022, 75% of 8 <sup>th</sup> grade graduates will have at least one out of state or international travel experience
To grow the whole child, Innocademy students will experience and develop strategies in the areas of global awareness, leadership, and stewardship.	Curriculum maps	Curriculum mapping	Completed curriculum mapping which integrates the whole child perspective by June 2018 with a continuous review cycle.
To grow the whole child, Innocademy students will experience and develop strategies in the areas of global awareness, leadership, and stewardship.	Student participation in daily second language programs (Immersion or FLES)	Language Proficiency	By June 2022, 50% of our cohort student population will graduate 8 <sup>th</sup> grade with at least 1 credit in Spanish or other foreign language.

<p>To grow the whole child, Innocademy students will experience and develop strategies in the areas of global awareness, leadership, and stewardship.</p>	<p>Number of school provided stewardship opportunities</p>	<p>Tracking of stewardship opportunities each year</p>	<p>Each year, at least 3 in-school, student-led, stewardship opportunities will be offered for K-8 students</p>
			<p>Additional out-of-school stewardship opportunities will be shared with families regularly</p>
			<p>8<sup>th</sup> grade graduates will document stewardship hours in their Career Cruising digital portfolio</p>

<p>To grow the whole child, Innocademy students will experience and develop strategies in the areas of global awareness, leadership, and stewardship.</p>	<p>Leadership: Mentorship Program</p>	<p>Number of student mentors</p>	<p>100% of our students will be a mentor to a younger student before leaving 8<sup>th</sup> grade</p>
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# Tab C

**SECTION C**

**EDUCATIONAL PROGRAMS**

## Schedule 7c: Description of Educational Program

### **Innocademy Foundations**

1. Development of global leaders and thinkers with a foundation of the Seven Habits of Highly Effective People
2. High level of parent and community involvement and investment
3. Multi-age “just right” groupings of students
4. Balanced school calendar
5. Student-led and blended learning that utilizes technology
6. Small student-teacher ratio
7. “Whole child” development that focuses on growing each child academically, emotionally, physically, and socially
8. Teacher-led structure that empowers teacher to lead and make decisions for the whole school
9. Business partnerships with reciprocated support
10. Stewardship and social responsibility are valued and practiced intentionally by students, families, staff, and partners
11. A culture of caring that embraces uniqueness and relationships

Since opening in 2007 with the above foundations, Innocademy has developed a strong and focused educational program based upon the stated mission, vision, and goals outlined below.

**Innocademy’s Mission:** *By embracing innovation, we will inspire our students to become global thinkers and leaders by positively impact others at home and abroad.*

#### **Innocademy’s Vision for Teaching & Learning:**

A personalized education plan is designed for each individual child to honor their unique gifts, interests, and growth areas. Teachers and students believe in a growth mindset. Students are equipped with strategies to help them persevere and celebrate grit.

“Just Right Learning” empowers students by allowing them to work in flexible multi-age groups that challenge them to reach the next academic milestone. Blended learning enables students to learn at their own pace and mode of instruction, whether a student needs to pause & process OR accelerate & advance.

By embracing innovation, both teachers and students have unlimited opportunities for learning and leadership outside the traditional education model. Second/third language acquisition is an essential part of daily core instruction. Project Based Learning allows students to dive into authentic, real-world problems that pique curiosity, increase engagement, and encourage creativity. The critical thinking, collaboration, and effective communication required build career and college readiness.

Intentional career exploration ignites a love of learning by allowing students to explore different areas of interest and making content knowledge relevant. Not only are students on track for scoring a 21 on an ACT assessment, college and career ready means to have a sense of themselves, what their future holds, and how they can positively impact others.

Leadership qualities are deliberately taught and modeled using “The 7 Habits of Happy Kids” by Sean Covey. It doesn’t take long to hear students working through an issue using the term “let’s make this a Win- Win.”. Opportunities are abundant for students to demonstrate leadership at school and throughout the community.

We honor the whole child...each is a unique emotional, physical, social, and spiritual being. Academics are important, but not the only focus of nurturing and growth.

Caring relationships create a nurturing environment to build empathy and take risks. Students are aware of their individual learning styles to make proactive choices about where to do their best work and how to keep their stamina. Authentic opportunities to lead are abundant...from serving on the Student Tech Team to mentoring a younger friend each week.

Students are inspired and empowered to be change agents both at home and abroad by leading with not only their heads, but also with their hands, feet, and heart.

# Tab D

**SECTION D**  
**CURRICULUM**

## Schedule 7d: Curriculum

Innocademy curriculum is rooted in the Common Core State Standards for **English Language Arts** and **Math** that have been adopted by 42 states. Grade level guides can be found at <http://www.corestandards.org>. Michigan, along with 17 other states, have adopted the Next Generation Standards for **Science** education. They are based on three dimensions of learning: 1) crosscutting concepts across the domains of physical, life, earth and space science and engineering design 2) science and engineering practices and 3) disciplinary core ideas. MDE's **Social Studies** Grade Level Content Expectations have been revised through the lens of the College, Career, and Civic Life Framework (C3) to improve clarity and depth. The C3 Framework is organized around four dimensions of inquiry: 1) developing questions and planning inquiries 2) applying disciplinary concepts and tools 3) evaluating sources and using evidence 4) communicating conclusions and taking informed action. The ultimate end-in-mind is to educate knowledgeable, thinking and active citizens.

Teaching teams are continually working on curriculum maps to clearly outline the how and when to teach the standards. Currently, vertical/grade curriculum maps (see example below) are being analyzed for horizontal alignment to identify holes and factor in any poor performance on local and statewide testing. 5-year curriculum review cycles are designed to research and acquire new curricular resources and plan for professional development.

 <b>Innocademy Course Framework</b> 			
Maths			
UNIT PACING Names of units and approximate pacing	LEARNING TARGETS Students will be able to...	STANDARD Which Common Core standard does this address?	ASSESSMENTS Which assessments are given to determine student growth?
Unit 1 - Solving Equations (3-4 weeks)	<ul style="list-style-type: none"> <li>Solve simple and multi-step equations involving combining like terms, and variables on both sides of the equal sign.</li> <li>Solve for a given formula by transforming formulas.</li> <li>Write and solve equations for various real world situations.</li> </ul>	8.EE.7 + 8	Pre-Test Mid-Unit Quiz Test Homework Exit Tickets
Unit 2 - Writing and Graphing Linear Equations (3-4 weeks)	<ul style="list-style-type: none"> <li>Find slope from a graph by using right triangles.</li> <li>Find slope from two points by using the slope formula.</li> <li>Write equations in slope intercept form from information provided in a graph or table.</li> <li>Write equations for direct variation.</li> <li>Interpret situations using the slope and y-intercept.</li> </ul>	8.EE.5* 8.EE.6*	Pre-Test Mid-Unit Quiz Test Homework Exit Tickets
Unit 3 - Scatterplots and Trendlines (2-3 weeks)	<ul style="list-style-type: none"> <li>Create scatterplots from bivariate data.</li> <li>Draw a trendline for given data.</li> <li>Interpret the equation for a trendline in context of the situation.</li> </ul>	8.SP.1* 8.SP.3*	Pre-Test Mid-Unit Quiz Test Homework Exit Tickets

The following chart provides an at-a-glance view of the chosen curricular resources for core content instruction:

**Quick Reference:  
Innocademy Curriculum**

Subject	Curriculum	Assessments	To Learn More, Click...
Reading	Lucy Calkins: Teachers College Reading & Writing Project	*Higby and Fountas & Pinnell running records K-8 *MAPs K-8 *M-STEP 3-8	<a href="http://www.writingworkbooks.com/teacherscollegereading/default.asp">http://www.writingworkbooks.com/teacherscollegereading/default.asp</a>
Writing	Lucy Calkins: Teachers College Reading & Writing Project	*MAPs K-8 *Lucy Calkins & TCRWP's Writing Continuum K-8 *M-STEP 3-8	<a href="http://www.writingworkbooks.com/">http://www.writingworkbooks.com/</a>
Word Study	Words Their Way	*Spelling Inventory K-8	<a href="http://www.thirdgradeworkbooks.com/wordstheirway.php">http://www.thirdgradeworkbooks.com/wordstheirway.php</a>
Math	K-4: Houghton Mifflin Math Expressions  7-8th: Big Ideas Math Algebra: Big Ideas & Fun! Ed Geometry: Fun! Ed	*MAPs K-8 *M-STEP 3-8 *Data Math K-8 *unit assessments K-8	<a href="http://www.ahandmade.com/math/midwest/">http://www.ahandmade.com/math/midwest/</a>  <a href="http://go.hrw.com/mh/060201ma-main.html">http://go.hrw.com/mh/060201ma-main.html</a>
Spanish	K-8: 5:30 for daily Spanish classes  K-3: 5:30 for Spanish immersion classes	*5:30 unit assessments K-8  *5:30 unit assessments K-3	<a href="http://www.ubs.com/">http://www.ubs.com/</a> <a href="http://www.hmhco.com/what/education-curriculum/curriculum/reading-curriculum/curriculum/curriculum/">http://www.hmhco.com/what/education-curriculum/curriculum/reading-curriculum/curriculum/curriculum/</a>
Science	K-8: Battle Creek Math & Science Units	*M-STEP 4th & 7th  *MCMS unit assessments K-8 with VanAndel Institute framework	<a href="http://www.bctmsi.org/science-units">http://www.bctmsi.org/science-units</a>  <a href="http://www.hmheducation.com/science/units/overview_360degrees_of_inquiry.php">http://www.hmheducation.com/science/units/overview_360degrees_of_inquiry.php</a>
Social Studies	K-8: Michigan Citizenship Collaborative Curriculum  3-8: History Alive!	*M-STEP 5th & 8th  *performance assessments within the MC3 units K-8	<a href="http://www.michiganhistorycurriculum.org/">http://www.michiganhistorycurriculum.org/</a>  <a href="http://www.teach10.com/resources/middle-school-social-studies-textbook-social-curriculum.html">http://www.teach10.com/resources/middle-school-social-studies-textbook-social-curriculum.html</a>

The curricular resources originally selected and outlined above have provided a solid foundation for core instruction with aligned standards, engaging activities, correlative assessments, and a consistent scope and sequence for instructional targets. As programs have expanded and state/federal standards have been adopted, the additional resources below have been implemented:

VanAndel Education Institute's NexGen Inquiry for science education - NexGen Inquiry provides a digital classroom platform, student journals, and resource library to empower teachers as they encourage the scientific process of questioning, knowledge probe, prediction, investigation plan, observation, data analysis, explanation, and application.

Teachers College Reading and Writing Project's Units of Study for Reading and Writing - Previous resources provided a framework for bands grades K-2, 3-5, and 6-8. TCRWP has released Units of Study that are grade specific and aligned to Common Core State Standards for K-8. (specific 6th, 7th, and 8th grade reading units are being released in spring of 2017)

History Alive - Middle school supplements the Michigan Citizenship Collaborative Curriculum with engaging and interactive simulations that focus on a big question and provide opportunities for collaborative discovery and multiple perspectives.

Sendaros reading program & Math Expressions in Spanish - Spanish resources were researched and purchased for Spanish Immersion grades K-5 that parallel the chosen resources for English-based grades K-5.

FuelEd online high school coursework - Online courses are offered to students that are accelerated in the areas of Spanish and Math, specifically Algebra and Geometry. Students may elect to take courses for high school credit through iCademy Global and begin the path to Early/Middle College, dual enrollment, or an Associate's Degree.

The combination of curriculum resources, instructional strategies, professional development, and global experiences empowers Innocademy students to become 21<sup>st</sup> century thinkers who can apply their knowledge in new and innovative ways. Specific curricular innovations include advancements in technological lesson delivery, international learning and partnerships, project based learning, stewardship, and multi-age learning.

Technology: One to one student to device ratio in many of the upper grades puts individualized learning in the hands of our students. Teachers have been able to use technology to multiply their impact through video delivery and enhanced learning tools. Further, students have been able to take online classes both formally and informally to further their learning beyond the school building.

Global Leadership: Learning and service trips throughout Michigan, Mexico, Dominican Republic, and Costa Rica have allowed our students to experience various cultures while working to overcome challenges faced in contexts far different than their own.

Project Based Learning: Students have investigated and reported out to authentic audiences various projects including traffic studies, fish counts at a local pond, design of an arboretum, design and build of a playground game, and design and build of a greenhouse. Smaller projects in Kindergarten through upper elementary grades prepare older students for more challenging and interrelated projects. Members from the community are often invited to provide feedback and challenge the students to deeper thinking.

Stewardship: Students have demonstrated the commitment to compassion and service learning through food drives, fair trade market days, snow shoveling and raking for neighbors in need, and financial support for wells in Africa. When students travel, there is always a stewardship component. Students have raised money and worked on projects such as building a Gaga Pit in Mexico, providing toothbrushes and fluoride in Dominican Republic, and running after school programs in Costa Rica.

Multi-Age Learning: High academic achievement and leadership mentoring occurs at Innocademy through the use of multi-age learning and Just Right grouping. High achieving students are able to continually advance through Just Right grouping in Math, ELA, and Spanish. Several students have been able to jump over their chronological grade by one or even two class levels. Further, all students are able to practice leadership skills and habits through intentional multi-age groupings on Family Fridays. Students, placed in small K-8 groupings led by a teacher, have a weekly opportunity to learn and practice leadership skills. Family Fridays allow students to develop mentorship loops where older and younger students learn from each other.

# Tab E

**SECTION E**

**METHODS OF PUPIL ASSESSMENT**

## Schedule 7e: Methods of Pupil Assessment

Local and standardized assessments provide valuable data that:

- Tracks the rates and patterns of growth and proficiency
- Informs flexible “Just Right” student groupings
- Influences student motivation, learning, and goal setting
- Leads to new and different ways to deliver content
- Keeps instruction and assessments aligned
- Identifies students, monitors progress, and revises interventions in the areas of Math and Reading
- Supports School Improvement planning
- Influences curricular resource purchasing

Teachers use daily formative assessments to gauge comprehension, guide instructional planning, and meet with small groups for remediation and advancement. Some examples include warm-up problems, exit slips, conferencing, interactive online tools such as kahoot.it, and quizzes. Formative assessment, such as graphic organizers, primary focus descriptors, exit tickets, quizzes, homework performance, activity reports and notes, and individual reading and writing conferences determine the progress students are making toward lesson objectives.

Unit assessments from the chosen curricular resources for Reading, Writing, and Math are based on Common Core State Standards as well:

The TCRWP's Units of Study for both **Reading and Writing** are based on instruction using the workshop model. This model equips students to be lifelong and strongly independent readers and writers. The Units of Study assessments are performance based and honor each child's voice and choice.

- o <http://www.heinemann.com/unitsofstudy/reading/>
- o <http://www.heinemann.com/unitsofstudy/writing/>

Houghton Mifflin's **Math Expressions** assessments are deliberately written to be problem-based. Students become increasingly exposed to word problems that are multi-step, real world, and require a strong conceptual understanding and number sense.

- o <http://www.hmhco.com/shop/education-curriculum/math/elementary-mathematics/math-expressions>

VanAndel Education Institute's NexGen Inquiry marries the Next Generation Science Standards, the process of Scientific Inquiry, a Language-Rich Environment, and Habits of Mind to build on students' natural curiosity. Students are assessed on process, not just product.

- o <https://nexgeninquiry.org/interactive-platform>

NWEA's standardized MAP assessments are computer adaptive. This was a key factor in the decision to select this tool back in 2012. A core Innocademy foundation is providing the opportunity for students to learn in flexible "Just Right" learning groups. The computer adaptive test allows teachers to analyze student performance on learning targets/standards that are below, at, and above each student's chronological grade level. The transition has been made to administer the NWEA's *Common Core* MAP tests (Measure of Academic Progress) for Reading...specifically Literature, Informational Reading, and Vocabulary Usage. The Common Core Math MAP test includes Operations and Algebraic Thinking, Numbers and Operations, Measurement and Data, and Geometry. The new MAP test for Science assesses student knowledge of Next Generation Science Standards in the domains of Life, Physical, and Earth/Space Sciences.

Summative assessments are given intermittently. Most are local assessments but students also take standardized state and nationally normed tests. The results of numerous summative assessment tools will be downloaded to the ourschooldata.org online data warehouse system which allows comparison and triangulation of the different results to assess the progress of a specific student, class, cohort, and the school as a whole.

### Year Long Assessment Calendar

	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
<b>M-STEP</b>									3-8		
<b>NWEA-MAP</b>	K-8					K-8				K-8	
<b>Delta Math</b>		1-8				1-8				1-8	
<b>Narrative Running Records in English &amp; Spanish</b>	K-8			K-2		K-8					K-8
<b>Informational Running Records in English &amp; Spanish</b>							3-8	K-2			K-8
<b>Writing</b>	K-8 narrative baseline			K-8 narrative			K-8 informational			K-8 persuasive	K-8 poetry
<b>Words Their Way</b>	K-8 narrative new students										K-8
	K-8 Ongoing										
<b>Unit Assessments</b>	Unit Assessments include: Houghton Mifflin; Battle Creeks Science & Math; Teachers College Reading and Writing Project; Michigan Literacy Progress Profile; Michigan Citizenship Collaborative Curriculum; Words Their Way; Sendaros										
<b>General Education Individualized Education Plan</b>	Developed for each child in July using data from MAP, Running Record or Delta Math (as is appropriate for the Just Right Group), and other formative assessments. Reviewed and revised (if needed) in January.										
<b>Special Education IEP &amp; Annual Review</b>	As needed by individual special education students										

# Tab F

**SECTION F**

**APPLICATION AND ENROLLMENT OF STUDENTS**

# Application and Enrollment Requirements

## Innocademy

### Enrollment Limits

The Academy will offer pre-Kindergarten through eighth grade. The maximum enrollment shall be 500 students. The Academy will annually adopt maximum enrollment figures prior to its application and enrollment period.

### Requirements

Section 504 of the Revised School Code states that public school academies shall neither charge tuition nor discriminate in pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a handicapped person, or any other basis that would be illegal if used by a Michigan public school district.

- 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 public school district.
- The Academy Board may establish a policy providing enrollment priority to siblings of currently enrolled pupils or children of Academy Board members or Academy employees.
- The Academy shall allow any pupil who was enrolled in the immediately preceding academic year to re-enroll in the appropriate age range/grade level unless that 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.

# Application and Enrollment Requirements

## Innocademy

### Application Process

- The application period shall be a minimum of two weeks in duration, with evening and/or weekend times available.
- 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 next application 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 approval from the Charter Schools Office.

### Legal Notice

- The Academy shall provide legal notice of the application and enrollment process in a local newspaper of general circulation. A copy of the legal notice must be forwarded to the Charter Schools Office.
- At a minimum, the legal notice must include:
  - A. The process and/or location(s) for requesting and submitting applications.
  - B. The beginning date and the ending date of the application period.
  - C. The date, time, and place the random selection drawing(s) will be held, if needed.
- The legal notice 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.

# Application and Enrollment Requirements

## Innocademy

### 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 preference policy for siblings or children of employees and Academy Board members, the re-enrollment notice must also request that the parent or guardian indicate whether a sibling(s) or child(ren) of employees or Academy Board members 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:
  - A. The number of students who have re-enrolled per grade or grouping level.
  - B. The number of siblings or children of employees and Academy Board members seeking admission for the upcoming academic year per grade.
  - C. If space is unavailable, the Academy must develop a waiting list for siblings of re-enrolled students.
  - D. The number of spaces remaining, per grade, after enrollment of current students, siblings, and children of employees and Academy Board members.

# Application and Enrollment Requirements

## Innocademy

### **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 grouping level.
- Establish the date, time, place and person to conduct the random selection drawing.
- Notify the Charter Schools Office of both the application period and the date of the random selection drawing, if needed. The Charter Schools Office may have a representative on-site to monitor the random selection drawing process.

The Academy shall use a credible, neutral “third party” such as a CPA firm, government official, ISD official or civic leader to conduct the random selection drawing. Further, the Academy shall:

- Conduct the random selection drawing at a public meeting where parents, community members and the public may 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.

# Tab G

**SECTION G**

**SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE**

## **SECTION 7g: SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE**

### School Calendar

The Academy's school calendar shall comply with the Code and the School Aid Act of 1979. The Academy Board must submit a copy of the Academy's school calendar to the College Board.

### School Day Schedule

The Academy Board must structure the Academy's school day schedule to meet the required number of instructional days and hours as set forth in the Code and the Act. The Academy Board must submit the school day schedule to the College Board prior to the commencement of each academic year.

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# Tab H

**SECTION H**

**AGE OR GRADE RANGE OF PUPILS**

## **SECTION h: AGE OR GRADE RANGE OF PUPILS**

The Academy will enroll students in pre-Kindergarten through eighth grade. The Academy may add grades with the prior written approval of the Charter Schools Office Director or the University Board.

Students of the Academy will be children who have reached the age of five (5) as set forth in MCL 380.1147. A child may enroll in kindergarten if the child is at least 5 years of age on September 1, 2017.

If a child is not 5 years of age on the specified enrollment eligibility date but will be 5 years of age not later than December 1 of a school year, the parent or legal guardian of that child may enroll the child in kindergarten for that school year if the parent or legal guardian notifies the school in a timely manner.