**TERMS AND CONDITIONS**

**OF CONTRACT**

**DATED: September 21, 2012**

**ISSUED BY**

**LAKE SUPERIOR STATE UNIVERSITY BOARD OF TRUSTEES**

**TO**

**TIPTON ACADEMY**

**CONFIRMING THE STATUS OF**

**TIPTON ACADEMY**

**AS A**

**PUBLIC SCHOOL ACADEMY**

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# Contract to Charter A Public School Academy

Pursuant to Part 6a of the Revised School Code (“Code”), being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the Lake Superior State University Board of Trustees (“University Board”) authorizes Tipton Academy (the “Academy”), to be effective July 1, 2013, confirming the Academy’s status as a public school academy in the State. The Parties agree that the issuance 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 capitalized, shall have the meaning set forth in this section:

1. **Academy** means the Michigan non‐profit corporation authorized by this Contract.
2. **Academy Board** means the Board of Directors of the Academy authorized by this Contract. **Academy Board member** or **Academy Director** means an individual who is a member of the Academy Board, whether in the past, present or future.
3. **Applicable Law** means all state and federal law applicable to public school academies.
4. **Applicant** means the person or entity that submitted the public school academy application to the University for the establishment of the Academy.
5. **Application** means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
6. **Authorizing Resolution** means the resolution adopted by the Lake Superior State University Board of Trustees approving the issuing of a Contract.
7. **Charter School** means public school academy.
8. **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.
9. **Contract** means, in addition to the definition set forth in the Code, the Terms and Conditions and the Schedules.
10. **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 University Charter School Office Director for review as provided in Section 11.11 and has not been disapproved by the University Charter School Office Director, and is consistent with the Charter School Office Educational Service Provider Policies, as they may be amended from time to time, and Applicable Law.
11. **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 from, or 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.
12. **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 operation and/or management of the Academy, which has been submitted to the University Charter School Office Director for review as provided in Section 11.11 and has not been disapproved by the University Charter School Office Director, and is consistent with the CSO Educational Service Provider Policies as they may be amended from time to time, and Applicable Law.
13. **Master Calendar of Reporting Requirements (MCRR)** means the compliance certification duties required of the Academy by the University Board. The University Board may amend the MCRR each fiscal year or at such other times as deemed appropriate by the University President. These changes shall be automatically incorporated into the Contract and shall be exempt from the Contract amendment procedures under Article IX of these Terms and Conditions.
14. **Method of Selection Resolution** means the resolution adopted by the University Board providing for the method of selection, length of term, number of Academy Board members, qualification of Academy Board members and other pertinent provisions related to the Academy Board.
15. **Resolution** means any resolution adopted by the Lake Superior State University Board of Trustees.
16. **Schedules** mean the schedules incorporated into and part of the Terms and Conditions.
17. **Terms and Conditions** means this document entitled Terms and Conditions of Contract issued by the Lake Superior State University Board of Trustees.
18. **University** means Lake Superior State University established pursuant to Article VIII, Sections 4 and 6 of the Michigan Constitution of 1963 and MCL 390.391 *et seq.*
19. **University Board** means the Lake Superior State University Board of Trustees.
20. **University Charter Schools Hearing Panel** or **Hearing Panel** means such person(s) as designated by the University President.
21. **University Charter School Office** or **CSO** means the office the University Board, by issuance of this Contract, hereby designates as the point of contact for public school academy applicants and public school academies authorized by the University Board. The University Charter School Office is also responsible for managing, implementing, and overseeing the University Board’s responsibilities with respect to the Contract.
22. **University** **Charter School Office Director or CSO Director** means the person designated by the University President to administer the operations of the University Charter School Office.
23. **University President** means the President of Lake Superior State University or his or her designee.

 Section 1.2. Schedules. All Schedules to this Contract are part of this Contract.

Section 1.3. Statutory Definitions. Statutory terms defined in the Code shall have the same meaning in this Contract.

Section 1.4. Application. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, 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 1.5. Conflicting Contract Provisions. In the event that there is a conflict between language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection 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 Method of Selection Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution and the Authorizing Resolution; and (iv) the Restated Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution, Authorizing Resolution and these Terms and Conditions.

ARTICLE II

ROLE OF LAKE SUPERIOR STATE UNIVERSITY

BOARD OF TRUSTEES AS AUTHORIZING BODY

Section 2.1. University Board Resolutions. For purposes of this Contract, the University Board has adopted the following resolutions:

1. Method of Selection and Appointment Resolution. The University Board has adopted the Method of Selection and Appointment Resolution which is incorporated into this Contract as part of Schedule 1. At anytime and at its sole discretion, the University Board may amend the Method of Selection and Appointment. Upon University Board approval, changes to the Method of Selection and Appointment Resolution shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of the Terms and Conditions.
2. Authorizing Resolutions. The University Board has adopted the Authorizing Resolution which is incorporated into this Contract as part of Schedule 1.

## Section 2.2. Method for Monitoring Academy’s Compliance with Applicable Law and

Performance of its Targeted Educational Outcomes. The University Board has the responsibility to oversee the Academy’s compliance with the Contract and all Applicable Law. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Contract and MCRR incorporated into this Contract as Schedule 5. Additionally, the

Academy shall be responsible for the following:

1. To the extent permitted by law, including without limitation the Family Educational Rights and Privacy Act (FERPA), 20 USC 1232g; 34 CFR Part 99, the Academy shall provide the Charter Schools Office with copies of reports and assessments concerning the educational outcomes achieved by pupils attending the Academy and shall provide necessary approvals for the Charter Schools Office to access electronic information received or stored by the State of Michigan including, but not limited to, the Department of Education or other agency authorized by the State to collect school data.
2. In the event that the University President determines that the Academy’s educational outcomes should be reviewed to help determine if the Academy is meeting the educational goals set forth in the Schedules, the University President, at his or her discretion, may require an objective evaluation of student performances by an educational consultant, acceptable to both the Academy and the University President. The Academy shall pay for the expense of the evaluation. In addition, at any time, the University President may require an evaluation of student performance to be selected by and at the expense of the University. The Academy shall cooperate with the evaluation, including any student testing required.
3. The Academy shall submit audited financial statements, including auditor’s management letters and any exceptions noted by the auditors, to the University Charter Schools Office. The financial statements and auditor’s management letters shall be submitted to the University Charter Schools Office within ninety (90) days after the end of the Academy’s fiscal year.
4. The Academy shall provide the University Charter Schools Office with a copy of the proposed annual budget for the upcoming fiscal year of the Academy no later than July 1st. The Academy Board is responsible for establishing, approving and amending the annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.,* and for providing all amendments and revisions to the University Charter Schools Office following Academy Board approval.
5. The Academy shall provide to the University Charter Schools Office minutes of all Academy Board meetings no later than fourteen (14) days after such meeting.
6. Within ten (10) days of receipt, the Academy shall notify the University Charter Schools Office of correspondence received from the Department of Education or State Board of Education that requires a written or formal response.
7. Within ten (10) days of receipt, the Academy shall report to the University Charter Schools Office and the University Counsel Office any litigation or formal proceedings alleging violation of Applicable Law or contractual agreement against the Academy, its officers, employees, agents, and/or contractors.
8. The Academy shall permit review of the Academy’s records and inspection of its premises at any time by representatives of the University. Normally, such inspections shall occur during the Academy’s hours of operation and after advance notice to the Academy.

Section 2.3. University Board Administrative Fee. During the term of this Contract, the Academy shall pay 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 issuing the Contract and overseeing the Academy’s compliance with the Contract and all Applicable Law.

Section 2.4. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. The University Board shall, within three (3) business days, 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 University Board shall retain any amount owed to the University Board by the Academy pursuant to this Contract. For purposes of this section, 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 4.

Section 2.5. Authorization of Employment. The Academy may employ or contract with personnel. If the Academy contracts for personnel with an Educational Service Provider, the Academy shall submit a draft of the proposed agreement to the University Charter School Office for review. The University Charter School Office may disapprove the proposed agreement if it contains provisions in violation of this Contract or Applicable Law. No Management Agreement shall be effective unless and until the agreement complies with

Section 11.12 of these Terms and Conditions. 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. 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. The Academy Board shall prohibit any individual from being employed by the Academy, an ESP, 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. The Academy shall be responsible for carrying worker’s compensation insurance and unemployment insurance for its employees.

Section 2.6. Financial Obligations of the Academy are Separate from the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be assigned or pledged for the payment of any Academy contract, agreement, note, mortgage, loan or other instrument of indebtedness.

Section 2.7. 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.

Section 2.8. 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 12.14 without any further action of either the Academy or the University Board. Prior to the end of the Contract term, the University Board shall provide a description of the process and standards by which the Academy may be considered for the issuance of a new contract. The timeline 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 sole discretion, may change its process and standards for issuance of a contract at anytime, and any such changes shall take effect automatically without the need for any amendment to this 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.

ARTICLE III

REQUIREMENT THAT ACADEMY ACT SOLELY

AS GOVERNMENTAL AGENCY OR ENTITY AND POLITICAL SUBDIVISION

Section 3.1. Governmental Agency or Entity and Political Subdivision. The Academy shall act exclusively as a governmental agency or entity and political subdivision.

Section 3.2. Other Permitted Activities. Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy’s status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Subject to Section 2.5 and Section 6.15 of the Terms and Conditions, the Academy may enter into agreements with other public schools, public school academies, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.

ARTICLE IV

PURPOSE

Section 4.1. Academy’s Purpose. The Academy Board shall identify the purpose or mission of the Academy. Any subsequent change to a School’s purpose or mission shall be carried out by amendment in accordance with Article IX of these Terms and Conditions. The Academy’s stated purpose or mission shall be set forth in the Schedules.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Articles of Incorporation. Unless amended pursuant to Section 9.2 of Article IX herein, the Articles of Incorporation of the Academy, as set forth in Schedule 2, shall be the Articles of Incorporation of the Academy. The Academy Board represents to the University Board that Schedule 2 includes all amendments to the Academy’s Articles of Incorporation as of the date set forth above.

Section 5.2. Bylaws. Unless amended pursuant to Section 9.3 of Article IX herein, the Bylawsof the Academy, as set forth in Schedule 3, shall be the Bylaws of the Academy. The Academy Board represents to the University Board that Schedule 3 includes all amendments to the Academy’s Bylaws as of the date set forth above.

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 its Bylaws. The Academy’s Board of Directors shall meet at least six times per fiscal year, unless another schedule is mutually agreed upon by the University President and the Academy.

Section 6.2. 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. The University shall not be required to receive any contributions or donations for the benefit of the Academy. If the University receives contributions or donations for the benefit of the Academy, it shall forward such funds to the Academy within three (3) business days of receipt.

Section 6.3. Educational Goals and Programs. The Academy shall pursue the educational goals and programs identified and contained in the Schedules. Such goals and programs may be amended pursuant to Section 9.1 of Article IX of the Terms and Conditions. Upon request, the Academy shall provide the University Charter School Office with a written report, along with supporting data, assessing the Academy’s progress toward achieving its goal(s).

Section 6.4. Curriculum. The Academy shall have flexibility in developing, realigning, and implementing the curriculum identified in the Schedules. Any changes to the curricula shall be administered pursuant to Section 9.1 of Article IX of the Terms and Conditions, and such proposed curricula shall be designed to achieve the Academy’s overall educational goals and State’s educational assessment test.

Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils’ work based on the assessment strategies identified in the Schedules. To the extent applicable, the pupil performance of the Academy shall be assessed using at least the Michigan Education Assessment Program (MEAP) test or the Michigan Merit Examination designated under the Code. The Academy shall provide the University Charter School Office with copies of reports, assessments and test results, to the extent permitted by law, including without limitation the Family Educational Rights and Privacy

Act (FERPA), 20 USC 1232g; 34 CFR Part 99, concerning the following:

1. educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the University Charter Schools Office;
2. an assessment of the Academy’s student performance at the end of each academic school year or at such other times as the University Board may reasonably request;
3. an annual education report in accordance with the Code;
4. an annually administered nationally recognized norm‐referenced achievement test for the Academy’s grade configuration or a program of testing approved by the University Charter School Office Director; and
5. all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to suspend, terminate, not issue a new contract at the end of the Contract or revoke the Contract.

Section 6.6. Staff Responsibilities. Subject to Section 2.5 of Article II of the Terms and Conditions, the University Board authorizes the Academy to employ or contract with an Educational Service Provider. A copy of the Management Agreement shall be included in the Schedules.

Section 6.7. Admission Policy. The Academy shall comply with all application, enrollment and admissions policies and criteria required by Applicable Law. A copy of the Academy’s admission policies and criteria are set forth in the Schedules. With respect to the Academy’s pupil admissions process, the Academy shall provide any documentation or information requested by the University Charter School Office that demonstrates the following:

1. the Academy has made a reasonable effort to advertise its enrollment efforts to all pupils; and
2. the Academy’s open enrollment period was for a duration of at least 2 weeks and permitted the enrollment of pupils by parents at times in the evening and on weekends.

Section 6.8. School Calendar/School Day Schedule. The Academy shall comply with all minimum standards governing the length of the school term, minimum number of days and hours of instruction required by Applicable Law. The Academy agrees to make available to the CSO Office a copy of the School Calendar/School Day Schedule for each site for each academic school year no later than July 1st. A copy of the School Calendar/School Day Schedule shall be automatically incorporated into the Schedules, without the need for an amendment under

Article IX of the Terms and Conditions.

Section 6.9. Age/Grade Range of Pupils Enrolled. The Academy is authorized to operate grades Pre K‐12. The Academy may add additional grades and vocational programs in the future, pursuant to Section 9.1 of Article IX of the Terms and Conditions.

Section 6.10. Annual Financial Audit. The Academy shall conduct an annual financial audit prepared and reviewed by an independent certified public accountant in accordance with generally accepted governmental auditing principles. The Academy shall submit the annual financial statement audit and auditor’s management letter to the Charter School Office in accordance with the MCRR. The Academy Board shall provide to the CSO a copy of any responses to the auditor’s management letter in accordance with the MCRR.

Section 6.11. Address and Description of Proposed Site(s); Process for Expanding Academy’s Site Operations. The proposed address and physical plant description of the Academy’s proposed site or sites is set forth in Schedule 7‐8. Following Academy Board and University Board approval, proposed changes to the address and description of any site or sites shall be incorporated into this contract by amendment. 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 7‐8 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 University Charter School Office an application for site expansion, in a form or manner determined by the University Charter School Office an application for site expansion, in a form or manner determined by the CSO. The application for site expansion shall include all information requested by the CSO, including detailed information about the site, revised budget, renovation and site improvement costs, the Academy’s proposed operations at the site, and the information provided in Contract Schedule 7‐8. Upon receipt of a complete application for site expansion, the University Charter School Office shall review the application for site expansion 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 of the application for site expansion shall include a determination that the Academy is operating in compliance with the contract and is making measurable progress toward meeting the Academy’s educational goals. The University Board may consider the Academy Board’s site expansion request following submission by the CSO of a positive recommendation.

If the University Board approves the Academy Board’s site expansion request, 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 application for site expansion in its sole and absolute discretion.

 Section 6.12. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles, and accounting system requirements that comply with Applicable Law.

Section 6.13. Placement of University Student Interns. The Academy may be a placement site for University students who are in education or other pre‐professionals in training to serve in public schools. Such placement shall be without charge to the University and subject to other terms and conditions as the Academy and the University agree.

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. 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 University Charter School Office for review. Any matriculation agreement entered into by the Academy shall be added to a new Schedule through a contract amendment approved in accordance with the Contract. 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 6.16. Postings of Adequate Yearly Progress (AYP) and Accreditation Status. The Academy shall post notices to the Academy’s homepage of its website disclosing the adequate yearly progress status and accreditation status of each school in accordance with section 1280e of the Code, MCL 380.1280e.

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 PART 6a OF THE CODE AND OTHER LAWS

Section 8.1. Compliance with Part 6a of the Code. The Academy shall comply with Part 6a of the Code.

Section 8.2. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, the Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended from time to time. The Academy may expend funds from the State School Aid Act 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 8.3. Open Meetings Act. Pursuant to Section 503(6)(a) of the Code, the Academy Board shall conduct all of its meetings in accordance with the Michigan Open Meetings Act, Act No. 267 of the Public Acts of 1976, as amended, being Sections 15.261 to 15.275 of the Michigan Compiled Laws.

Section 8.4. Freedom of Information Act. Pursuant to Section 503(6)(c) of the Code, the records of the Academy shall be records subject to the provisions of the Michigan Freedom of Information Act (“FOIA”), Act No. 442 of the Public Acts of 1976, as amended, being Sections 15.231 to 15.246 of the Michigan Compiled Laws. The Academy Board shall designate a freedom of information coordinator to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.

Section 8.5. Public Employees Relation Act. Pursuant to Section 503(6)(c) of the Code, the Academy shall comply with Act No. 336 of the Public Acts of 1947, being Sections 423.201 to 423.217 of the Michigan Compiled Laws. Organizational efforts and collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 8.6. Prevailing Wage on State Contracts. The Academy shall comply with the Prevailing Wage on State Contracts statute, Act No. 166 of the Public Acts of 1965, being

Sections 408.551 to 408.558 of the Michigan Compiled Laws.

Section 8.7. Uniform Budgeting and Accounting Act. The Academy shall comply with the Uniform Budgeting and Accounting Act, Act No. 2 of the Public Acts of 1968, being MCL 141.421 to 141.440a.

Section 8.8. Revised Municipal Finance Act of 2001. With respect to the Academy’s borrowing money and issuance of bonds, the Academy shall comply with Section 1351a of the Code and Part VI of the Revised Municipal Finance Act of 2001, Act No. 34 of the Public Acts of 2001, being MCL 141.2601 to 141.2613 of the Michigan Compiled Laws, except that the borrowing of money and issuance of bonds by the Academy is not subject to Section 1351a(4) or Section 1351(2) to (4) of the Code. Bonds issued by the Academy are subject to the revised Municipal Finance Act, 2001 PA 34, MCL 141.2101 to 141.2821.

Section 8.9. Non‐discrimination. The Academy shall be separately responsible for compliance with applicable laws pertaining to equal opportunity and anti‐discrimination laws such as the Elliott‐Larsen Civil Rights Act, Act No. 453 of the Public Acts of 1976, as amended, being MCL 37.2101 to 37.2804, the Michigan Handicappers’ Civil Rights Act, Act No. 22 of the Public Acts of 1976, as amended, being MCL 37.1101 to 37.1607, 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.

Section 8.10. Other State Laws. The Academy shall comply with other state laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other state law to the Academy.

Section 8.11. Federal Laws. The Academy shall comply with federal laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

ARTICLE IX

AMENDMENT

Section 9.1. Process for Amending the Contract. Either party may propose changes in this Contract or may propose a meeting to discuss potential revision of this Contract. Except as provided in Sections 2.1, 5.1 and 6.11, the University Board delegates to its University President the review and approval of changes or amendments to this Contract. The Academy Board may delegate the same authority to the Academy Board President. The Contract shall be amended upon agreement and approval of the respective authorized designees.

Section 9.2. Process for Amending Academy Articles of Incorporation. The Academy Board, or any authorized designee of the Academy Board, may propose changes to the Academy’s Articles of Incorporation. The Academy shall be authorized to make such changes to its Articles upon a majority vote of the University Board members attending a University Board meeting. Upon University Board approval, the Academy Board’s authorized designee is authorized to file the amendment to the Academy’s Articles of Incorporation with the appropriate state agency. Upon receipt of the filed amendment, the Academy shall forward the filed amendment to the University Charter School Office. The filed amendment shall be automatically incorporated into Schedule 2 of this Contract upon receipt of the amendment by the University Charter School Office. If the University identifies a provision in the Articles of Incorporation that violates or conflicts with this Contract, due to a change in law or for other reasons, after approval has been given, it shall notify the Academy Board in writing and the Academy Board shall amend the Articles of Incorporation to make them consistent with the

Contract. If the change is requested by the University, the University shall reimburse the Academy for the filing fees.

Section 9.3. Process for Amending Academy Bylaws. The Academy Board shall submit proposed Bylaw changes to the Charter School Office, for review and comment, at least thirty (30) days prior to Academy Board adoption. The Academy’s Bylaws, and any subsequent or proposed changes to the Academy’s Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board’s Bylaws that violates or conflicts with Applicable Law or this Contract, the Academy Board’s Bylaws shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter School

Office of a duly authorized Academy Board Bylaw change made in accordance with this Section

9.3.

Section 9.4. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law, which alters or amends the responsibilities and obligations of either the Academy or the University Board, this Contract shall be altered or amended to reflect the change in existing laws 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.

ARTICLE X

TERMINATION, REVOCATION, AND APPOINTMENT OF RECEIVER

Section 10.1. Termination by University Board.The University Board may terminate this Contract before the end of the Contract Term as follows:

1. Termination Caused by Change in Applicable Law.Following issuance of this Contract, 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 the University Board may terminate the Contract at the end of the Academy’s school fiscal year in which the University Board’s decision to terminate is adopted. For purposes of this section, a change in Applicable Law includes without limitation the following:
	1. the issuance of an order by the Superintendent of Public Instruction,

pursuant to section 1280c of the Code, placing the Academy under the supervision of the State

School Reform/ Redesign Officer; or

* 1. the development of, or changes to, a redesign plan by the Academy

pursuant to Section 1280c of the Code.

1. Termination Caused by Failure to Secure a Facility. If the University President determines, in his or her sole discretion, that conditions or circumstances exist that the Academy Board has lost its right to occupancy of the physical facilities described in Section 6.11, 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, then the University Board may terminate this Contract as of the last day the Academy has occupancy rights to its existing facility. Prior to termination, the University Board shall work with a school district or another public school, or with a combination of these entities, to facilitate a smooth transition for the affected pupils.
2. Automatic Termination Caused By Placement of Academy in State School Reform /Redesign School District. If the Academy is notified by the State that the Academy will be placed in the State School Reform/ Redesign School District pursuant to Section 1280c of the Code, then the University Board may terminate this Contract at the end of the current school year.

Section 10.2. Statutory Grounds for Revocation. In addition to the grounds for an automatic revocation of the Contract as set forth in Section 10.6**,** this Contract may also be revoked by the University Board upon a determination by the University Board, pursuant to the procedures set forth in Section 10.4, that one or more the following has occurred:

1. Failure of the Academy to demonstrate improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in this Contract;
2. Failure of the Academy to comply with all Applicable Law;
3. Failure of the Academy to meet generally accepted public sector accounting principles; or
4. The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.3. Other Grounds for Revocation. In addition to the statutory grounds for revocation set forth in Section 10.2 and the grounds for an automatic revocation of the Contract set forth in Section 10.6, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.4, upon a determination that one or more of the following has occurred:

1. The Academy is insolvent, has been adjudged bankrupt, or has operated for one or more school fiscal year(s) with a Fund Balance Deficit;
2. The Academy has insufficient enrollment to successfully operate the Academy, or the Academy has lost more than twenty‐five percent (25%) of its student enrollment from the previous school year;
3. The Academy defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
4. The Academy files amendments to its Articles of Incorporation with the appropriate state agency without first obtaining University Board approval;
5. The University discovers grossly negligent, fraudulent or criminal conduct by the Applicant, the Academy’s directors, officers, employees or agents in relation to their performance under this Contract;
6. The Applicant, the Academy’s directors, officers or employees have provided false or misleading information or documentation to the University Board 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;
7. The Academy violates the site restrictions set forth in the Contract or the Academy operates at a site or sites without the prior written authorization of the University

Board; or

1. The University Board, its trustees, officers, employees, agents or representatives are not included as third party beneficiaries under any Educational Management Agreement entered into by the Academy for purposes of indemnifying such parties in accordance with Section 11.11 of the Terms and Conditions.

Section 10.4. University Board Procedures for Revoking Contract. The University Board’s process for revoking the Contract is as follows:

1. Notice of Intent to Revoke. The CSO Director or other University representative, upon reasonable belief that such 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.
2. 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 CSO 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 CSO Director prior to a review of the Academy Board’s response.
3. Plan of Correction. Within fifteen (15) days of receipt of the Academy Board’s response or after a meeting with Academy Board representatives, whichever is sooner, the CSO Director shall review the Academy Board’s response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the CSO Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the CSO Director shall develop a plan for correcting the non‐compliance (“Plan of Correction”). In developing a Plan of Correction, the CSO 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 withdrawn if the CSO 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. In the event the

Notice of Intent to Revoke is withdrawn, the CSO Director shall notify the Academy Board, in writing, of such withdrawal.

1. Plan of Correction Shall Include Conditions to Satisfy University Board’s Contract Reconstitution Obligation. As part of the Plan of Correction, the CSO Director shall reconstitute the Academy in an effort to improve student educational performance and to avoid interruption of the educational process. An attempt to improve student educational performance may include, but is not limited to, one of the following actions: (i) cancellation of a contract with an Educational Service Provider; (ii) removal of 1 or more members of the Academy Board members; (ii) termination of at‐will board appointments of 1 or more Academy Board members; (iii) withdrawal of the Academy Board’s authorization to contract with an Educational Service Provider; or (iv) the appointment of a new Academy Board of Directors or a receiver to take over operations of the Academy.
2. Request for Revocation Hearing. The CSO Director or other University Representative may initiate a revocation hearing before the University Charter Schools Hearing Panel if the CSO Director determines that any of the following has occurred:
	1. the Academy Board has failed to timely respond to the Notice of Intent to Revoke as set forth in Section 10.4(b);
	2. the Academy Board’s response to the Notice of Intent to Revoke is nonresponsive;
	3. the Academy Board’s response admits violations of the Contract or Applicable Law which the CSO Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the CSO Director determines that a Plan of Correction cannot be formulated;
	4. 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;

* 1. the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.4(c);
	2. the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
	3. the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The CSO Director or other University Representative 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 Hearing shall identify the reasons for revoking the Contract.

1. Hearing before University Charter Schools Hearing Panel. Within thirty (30) days of the date 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 University Charter School 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 request of the CSO Director 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 CSO Director or other University Representative. The hearing shall be transcribed by a court reporter and the cost of the court reporter shall be divided equally between the University and the Academy. The CSO 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 CSO Director and one or more members of 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. In its discretion, 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 University Charter School Office and the Academy Board at the same time that the recommendation is sent to the University Board.
2. University Board Decision. If the Hearing Panel’s recommendation is submitted to the University Board at least fourteen (14) days before the University Board’s next regular meeting, the University Board shall consider the Hearing Panel’s recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel’s recommendation. The University Board shall have available copies of the Hearing Panel’s recommendation and the transcript of the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel’s recommendation. A copy of the University Board’s decision shall be provided to the University Charter School Office, the Academy Board and the Michigan Department of Education.
3. 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, but no later than the last day of the Academy’s current academic year.
4. 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 held by the University Board and returned to the Michigan Department of Treasury. Provided, however, that the University shall forward to the Academy the current fiscal year allotment of State School Aid received from the state as fiscal agent for the Academy prior to contract revocation consistent with Section 101 of the State School Aid Act, MCL 388.1701, and reimbursement of categorical expenditures incurred prior to the effective date of revocation.
5. Disposition of District Code Number. Notwithstanding any other provision of the Contract, after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, the district code number shall remain under the direction and control of the State Board of Education and/or its designated representative.

Section 10.5. Appointment of Receiver. 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 pending completion of the procedures described in Sections 10.4.

* 1. University President Action. If the University President determines, in his or her sole discretion, that conditions or circumstances exist that the Academy Board (i) has placed the health or safety of Academy staff and/or students at risk; (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy’s public funds and property; or (iii) has willfully or intentionally violated this Contract or Applicable Law, the University President may immediately appoint a receiver to act in the place of the Academy Board and/or its Educational Service Provider until the revocation proceedings set forth in Section 10.4 are completed. Unless otherwise specified in the appointment and intent to revoke notice, the receiver shall have full decision‐making authority at the Academy on the date on which the appointment and intent to revoke notice is issued. A copy of the notice, setting forth the grounds for the appointment of a receiver and for revocation, shall be sent to the Academy Board and to the Hearing Panel, if applicable. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.4 shall be expedited as much as possible.
	2. Receiver Authority. A receiver appointed by the University Board shall manage the day to day operations of the Academy in place of the Academy Board and/or its Educational Service Provider. A receiver appointed by the University Board shall have all the powers and authority of the Academy Board under this Contract and Applicable Law. If this section has been implemented and the Hearing Panel under Section 10.4 determines the revocation to be appropriate, the revocation shall become effective immediately upon the University Board’s decision.
	3. Academy Board Suspension. Upon the appointment of a receiver, the University Board has the sole discretion either to: i) terminate appointments of Academy Board members and reconstitute the Academy Board or ii) suspend the appointment and term of office for each Academy Board member pending completion of the procedures set forth in Section 10.4.
	4. Plan of Correction. The receiver shall take the place of the Academy Board for purposes of formulating a Plan of Correction under Section 10.4(c). The Notice of Intent to Revoke shall be withdrawn if the CSO 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 receiver and the University Board has determined to end the Academy Board suspension; or (iii) a reconstituted Academy Board has successfully completed the Plan of Correction. In the event the Notice of Intent to Revoke is withdrawn, the CSO Director shall notify the Academy Board, in writing, of such withdrawal. It is in the University Board’s sole discretion how long the receiver shall retain authority over the

Academy.

* 1. Immediate Revocation Proceeding for Failure to Cooperate. If the Academy Board or its Educational Service Provider, after receiving an Appointment and Intent to Revoke Notice from the University President refuses to cooperate with the receiver, the Hearing Panel may immediately convene a Revocation Hearing in accordance with the procedures set forth in Section 10.4(e) of the Terms and Conditions. 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 University Charter Schools Office and the Academy Board at least five (5) days before the hearing.

Section 10.6. Automatic Revocation by State of Michigan. If the University Board is notified by the Superintendent of Public Instruction that the Academy is subject to closure under Part 6a of the Code (“State’s Automatic Closure Notice”), and the Academy is currently not undergoing a reconstitution as part of a Plan of Correction developed under Section 10.4, then this Contract shall automatically be amended to eliminate the Academy’s authority to operate certain age and grade levels at the site or sites identified in the State’s Automatic Closure Notice. If the State’s Automatic Closure Notice includes all of the Academy’s existing sites, then this Contract shall be automatically revoked at the end of the current school year in which the notice is received without any further action of the University Board or the Academy. The University Board’s revocation procedures set forth in Section 10.4 do not apply to an automatic revocation initiated by the State.

Following receipt of the State’s Automatic Closure Notice, the University Charter Schools Office shall forward a copy of the State’s Automatic Closure Notice to the Academy Board and request a meeting with Academy Board representatives to discuss the Academy’s plans and procedures for 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 the State’s Automatic Closure 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 Revocation Notice shall be directed to the Superintendent of Public Instruction, in a form and manner determined by that office or the Michigan Department of Education.

Section 10.7. Material Breach of Contract. The issuance of an order by the Superintendent of Public Instruction, pursuant to section 1280c of the Code, placing the Academy under the supervision of the State School Reform / Redesign Officer, shall constitute a material breach of this Contract. Following the issuance of the order, the University Charter Schools Office 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 that is acceptable to the University Charter Schools Office. In addition to other matters, the corrective action plan shall include the Academy’s redesign plan prepared pursuant to section 1280c of the Code. The development of a corrective action plan under this Section 10.7 shall not in any way limit the rights of the University Board to terminate, suspend or revoke this Contract.

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. Lake Superior State University Faculty Employment in the Academy. Subject to the ability of the Academy to reach separate agreement on the terms, the Academy is permitted to use University faculty as classroom teachers in any grade.

Section 11.2. The Academy Faculty Appointment to Lake Superior State University Faculty. Nothing in this Contract shall prohibit a member of the Academy faculty from being appointed to or serving as a member of the University faculty.

Section 11.3. Student Conduct and Discipline. The Academy Board shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline.

Section 11.4. Insurance. The Academy shall secure and maintain in its own name as the

“first named insured” at all times the following insurance coverage:

1. Property insurance covering all of the Academy’s real and personal property, whether owned or leased;
2. General/Public Liability with a minimum of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate (Occurrence Form);
3. Auto Liability (Owned and Non‐Owned) with a minimum of one million dollars ($1,000,000) (Occurrence Form);
4. Workers’ Compensation or Workers’ Compensation without employees “if any” insurance (statutory limits) and Employers’ Liability insurance with a minimum of five hundred thousand dollars ($500,000);
5. Errors & Omissions insurance including Directors & Officers and School Leaders Errors & Omissions Liability insurance with a minimum of one million dollars

($1,000,000) per occurrence and three million dollars ($3,000,000) aggregate (Claims Made or Occurrence Form);

1. Crime including employee dishonesty insurance with a minimum of five hundred thousand dollars ($500,000); and
2. Employment Practices Liability insurance with a minimum of one million dollars

($1,000,000) per claim/aggregate (Claims Made or Occurrence Form).

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The insurance carrier(s) must be an “A” best rating or better. The Academy may join with other public school academies to obtain insurance if the Academy finds that such an association provides economic advantages to the

Academy, provided that each Academy maintains its identity as first named insured.

The Academy shall list the University Board and the University on the insurance policies as an additional insured on insurance coverage listed in (b), (c), (e) and (g) above. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non‐renewal of the policy or of changes in insurance carrier or policy limit changes. In addition, the Academy shall provide the University President copies of all insurance certificates and endorsements required by this Contract. The Academy shall also provide to the University Charter Schools Office an entire copy of the insurance policies. 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 minimum may be required depending upon academic offerings and program requirements.

The Academy understands that the University’s insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for authorization and oversight of the Academy. In the event that the University’s insurance carrier requests additional changes in coverage identified in this Section 11.4, 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 11.5. Transportation. The Academy Board may enter into contract with other school districts or other persons, including municipal and county governments, for the transportation of the Academy students to and from school and for field trips. In addition, the Academy Board may use funds received from state school aid payments to pay for student transportation. In the event that the Academy Board contracts for transportation services, the Academy Board shall ensure that the company providing the transportation services is properly licensed in accordance with Applicable Law, and that the company conducts criminal background and history checks on its drivers and other personnel who have direct contact with pupils in accordance with the Code.

Section 11.6. Extracurricular Activities and Interscholastic Sports. The Academy is authorized to join any organization, association, or league, which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 11.7. Legal Liabilities and Covenants Not to Sue. The Academy and Academy Board members acknowledge and agree that they have no authority to extend the full faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy and Academy Board members hereby covenant 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 or otherwise. The University does not assume any obligation with respect to any Academy Director, employee, agent, parent, guardian, or independent contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuing, termination or revocation of this Contract.

Section 11.8. Lease or Deed for Proposed Single Site(s). The Academy shall provide to the designee of the University Board copies of its lease or deed for the premises in which the Academy shall operate. A copy of the Academy’s lease or deed and site information shall be incorporated into the Schedules.

Section 11.9. Occupancy and Safety Certificates. The Academy Board shall: (i) ensure that all physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates. The Academy Board shall not conduct classes at any site until the Academy has complied with this Section 11.9. Copies of these certificates shall be incorporated into the Schedules.

 Section 11.10. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within five (5) business days after receipt of the funds by the Academy.

 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 the purposes of this Contract, an employee leasing agreement shall be considered a Management Agreement, and an employee leasing company shall be considered an ESP. Prior to entering any Management Agreement with an ESP, the Academy shall submit a copy of the final draft Management Agreement to the University Charter School Office in a form or manner consistent with the ESP policies of the University Charter School Office, which are incorporated into and deemed part of this Contract. The CSO may, from time to time during the term of this Contract, amend the ESP policies and amended policies shall automatically apply to the Academy without any amendment under Article IX of this Contract. The University Charter School 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 University Charter School Office in the same form and manner as a new Management Agreement.

Section 11.12. Required Provisions for Educational Service Provider Agreements. Any ESP agreement 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 are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Lake Superior State University Board of Trustees, Lake Superior State University and its members, officers, employees, agents or representatives 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 Lake Superior State University, which arise out of or are in any manner connected with Lake Superior State University Board’s approval of the Application, 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 by Lake Superior State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the ESP, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Lake Superior State University Board of Trustees. The parties expressly acknowledge and agree that Lake Superior State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement.”

“Revocation or Termination of Contract. If the Academy’s Contract issued by the Lake Superior State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy’s Contract is revoked or terminated without further action of the parties.”

“Compliance with Academy’s Contract. The ESP 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, the 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 380.1618, for the most recent school fiscal year for which 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.

Section 11.13. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, being MCL 15.321 to 15.330 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 a prohibited conflict of interest for purposes of this

Contract:

1. An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or paid consultant of an Educational Service Provider or an employee leasing company that has an ESP agreement with the Academy;
2. An individual simultaneously serving as an Academy Board member and an Academy

employee;

1. An individual simultaneously serving as an Academy Board member and a

independent contractor to the Academy;

1. An individual simultaneously serving as an Academy Board member and as a member

of the governing board of another public school; and

1. An individual simultaneously serving as an Academy Board member and a University

employee, or paid consultant, as a representative of the University.

Section 11.14. Certain Familial Relationships Prohibited. 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:

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, daughterin‐law, sister, sister‐in‐law, brother, brother‐in‐law, spouse or same‐sex domestic partner:

i) is employed by the Academy; ii) works 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.

Section 11.15. 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 11.16. 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 University Charter School Office.

Section 11.17. Information Available to the Public and University.

1. Information to be Provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including without limitation information in Schedule 6, available to the public and the University in the same manner and to the same extent as is required for public schools and school districts.
2. Information to be provided by Educational Service Providers. The agreement between the Academy and the ESP shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including the information in Schedule 6, 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 11.18. University Board Invitation to Apply to Convert Academy to School 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, MCL 380.551 et seq. (“Part 6e”), and the University Board determines that the Academy meets the University Board’s and the Code’s eligibility criteria for applying to convert 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 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 by hand; or (ii) 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 person or address as the respective party may designate by notice delivered pursuant hereto:

If to Lake Superior State University Board of Trustees:

 Charter School Office

 Lake Superior State University

 650 West Easterday Avenue

 Sault Ste. Marie, MI 49783

If to Tipton Academy:

 Board of Directors

Tipton Academy

 1615 Belton Street

 Garden City, MI 48135

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. This Contract sets forth the entire agreement between the University Board and the Academy Board with respect to the subject matter of this Contract. All prior application materials, contracts, representations, statements, negotiations, understandings, and undertakings, are superseded by this Contract.

Section 12.5. Assignment. This Contract is not assignable by either party.

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. 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 and hold harmless the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives from and against all claims, demands, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees), settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board’s receipt, consideration or approval of the Application, the University Board’s approval of the Method of Selection Resolution or the 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 comply with the Contract or Applicable Law. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.8. 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 12.9. 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 12.10. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board. 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 12.11. Non‐agency. It is understood that the Academy is not the agent of the University.

Section 12.12. 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 12.13. 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 12.14. Term of Contract. This Contract shall commence on July 1, 2013 and shall remain in full force and effect for five (5) years until June 30, 2018, unless terminated sooner according to the terms hereof.

Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.4, Section 11.7, Section 11.11 and Section 12.7, and any other provision of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.16. Termination of Responsibilities. Upon termination or revocation of this Contract, the University Board and its designees shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract. Provided, however, that the University shall forward to the Academy the current fiscal year allotment of State School Aid received from the State as fiscal agent for the Academy for the hours of pupil instruction provided by the Academy prior to contract revocation consistent with section 101 of the State School Aid Act, MCL 388.1701, and reimbursement of categorical expenditures incurred prior to the effective date of revocation. Section 12.17. 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 Applicable Law.

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: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Jenny Kronk, Chair

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

TIPTON ACADEMY

By: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Title \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Board of Directors

Schedule 1

# University Board Resolutions

Schedule 1: University Board Resolutions



**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.

1. 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.

1. 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.

1. 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 Schedule 1: University Board Resolutions

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 or communities. 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: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Date \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 **Jenny Kronk, Chair, Board of Trustees April 27, 2012**



**RESOLUTION AUTHORIZING TIPTON ACADEMY TO OPERATE AS A PUBLIC**

**SCHOOL ACADEMY PURSUANT TO PART 6A OF THE REVISED SCHOOL CODE**

WHEREAS, on March 20, 1996, the Lake Superior State University Board of Trustees authorized the Lake Superior State University President to develop goals and objectives for the establishment of Public School Academies and invited applications for Public School Academy authorizations; and

WHEREAS, Tipton Academy submitted the required application for a charter contract to operate as a Public School Academy under Part 6a of the Revised School Code; and

WHEREAS, the Charter School Office has evaluated the merit of the application in an open and competitive process and the president of Lake Superior State University has recommended the authorization of a contract to Tipton Academy; therefore

BE IT RESOLVED AS FOLLOWS:

The Board of Trustees hereby approves the issuance of a charter contract to Tipton Academy, effective July 1, 2013 until June 30, 2018 to operate as a Public School Academy.

Furthermore, this contract is to include a thorough review accomplished during the third year of the contract and other reviews, as needed and ordered, by the Lake Superior State University Charter School Office.

Having been approved by the Lake Superior State University Board of Trustees at their meeting on September 21, 2012, the undersigned have read, understand and agree to comply with and be bound by the terms of and the conditions set forth in this Contract to Tipton Academy to operate as a Public School Academy.

Tipton Academy Lake Superior State University

Board of Directors Board of Trustees

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

 Daniel Griwicki Jenny Kronk

Its: Board President Its: Board Chair

Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Schedule 2

## Articles of Incorporation

**ARTICLES OF INCORPORATION OF**

**TIPTON ACADEMY**

**A MICHIGAN NONPROFIT CORPORATION**

**CORPORATION IDENTIFICATION NUMBER \_\_\_\_\_\_\_\_\_\_\_\_\_ - \_\_\_\_\_\_\_\_\_\_\_\_\_**

Pursuant to the provisions of the Michigan Nonprofit Corporations Act, Act 162, Public

Acts of 1982 (the Act), as amended, and Part 6A of the Revised School Code (the “Code”) as amended, being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the corporation executes the following articles:

**ARTICLE I**

The name of the corporation is Tipton Academy (the “Corporation”). The Corporation is organized as a Michigan Public School Academy, which has been authorized by the Lake Superior State University Board of Trustees.

**ARTICLE II**

The purposes for which the Corporation is organized are:

1. The Corporation is organized for the purpose of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.
2. The Corporation, including all activities incident to its purpose, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United

States Internal Revenue Code (“IRC”) or any successor law. Notwithstanding any other provision of these Articles, the Corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a contract authorized under the Code.

1. Additionally, the Corporation, as a public school academy, is organized for the purpose of instilling academic excellence, character development, a love for life-long learning and service to others and will eventually include grades K-12.

**ARTICLE III**

The Corporation is organized on a nonstock, directorship basis. The Board of Directors of the Corporation shall have all powers and duties permitted by law to manage the business, property and affairs of the Corporation. The Corporation possesses the following assets as of the date of its incorporation:

Real property: None

Personal property: None

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

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

**ARTICLE IV**

The address of the Corporation’s initial registered office is:

7877 Stead

Utica, MI 48317

The mailing address of the Corporation’s initial registered office is:

7877 Stead

Utica, MI 48317

The name of the initial resident agent at the registered office is: Paul C. Romine

**ARTICLE V**

The name and address of the incorporator is:

Paul C. Romine

7877 Stead

Utica, MI 48317

**ARTICLE VI**

The Corporation is a governmental entity.

**ARTICLE VII**

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

**ARTICLE VIII**

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

Corporation and the Lake Superior State University Board of Trustees (the “College 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 College Board as required by the Code.

**ARTICLE IX**

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

**ARTICLE X**

No part of the net earnings of the Corporation shall inure to the benefit of, or be distributable to, its directors, officers, private persons or organizations organized and operated for a profit. However, the Corporation shall be authorized to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article II. Notwithstanding any other provision of these articles, the Corporation shall not carry on any other activities not permitted to be carried on by a Corporation exempt from federal income tax under Section 115 of the IRC or the corresponding section of any future federal tax code.

**ARTICLE XI**

 To the extent permitted by law, upon the dissolution of the Corporation, the Board of

Directors shall, after paying or making provision for payment of all of the liabilities of the Corporation, dispose of all of the assets of the Corporation to the College Board for forwarding to the state school aid fund established under Article IX, Section 11 of the Constitution of the State of Michigan of 1963, as amended.

**ARTICLE XII**

 These Articles of Incorporation shall not be amended except by the process provided for in the contract executed by the Corporation and the College Board. This process is as follows:

 The Corporation, by a majority vote of its Board of Directors may, at any time, propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision to these Articles of Incorporation. The proposal will be made to the College Board through its designee. The College Board delegates to its President the review and approval of changes or amendments to these Articles of Incorporation. In the event that a proposed change is not accepted by the College President, the College Board shall consider and vote upon a change proposed by the Corporation following an opportunity for a written and oral presentation to the College Board by the Corporation.

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

Board upon a majority vote of the Corporation’s Board of Directors.

 Amendments to these Articles of Incorporation take effect only after they have been approved by the Corporation’s Board of Directors and by the College Board or its designee and filed with the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services. In addition, the Corporation shall file with the amendment a copy of the College Board’s or its designee’s approval of the amendment.

**ADOPTION OF ARTICLES**

 These Articles of Incorporation are duly adopted on this \_\_\_ day of July, 2012. These Articles of Incorporation shall become effective upon filing. However, the Corporation shall not carry out the purposes set forth in Article II unless the College 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 College Board.

 /s/\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

PAUL C. ROMINE, Incorporator

Filing fees paid for by: Leigh H. Savage, Attorney

Prepared by: Leigh H. Savage, Attorney

 10 S. Main Street, Ste 401

 Mt. Clemens, MI 48043

 (586) 469-4300

**Schedule 3**

# ByLaws

**BYLAWS**

**OF**

## Tipton Academy

**ARTICLE I**

**NAME**

 This organization shall be called Tipton Academy (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 in Utica, County of Macomb, State of Michigan.

 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 and to the extent permitted by applicable law.

 Section 2. Method of Selection. The initial Board of Directors shall be the individuals named in the resolution approved by the Lake Superior State University Board of Control (“University Board”). Subsequently, the Board of Directors of the Corporation shall nominate a list of potential members of the Board of Directors. Provided the Board of Directors submits the list of nominees at least forty-five (45) days before the June or December University Board meeting, the University Board shall select members from the list of nominees at its June or December meeting. In the event that a vacancy causes the Board of Directors to be unable to have a quorum, the University Board may accept the list of nominees and make an appointment at its next regularly scheduled meeting. When the nominations are forwarded to the University Board, they shall be accompanied by the nominees' resume, and each nominee shall be available for interview by the University Board or its designee. A member appointed to fill a vacancy created other than by expiration of a term shall be appointed for the unexpired term of the vacating member in the same manner as the original appointment.

 Section 3. Length of Term. The term of each 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 be six (6). 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. 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 512a(4)(b)(vi) 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 meeting 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 of 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 Meetings 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 favor of such action.

 Section 19. Committees. The Board of Directors, by resolution, may designate one or more committees, each committee to consist of one or more Directors elected by the Board of Directors, which shall have the functions provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution. The Board of Directors may elect one or more of its members as alternate members of any committee who may take the place of any absent member or members at any meeting of a committee, upon request by the Chair of the meeting. Subject to the Open Meetings Act and other applicable law, each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Board of Directors of its activities as the Board of Directors may request.

 Section 20. Fiscal Year, Budget, and Accounting. The fiscal year of the Corporation shall begin on the first day of July in each year. The Board of Directors, subject to the oversight responsibilities of the University Board, shall have exclusive control of the budget. The Board of Directors shall prepare and publish an annual budget in accordance with University Board policy.

**ARTICLE V**

**OFFICERS OF THE BOARD**

 Section 1. Number. The officers of the Corporation shall be a President, Vice-President, Secretary, Treasurer, and such Assistant Treasurers and Assistant Secretaries or other officers as may be selected by the Board of Directors.

 Section 2. Election and Term of Office. The Board of Directors shall elect the initial officers at a duly noticed meeting prior to July 1, 2013. Thereafter, the officers of the Corporation shall be elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the election of officers is not held at that meeting, the election shall be held as soon thereafter as may be convenient. Each officer shall hold office while qualified or until the officer resigns or is removed in the manner provided in Section 3.

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

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

 Section 5. President. The President shall be a member of the Board of Directors The President of the Corporation shall preside at all meetings of the Board of Directors. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Board of Directors attending the meeting, shall preside. The President shall be an ex officio member of all standing committees and may be designated Chair of certain committees by the Board of Directors. The President shall, in general, perform all duties incident to the office of the President of the Board 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 President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the 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 or the Board.

 Section 8. Treasurer. The Treasurer of the school shall be a member of the Board of Directors of the school. 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 school 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 school 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 the 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 Lawsany 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 officersthe 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 a officer or Director of the Corporation, other than in the ordinary and usual 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 evidences of indebtedness issued in the name of the 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 Directors 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:

1. 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.

1. 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.

1. The Corporation discloses the following summary information in its board minutes:

* 1. The name of each party involved in the contract;

* 1. The terms of the contract, including duration, financial consideration between parties, facilities or services of the Corporation degree of fulfillment of included in the contract, and the nature and assignment of Corporation employees for the contract; and

* 1. 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 corporation 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 provide a corporate seal which shall be circular in form and have inscribed thereon the name of the Corporation, the State of Michigan and the words "Corporate Seal" and "Public School Academy."

**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.

 These Bylaws were adopted as and for the Bylaws of Tipton Academy in an open and public meeting, by unanimous consent of the Board of Directors on the \_\_\_\_ day of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_.

 \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Secretary

7587731.1 36702/146118

Tipton Academy Board of Directors

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| Name  | Position  | Address  | Phone #  | Email  |
| Dan Griwicki  | President  | 46090 Spinning Wheel Drive, Canton, MI 48187  | 734‐354‐9550  | dgrwicki@wideopenwest.com.  |
| Kevin Szuba  | Vice President  | 7860 August, Westland, MI 48185  | 734‐634‐4406  | kevinszuba@gmail.com  |
| Scott Winiger  | Treasurer  | 29463 Rush, Garden City, MI 48135  | 734‐658‐4396  | scott\_winiger@comcast.net  |
| Jacqualynn Jones  | Secretary  | 964 Easley, Westland, MI 48086  | 734‐718‐8834  | Jackie.jones@aam.com  |
| Bernard Brewer  | Trustee  | 36145 Florane St., Westland, MI 48186  | 734‐231‐4791  | bernardbrewer@comcast.net  |
| Alisia Stottlemyer O’Driscoll  | Trustee  | 7870 August, Westland, MI 48185  | 734‐578‐5071  | stottlemyera@hotmail.com   |

## Schedule 4 Fiscal Agent Agreement



**SCHEDULE 4**

**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 Tipton Academy (“Academy”), a public school academy.

**Preliminary Recitals**

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

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

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

**ARTICLE I**

**DEFINITIONS AND INTERPRETATIONS**

Section 1.01 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 is eligible to be a depository of surplus funds under Sections 5 or 6 of Act No. 105 of the Public Acts of 1855, being Sections 21.145 and 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 Articles IX, Section 11 of the Michigan Constitution of 1963 or under the 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 Academy may also agree that the University will receive Other Funds for transfer to the Academy. The Fiscal Agent will receive State School Aid Payments from the State, as provided in Section 3.02.

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 Vice President of Financial Affairs for the University and to the University Charter Schools Office: (i) a copy of the Academy Board’s resolution authorizing the direct intercept of the 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 or by electronic funds transfer into an account specified by 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, and 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. **Mid­Year Transfers**. Funding for students transferring in to 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.

**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, upon the written request of the Academy, and send to the Academy within thirty (30) days of August 30, 2004, and annually thereafter, a written report dated as of June 30 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 on Liability.** The liability of the Fiscal Agent to transfer funds to the Academy shall be limited to the amount of State School Aid Payments as are from time to time delivered by the State and the amount of Other Funds as delivered by the source of those funds.

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

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

**Acknowledgement 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 Tipton Academy.

BY: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

 Bureau of Authority and State Finance

 Michigan Department of Treasury

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Schedule 5

Master Calendar of Reporting Requirements

(MCRR)



### **MASTER CALENDAR OF REPORTING REQUIREMENTS**

The Academy shall utilize the Authorizer Oversight Information System (AOIS) to report in electronic format various documents required for compliance with the Contract and all Applicable Law. The University Charter School Office contracts with AOIS, and other vendors, to assist in its oversight and compliance activities. CSO staff members also visit the academy site(s) and attend board meetings and other academy functions. The Master [Calendar of Repo](http://www.mccsa.us/)rting Requirements (MCCR), which has been created by authorizers since [2006, is availabl](http://www.mccsa.us/)e on the website of the Michigan Council of Charter School Authorizers

([www.mccsa.us)](http://www.mccsa.us/). A copy of the 2012‐2013 Master Calendar is appended to this schedule. I[n addition to th](http://www.mccsa.us/)e MCRR, the Academy is subject to the following:

**OVERSIGHT REQUIREMENTS**

1. **Filing Place.** All documents and information required to be filed with the

University pursuant to this Agreement shall be filed with the Charter Schools Office, Lake Superior State University, 650 West Easterday Avenue, Sault Ste. Marie, Michigan 49783.

1. **Oversight and Compliance Checklist.** The Charter Schools Office shall provide annually to the Academy a checklist of activities the Charter School Office may engage in, and records it may examine, to fulfill the University’s Oversight

Responsibilities; documents and reports the Academy may be required to submit to the Charter School Office; and actions the Academy may be required to undertake. The Checklist may include, but is not limited to, actions or documentation related to financial reports, budgets and audits; curriculum, educational goals, and assessment reports; minutes, meeting schedules and other documents related to the Academy Board of Directors; contracts with third parties, inspection and fire safety occupancy approvals, educational service provider contracts, leases, deeds or purchase agreements for physical facilities, and insurance contracts; personnel information; and student application and enrollment information.

1. **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 Lake Superior State University or others.

1. **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 as reasonable hours and under reasonable conditions by the University Charter Schools Office.

1. **Progress toward Educational Goals.** In the event that the University determines that the Academy’s educational outcomes are not meeting the targeted educational goals, the University, at its discretion, may require an objective evaluation of student performance by an educational consultant(s), acceptable to both the Academy and the University. The Academy shall bear all the expenses of the evaluation.

# MASTER CALENDAR 2012-2013

Listed below are the basic dates and submission requirements that apply to charter public schools in Michigan. Please note that authorizers also conduct site visits to review facilities, records and compliance on a regular basis. Schools will be asked to present training and drill logs, faculty/staff rosters and credentials, facilities information, and other compliance data as requested by the authorizer representative. Because inspection dates are ongoing and may vary, they have not been included in the below-listed requirements.

It should also be emphasized that the reporting requirements contained in this calendar are not all-inclusive. Many authorizers have additional reporting requirements, unique oversight practices, and other processes that are not included in this document. References to the Michigan law code are provided in parentheses.

Key Abbreviations: AUTH (authorizer); ISD (intermediate school district); MDE

(Michigan Department of Education); CEPI (Center for Educational

Performance and Information)

|  |  |  |
| --- | --- | --- |
| Due Date | Submit To | Report Description |
|  |  |
| July 27, 2012 | AUTH | Quarterly Financial Statements – quarter ending 6/30/12 (MCL 380.523(k)(iii)) |
| August 13, 2012 (official date TBD by CEPI) |  Full files to ISD, CEPI.  | Annual Education Report Posting |

|  |  |  |
| --- | --- | --- |
| Sep 1, 2012 | MDE | School Improvement Plan and/or updates for school year 2012-2013. Please note that this item is needed for federal Consolidated Application, due earlier in August. The Annual Education Report/report updates are also due on this date pursuant to the Revised School Code. (MCL 380.1277) |
| Sep 1, 2012 | AUTH | Annual Inventory of Capital Assets, if required by authorizer |
| Sep 7, 2012 | MDE | Anti -Bullying policy submitted |
| Oct 1, 2012 | LARA | Annual Nonprofit Corporation Information Update (submit online) (LARA) |
| October 3, 2012 | CEPI | General Education and Special Education Student Count Day for State Aid F.T.E. |
| October 5, 2012  | AUTH & MDE | DS-4898 Preliminary Pupil Membership Count |
| **Due Date** | **Submit To** | **Report Description** |
| Oct 15, 2012 | AUTH, ISD | Deadline for Annual Education Report/report updates for the 2012-13 academic year to be presented at a public meeting. NOTE: Pursuant to the Revised School Code, the Annual Education Report should contain a status report of the School Improvement Plan. Contact authorizer to determine specific submission requirements and time frames. (MCL 380.1204a) |

|  |  |  |
| --- | --- | --- |
| **Due Date** | **Submit To** | **Report Description** |
| Oct 26, 2012 | AUTH | Audited Financial Statements and Management Letter for fiscal year ending June 30, 2012 are due to AUTH on this date, unless otherwise specified by charter contract. ISD submission deadline isNov 15 (see below). (MCL 380.503(5)(h)) |
| Oct 28, 2012 | AUTH | Quarterly Financial Statements due for quarter ending 9/30/12 |
| Oct/Nov 2012 | TREAS | Deadline for MEIS/Single Record Student Database (“SRSD”) electronic file (contact local ISD for due date) NOTE: Contact authorizer to determine specific submission requirements and time frames. |
| Nov. 15, 2012 | ISD | Audited Financial Statements and Management Letter for fiscal year ending June 30, 2011 are due to the ISD on this date, unless otherwise specified by charter contract. Please note that an additional Annual A-133 Single Audit is required if over $500K in federal funds have been expended. If a management letter is not issued, a letter from the Academy stating a management letter was not issued must be submitted. (MCL 380. 1618(18)(2)) |
| Nov 15, 2012 | AUTH, CEPI | Deadline for electronic submission to the Financial Information Database (FID, formerly known as the Form B). State aid will be withheld if the submission is not successful. (CEPI) |
|  |  |  |
| Dec. 1, 2012  |  Full file to CEPI, notification only to AUTH |  Registry of Educational Personnel (REP) Submission (CEPI) |
| Dec 1, 2012 (if required by authorizer) | AUTH | Academy Technology Plan for 2011-12, or annual updates thereto (No Child Left Behind, ESEA, Title II, Part D, Subpart 1) |

|  |  |  |
| --- | --- | --- |
| **Due Date** | **Submit To** | **Report Description** |
| December 2,2012 | AUTH | Management Letter response |
| Jan 27, 2013 | AUTH | Quarterly Financial Statements – quarter ending 12/31/12 |
|   |  |  |
| **Due Date** | **Submit To** | **Report Description** |
| Feb 13, 2013  | No submission needed | Supplemental Student Count Day (Part 3A of Pupil Accounting Manual) |
|  |  |  |
| Mar 2013 (official date TBD) | Full files to ISD, CEPI | MEIS/Single Record Student Database (“SRSD”) electronic file (contact local ISD for due date.) NOTE: Contact authorizer to determine specific submission requirements and time frames. (CEPI) |
| May 1, 2013 | AUTH | Quarterly Financial Statements – quarter ending 3/30/13 |
| No later than May 13, 2013 | AUTH | Notice of Open Enrollment and/or copy of open enrollment policy. (MCL 380.504(3)) |
| Jun 2013(official date TBD) | AUTH & ISD | MEIS/Single Record Student Database (“SRSD”) electronic file (contact local ISD for due date) NOTE: Contact authorizer to determine specific submission requirements and time frames. (CEPI) |
| Jun 13, 2013(official date TBD) | CEPI | Registry of Educational Personnel (REP) (CEPI) |
| Jun 30, 2013 | AUTH | Budget – Public Hearing Notice and properly adopted budget for 2012-13 fiscal year. As a reminder, budgets must be posted to the school or ISD website no later than 30 days after adoption. (MCL 141.412) |

## Due Date Submit To Report Description

Jun 30, 2013 AUTH Board Approved Amended Budget for 2013-14 fiscal year (or statement that budget has been reviewed and no amendment was needed).

Jun 30, 2013 AUTH Nationally Recognized Achievement Test (submit results of test, by grade and subject, other than MEAP)

Jun 30, 2013 AUTH, MDE Teacher Individual Mentoring Activity Records and

(if required by Teacher Individual Professional Development Plan authorizer) (TE-2900) (MCL 380.1526)

Aug 31, 2013 AUTH Quarterly Financial Statements – quarter ending 6/30/13

**The following documents do not have a common calendar date for all authorizers; however, they do generally require submission within a certain number of days from board action or other occurrence.**

**No Child Left Behind (NCLB) and Education Yes!:**

|  |  |  |
| --- | --- | --- |
| Due Date | Submit To | Report Description |
| Immediately after submitting to MDE | AUTH | A copy of the No Child Left Behind Act Adequate Yearly Progress Report, including attachments, submitted to the Michigan Department of Education. |
| Concurrent with due date as set by MDE | AUTH | Education Yes! Self –Assessment as required by MDE. |

**Charter Contract:**

|  |  |  |
| --- | --- | --- |
| Due Date | Submit To | Report Description |
| As requested | AUTH | Reauthorization material submissions. |
| As requested | AUTH | Contract Amendment Supporting Documents  |

**Budget/Financial:**

|  |  |  |
| --- | --- | --- |
| Due Date | Submit To | Report Description |
| 10 business days after Board approval or upon request of authorizer | AUTH | Board adopted Amended Budget (separate budgets for the General Fund and School Service Funds) |
| Upon renewal or authorizer request | AUTH | Certificates of Insurance and Insurance Verification Document (General/Public Liability, Errors & Omissions [including Directors and Officers, and School Leaders Errors and Omissions], Auto Liability [Owned and Non-Owned], Workers’ Compensation, Crime [including Employee Dishonesty], Employment Practices Liability, Property) |
| 30 days after board approval | No submission needed | Deadline for posting annual budget to school/ISD website (State School Aid Act) |

**Board Members/Activities:**

|  |  |  |
| --- | --- | --- |
| Due Date | Submit To | Report Description |
| As needed | AUTH | Recommendations to the authorizing board to renew terms of appointment or fill vacancies on the academy board |
| 14 business days after Board Approval | AUTH | Copies of signed Oath of Office and letters of acceptance by Board members |
| Immediately - date notice is posted | AUTH | Academy Board Meeting Notices and agendas. Must include time and date of actual posting. (Open Meetings Act, MCL 13.261-15.275) |
| Immediately - date of meeting cancellation | AUTH | Notification of meeting cancellation or anticipated lack of quorum. |
| 8 business days after date of board meetings(statutory deadline; contact authorizer for specific due date) | AUTH | Proposed Board Meeting Minutes of regular, annual, special and emergency board meetings (Open Meetings Act MCL 13.261-15.275) |
| 5 business days after board approval (statutory deadline; contact authorizer for specific due date) | AUTH | Approved Board Meeting Minutes of regular, annual, special and emergency board meetings (Open Meetings Act MCL 13.261-15.275) |
| 3 business days after board approval (statutory deadline; contact authorizer for specific due date) | AUTH | Changes to the Annual Calendar of Regularly Scheduled Meetings (0pen Meetings Act MCL 13.261-15.275) |
| As requested | AUTH | New or revised Board Policies |

**Legal/Contractual:**

Please note: charter contracts vary. Please contact your authorizer to determine when specific items are due.

|  |  |  |
| --- | --- | --- |
| Due Date | Submit To | Report Description |
| 30 business days prior to execution | AUTH | Board proposed Educational Service Provider (ESP) Agreement and related documents |
| As requested | AUTH | Loan or Lease Agreements |
| As requested | AUTH | Contracts for banking services and investment management |
| As requested | AUTH | Other contracts or agreements |
| Prior to building occupancy | AUTH | Certificate of Occupancy issued by Bureau of Construction Codes and Fire Safety |
| 5 business days after service | AUTH | Written notice of any litigation or formal administrative proceedings involving the Academy |
| 5 business days after receipt, if required | AUTH | Copies of any correspondence from any governmental agency requiring a response and copies of the response |
| In advance of deadlines specified by authorizer | AUTH | Contract amendment requests/resolutions (including grade, curriculum, organizational/staffing, and/or site changes) |

**Facilities:**

|  |  |  |
| --- | --- | --- |
| Due Date | Submit To | Report Description |
| Every 90 days, if required by authorizer | AUTH | Periodic elevator inspections (MI Elevators Laws and Rules, Rule 25) |

Every 180 days,

if required by

authorizer

AUTH

Periodic chairlift inspections (MI Elevators Laws and

Rules, Rule 25)

As requested

AUTH

Log of Annual Boiler Inspection (if applicable) (Boiler Act

of 1965)

As requested

AUTH

Log of emergency drills, including dates, times and

results (MCL 30.409)

As requested

AUTH

Log of Playground Safety Checks

As requested

AUTH

Asbestos Management Plans (Section 763.93 of

AHERA)

**The following**

 **docume**

**nts may be required by the state or other**

**agencies thro**

**ughout t**

**he year. School leaders should be aware**

**of all applica**

**ble requir**

**ements and work with their authorizers**

**to comply.**

Due Date

Submit To

Report Description

Sep 30, 2012

(

if required by

AUTH)

AUTH, ISD

SE-4096 Special Education Actual Cost Report (Contact

ISD for due date). State aid will be withheld if

submission is not successful.

Oct 1, 2012

AUTH,

CEPI

Eye Protection Certificate (#4527 Certification of Eye

Protective Devices Electronic Grant System [MEGS]), if

applicable (MCL 380.1288)

Oct 1, 2012

AUTH,

MDE

Certification of Constitutionally Protected Prayer (NCLB,

Section 9524)

Oct 7, 2012

AUTH, ISD

SE-4094 Transportation Expenditure Report (Contact

ISD for due date). State aid will be withheld if

submission is not successful.

|  |  |  |
| --- | --- | --- |
| Oct/Nov 2012 (official date TBD) | AUTH, CEPI | School Infrastructure Database (SID); School-Wide Title I Participation  |
| Nov 1, 2012 | Local Health Department | Deadline for Immunization Records Report– IP100. Schools must submit the list of new entrants and their immunization status. A financial penalty of 5% of a school’s state school aid allocation can be assessed if the immunization rate is not at 90% or above. (MCL 380.1177) |
| Dec 31, 2012 | MI Dept of Treasury | Municipal Finance Qualifying Statement (online submission). Also notify authorizer of determination, when received |
| Feb 1, 2013 | Local Health Dept. | Deadline for Immunization Records Report– IP100. Schools must submit the list of new entrants and their immunization status. A financial penalty of 5% of a school’s state school aid allocation can be assessed if the immunization rate is not at 90% or above. (MCL 380.1177) |

Schedule 6

Information to Be Provided by Academy

and

Educational Management Company



**Information to Be Provided by Academy and Educational Management**

**Company**

The Academy Board shall make information concerning its operation and management available to the public and to Lake Superior State University in the same manner as is required by state law for school districts. The Academy Board shall collect, maintain, and make available to the public and to the University Charter School Office (CSO), in accordance with applicable law and the contract, the following information concerning the operation and management of the public school academy or school of excellence:

1. A copy of the contract issued by Lake Superior State University for the public school academy or school of excellence.
2. A list of currently serving members of the Academy Board including name, address, and term of office; copies of policies approved by the Academy Board; Academy Board agendas and minutes; a copy of the budget approved by the Academy Board and of any amendments to the budget; and copies of bills paid for amounts of $10,000.00 or more as they were submitted to the Academy Board.
3. Quarterly financial reports submitted to the University CSO.
4. A current list of teachers and school administrators working at the public school academy or school of excellence that includes their individual salaries; copies of the teaching or school administrator’s certificates or permits of current teaching and administrative staff; and evidence of compliance with the criminal background and record checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b for all teachers and administrators working at the public school academy or school of excellence.
5. Curriculum documents and materials given to the University CSO.
6. Proof of insurance as required by the contract.
7. Copies of facility leases or deeds, or both, and of any equipment leases.
8. Copies of any management contracts or services contracts approved by the Academy Board.
9. All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.
10. Any management letters issued as part of the annual financial audit conducted by a certified public accountant in accordance with generally accepted governmental auditing principles.
11. Any other information specifically required by the Revised School Code as amended.

The Agreement between the Academy Board and the Educational Management Organization, if any, shall contain a provision requiring the Educational Management Organization to make information concerning the operation and management of the Academy, including the information in this Schedule 6, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to comply fully with its obligations under section 11.15 of the contract.

**The information listed above, which is required to be collected, maintained, and made available to the public and to the University Charter School Office, in accordance with applicable law and the contract, shall be submitted to AOIS.**

**Schedule 7-1**

## Educational Goals and Programs

### **Tipton Academy Educational Goals**

It is the Academy’s overarching goal to afford the prospect of attending college by delivering the skills and knowledge for students to be successful in their elementary through high school years. Consequently, the Academy will provide arduous learning opportunities that challenge students beyond the State standards.

Goal 1. All students in K-12th grade will be profiled during the first month of school, using the Learning Success™ Model learning styles assessment, which determines each student’s mode of learning and “hard-wiring.”

Goal 2. All students in K-12th grade will perform at or above proficiency level in all core content areas on the MEAP and MME.

Goal 3. All students in K-12th grade will meet or exceed their growth targets on District Assessments (MLPP, KC4 Curriculum Crafter Tool, Scantron Performance Series, semester exams) in all core content areas.

Goal 4. The graduation rate for the high school will be 90% or above and will exceed the rate for the local district.

### **Goals to Be Achieved**

Pursuant to the Terms and Conditions of this Contract, the Academy shall demonstrate measurable progress toward the educational goals identified below in this schedule and in accordance with applicable law.

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 achievement or measurable progress toward these goals may constitute grounds for the University Board to continue the Contract, suspend the Contract, or revoke the Contract.

***State and Federal Accountability***

|  |  |  |  |
| --- | --- | --- | --- |
| **GOALS**  | **MEASURES**  | **METRICS**  | **TARGETS**  |
| The Academy will be accredited by the State of Michigan.  | The State of Michigan’s accreditation system.  | The State’s accreditation standards.  | Full Accreditation. Above the 40th percentile on the State’s Top to Bottom List. |

|  |  |  |  |
| --- | --- | --- | --- |
| The Academy will achieve Adequate Yearly Progress (AYP).  | The No Child Left Behind Act (NCLB) of 2001.  | AYP in achievement, participation, and attendance and/or graduation.   | Achieve AYP.      |

***Student Achievement Goals***

|  |  |  |
| --- | --- | --- |
|  **GOALS MEASURES**  | **METRICS**  | **TARGETS**  |
| All students enrolled at the Academy will meet Michigan’s proficiency standards.       All students will be prepared for success in college, work and life  | Michigan Education Assessment Program (MEAP).   Michigan Merit Exam (MME).    Performance Series by Scantron® or Measures of Academic Progress® by NWEA    | Percentage of students proficient in all subjects and grades tested who have been enrolled at the Academy in at least their third consecutive year.     | At a minimum, the percent proficient of students enrolled at the Academy in at least their third consecutive year shall not be lower than 50 for more than one subject and not lower than 35 in any subject.  |
| The average college readiness level based on scaled scores from the Performance Series® by Scantron® or NWEA MAP® reading and math tests administered in grades 2-8 in the spring.   The average college readiness level based on subject scores from the EXPLORE®, PLAN® and ACT® tests by ACT, Inc. administered for grades 8 through 11 in the spring.  | Students in grades 2 through 8 who are enrolled at the Academy in at least their third consecutive year will on average achieve scaled scores equal to or greater than the grade level targets for reading and math identified in this schedule.  Students in grades 8 through 11 who are enrolled at the Academy in at least their third consecutive year will on average achieve EXPLORE, PLAN and ACT subject scores equal to or greater than the achievement targets for reading, math, science and English identified in this schedule.  |

***Student Progress Over Time***

|  |  |  |  |
| --- | --- | --- | --- |
| **GOALS**  | **MEASURES**  | **METRICS**  | **TARGETS**  |
| All students will make measurable progress on an annual basis to reach the achievement targets for success in college, work and life.  | Value-added analysis scores from the Performance Series® test by Scantron® or NWEA MAP®.  | Growth made by students from fall to spring in reading and math as measured by scaled scores on the Performance Series® by Scantron® or the NWEA MAP® for grades 2 through 8.   | Students on average will demonstrate measurable progress toward the grade –level achievement targets for reading and math identified in the schedule.  |
| All students will be academically prepared to succeed in college.  | The Educational Planning and Assessment System (EPAS) by ACT.  | Growth made by students in reading, math, science and English as measured by subject scores on the EXPLORE®, PLAN®, and ACT® tests.   | Students’ academic growth between tests on average will demonstrate measurable progress toward the achievement targets for the grade-level subject scores in reading, math, science and English identified in the schedule.  |

***Grade Level Achievement Targets for College Readiness***

PS = Performance Series by Global Scholar; MAP = Measures of Academic Performance by NWEA

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 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  |
| Grade/Test  | READING  | MATH  | SCIENCE  | ENGLISH  |
| 8—EXPLORE  | 15  | 17  | 20  | 13  |
| 9—EXPLORE  | 16  | 18  | 20  | 14  |
| 10—PLAN  | 17  | 19  | 21  | 15  |
| 11—ACT  | 21  | 22  | 24  | 18  |
| 12—ACT  | 21  | 22  | 24  | 18  |

Schedule 7-2

### Curriculum

Curriculum

The Academy will provide a unique, nurturing and challenging environment that will prepare students to become higher-level learners in preparation for their education after high school. Not all students will attend four-year universities and may opt for an alternative educational choice or the Armed Forces.

In addition, one of the most important components of curricula, related to higher-level learners, student achievement and reaching each student’s potential, is implementing the most appropriate and challenging curriculum, such as the KC4 developed by the Kent County Schools.

The Curriculum Crafter® Tool is an aligned, cohesive curriculum, including vocabulary, instructional strategies, outlined concepts and information, scope and sequence lessons, instructional resources, and differentiation strategies within a framework that is easily accessible by all teaching staff 24-7.

* The curriculum content is regularly reviewed by the KC4 staff, revised, and maintained to ensure its alignment with the state and Common Core State Standards. There will also be a curriculum committee that will be working with alignment and goal setting at the school and classroom level.
* Through the use of the comparison reports, special education teachers can easily develop standards-based IEP’s. The comparison report allows educators to identify current skill levels of individual students and then develop a plan to scaffold the instruction up to meet the grade level expectations.
* The core content includes experiential, active, and applied learning strategies such as Project Based Learning and includes other methodologies reflective of Universal Design for Learning guidelines.
* The curriculum framework encourages alignment of concepts and skills, promotes collaboration, and utilizes effective instructional planning and management tools.
* Formative assessment methods are integrated into lessons and all learning experiences.
* This is an intuitive, easy to use design, along with professional development to ensure a working knowledge of the tool and how it can be used to improve student achievement
* Embedded in the Curriculum Crafter® Tool are documents that identify the correlation between the current Michigan GLCE’s and HSCE’s and aligned content with the ACT College Readiness Standards. These documents will help inform teachers and administrators as to the relationship between available curriculum and student achievement.

Below is a description of each core content area offered by the KC4. Curricular resources such as textbooks, technology information, the LearningSuccess™ Model for Charter Schools, and other instructional resources will be used to deliver the KC4 curriculum with even more accuracy and diversity in the delivery of instruction.

**KC4 Curriculum - Core Content Areas**

Language Arts – The Language Arts content is organized into five strands: Reading,

Writing, Speaking, Listening, and Research. Grade Level Content Expectations and High School Content Expectations are embedded within the lessons, suggested genres, and assessments of the academic standards.

Mathematics – The Mathematics content has been revised for K-8th grades to align with the Michigan Mathematics Grade Level Content Expectations and is organized into five strands: Number and Operations, Algebra, Measurement, Geometry, and Data and Probability. Revision of high school courses for Algebra I and Geometry are complete. Algebra II is currently being developed to align with the Michigan High School Mathematics Content Expectations and will be published as it is completed. Additional courses for Statistics and Pre-calculus are in the planning stage

Science – The Science content includes Life Science, Earth Science, and Physical Science strands, as well as Science in Society. A revision of K-7th grade Science to align to the new Grade Level Content Expectations for Science is underway. High school courses include Earth Science, Physics Essentials, and Chemistry Essentials, Biology, Chemistry, and Physics. Science incorporates Enduring Understandings and Essential Questions for each unit.

Social Studies – The Social Studies content includes the strands of History, Geography, Civics, Economics, and Current Events. Based on the philosophy of an expanding environment, the curriculum takes the student from home and school as a kindergartner to

the wider world-view as a high school student. Each Unit includes Enduring Understandings and Essential Questions to help learners focus on important.

**Co-Curricular Activities**

Art/Crafts: The Pre-K through 12th grade students will explore various areas of drawing and painting mediums, self-portraits, shading, texture, clay, and sculpting. Students will learn to explore with their minds and hands using various textures or materials.

Band/Choir: The 4th through 12th grade students will learn to perform with a variety of musical instruments to movies, marches, jazz, rock, and pop. The students will be required to play at concerts and other events at the school or in other venues in the community.

Character Education: Character Counts is the program that will be implemented for all students in K-12th grade.

Library: The Pre-K through 12th grade students will have an opportunity to visit the library and check out books. Older students will use the library for researching information.

Physical Education: The Pre-K through 12th grade students will concentrate on skills development, movement, balance and coordination, gaining knowledge of rules and strategies of individual and team sports, and improving physical fitness levels.

Music and Performing Arts: The Pre-K through 12th grade students will explore different genres of the performing arts. The Academy will offer acting, singing, dance, set design, theater make-up, and stage production. Students will also have the opportunity to be part of a yearly production.

Technology: The Pre-K through 12th grade students will work within the required State technology benchmarks. Younger students will learn basic computer skills such as keyboarding, word processing, Microsoft applications, Internet safety, and general PowerPoint skills. The older students will complete PowerPoint presentations and learn how to analyze data from spreadsheets and graphs that they produce. The Internet will be used as a resource for research and information gathering. A variety of software packages will be utilized. The curriculum will evolve as innovative procedures and strategies become available.

Foreign Language: Foreign language will be offered to 1st through 12th grade students. The younger students will learn basic Spanish skills and the older students will learn to understand, speak, read and write in Spanish through a variety of activities including the use of video and audio equipment, textbook, workbook, games and projects. Cultural aspects of many Spanish-speaking countries will be explored. Other languages such as French, Arabic, and Japanese may be offered in the foreign language program.

Schedule 7-3

### Staff Responsibilities

**Anticipated Staffing and Governance Structure**

|  |
| --- |
| **Michigan Department of Education**  |
|   |
| **Authorizer** Lake Superior State University  |
|   |
| **Board of Directors**  |
|   |
| **Educational Service Provider** The Romine Group, Inc.  |
|   |
| **Faculty** Administrators Teachers, Assistants, Secretaries, Custodians  |

**Governance and Management Structure -** The Development Team believes that one of the most critical aspects of a successful school is the strength of the governance board. The board will include experts in the areas of education, business, law, community relations, and facilities. It will be a diverse group of professionals, community members, and parents in terms of gender, race, ethnicity, and background. The members will be committed to the academy’s core beliefs working together to fulfill the schools mission and vision and work in partnership with the authorizer in all aspects of the operations of the academy as outlined in the charter agreement.

The board has chosen to partner with TRG with the understanding that the board has the ultimate authority over all that the ESP does. The school Chief Administrative Officer will work in partnership with the ESP always focusing as a team on the school’s mission and vision.

Job Descriptions, Certifications, and Requirements:

**Job Title:** Administrator /Principal (Full-time) **Contract:** 12 Months

**Reports to:** Management Company (The Romine Group, Inc - TRG) **Job Summary:**

The principal is responsible for providing instructional, operational and administrative leadership. He/she will organize, supervise and evaluate development of curriculum, school programs, staff, and student achievement, while overseeing the day-to-day operations of the school.

**Performance Duties:**

* Communicate the vision, philosophy and mission of Tipton Academy to staff, students, parents, community and the media.
* Develop a plan for achieving the school’s vision and establish annual objectives and strategies.
* Administer fiscal planning activities.
* Develop and manage the school budget.
* Represent the school at Board of Directors’ meetings and provide educational leadership.
* Represent the school at formal functions, community and civic affairs.
* Implement state of Michigan education codes, rules and regulations as given by the State Board of Education and/or L.S.S.U.
* Prepare or approve manuals, guidelines and reports on state educational policies and practices for distribution to the school.
* Confer with federal, state and local school officials to develop curricula and establish guidelines for educational programs.
* Participate in and conduct workshops, conferences and in services for professional growth and staff development.
* Initiate and implement processes for monitoring and evaluating student achievement and growth.
* Provide instructional leadership and support while overseeing the development and implementation of classroom curriculum.
* Create high performance teams of instructional and support staff, parents and community.
* Create an atmosphere of security and trust, as well as, encourage innovation. Recruit, select and hire school staff.
* Supervise and evaluate administrative, instructional and support staff.
* Maintain complete and accurate records of the entire school program.
* Consult with parents/guardians regarding school academic and behavioral progress.
* Disseminate information and promote a sense of community involvement between school and parents, civic and business community.
* Monitor student behavior and address major code of conduct violations.
* Admit and transfer students.
* Other duties as assigned.

**Requirements:**

* Master’s Degree preferred.
* Teacher Certification; Administrator’s Certification required.
* Highly Qualified under NCLB
* Exemplary teaching experience.
* Two (2) years of administrative or comparable experience preferred.
* Evidence of recent and ongoing professional development.
* Evidence of recent roles as conference workshop facilitator or presenter.
* Verbal and written communication skills.
* Able to communicate in oral and written interview, knowledge of current methodologies and research in education and instruction.
* Evidence to support community involvement and leadership.
* Criminal Records clearance.
* Unprofessional Conduct clearance

**Job Title:** Teacher (Full-time) **Contract:** School Year

**Reports to:**  Administrator/Principal **Job Summary:**

Working in a full-time capacity, the academic subject area teacher will facilitate student learning utilizing a variety of methodologies and curriculum resources to increase student achievement, and work with an educational team to develop and implement the school program and develop individualized learning plans for each student.

**Performance Duties:**

* Develop course objectives and outlines following school curriculum guidelines and requirements.
* Facilitate and communicate knowledge and strategies for learning to students.
* Prepare and plan lessons, projects and a variety of student assessments.
* Administer school approved standardized tests.
* Demonstrate competency in assigned subject areas, the art of instruction, the use of multiple teaching strategies and technology. Teach rules of conduct and proper etiquette.
* Develop individual and group activities, which stimulate growth in the cognitive, affective and physical dimensions of each student.
* Prepare and maintain accurate and appropriate student attendance and grade records as outlined by the principal.
* Prepare and disseminate student progress reports to parents.
* Maintain an orderly, secure, attractive and nurturing classroom environment conducive to learning.
* Supervise students within the school setting and on school grounds.
* Counsel students regarding academic and behavioral problems.
* Provide consistent and progressive corrective discipline.
* Promote ongoing communication with parents; establish and maintain home-school relationship.
* Participate in school fund-raisers, extra-curricular activities, school-wide annual programs and social events.
* Coordinate field trips.
* Other duties assigned by administrator.

**Requirements:**

* Bachelor’s degree
* Teacher Certification
* Highly Qualified under NCLB Teaching experience preferred.
* Three (3) letters of recommendation.
* Satisfactory performance ratings in delivery of instruction and classroom management.
* Evidence of recent participation in professional development.
* Satisfactory completion of oral and written interview.
* Criminal Records clearance.
* Unprofessional Conduct clearance

**Job Title:** Counselor/Social Worker **Contract:** Extended School Year **Reports to:**  Administrator **Job Summary:**

Under the direction of the principal, the Director of Counseling/Social Worker will assist in the supervision of support staff and facilitate school programs. The Director of Counseling/Social Worker will also provide personal, social and educational counseling to the students of Tipton Academy.

**Performance Duties:**

* Supervise students.
* Counsel students.
* Establish and maintain communication with parents.
* Develop and facilitate programs and workshops for parents.
* Make home visits as needed.
* Provide referrals to designated agencies as needed.
* Facilitate various groups as needed.
* Implement conflict management groups.
* Write proposals and make application for grants.
* Utilize technology.
* Assume other duties as assigned by administrator.

**Requirements:**

* Master’s Degree
* Previous experience in counseling preferred.
* Highly Qualified under NCLB
* Three (3) letters of recommendation
* Previous experience in program planning and implementation.
* Administrative and organizational experience.
* Ability to motivate and communicate with parents.
* Previous experience in education.
* Ability to write proposals and grants and facilitate implementation.
* Satisfactory completion of oral and written interview.
* Proficient in the use of technology.
* Criminal Records clearance.
* Unprofessional Conduct clearance

**Job Title:** Office Manager/Administrative Assistant **Contract:** Extended School Year **Reports to:** Administrator **Job Summary:**

Provide secretarial, administrative and clerical support to principal and perform secretarial/clerical duties of the school.

**Performance Duties:**

* Compose, transcribe correspondence, bulletins, memorandums, utilizing computer word procession programs.
* Proficient in IBM Word Perfect, Excel and desk top publishing programs.
* Create database, forms, tables, charts, records, spread sheets utilizing appropriate computer software.
* Compile data for board, state and federal reports.
* Proofread and edit drafts and final copy materials for appropriate and consistent format, accuracy of date, punctuation and spelling and grammar.
* Greet and screen visitors.
* Receive and screen telephone calls and accurately record messages.
* Maintain principal’s calendar.
* Maintain school’s calendar of events.
* Communicate with students and direct them to appropriate staff members when necessary.
* Respond and disseminate information related to general activities and operations of the school.
* Operate standard office equipment (computer, typewriter, copier, calculator, etc.)  Arrange meetings and conferences. Schedule interviews and appointments.
* Establish, maintain and revise record keeping.
* Classify and sort mail, files, correspondence and documents.
* Accept and keep record of transactions.
* Assist in ordering school supplies and textbooks.
* Assume other duties as assigned by the school administrator.

**Requirements:**

* High school diploma or equivalent; business school or college course work preferred.
* Previous secretarial experience (minimum 2-3 years).
* Strong verbal and written skills.
* Strong organization skills.
* Able to maintain discretion.
* Self-motivated.
* Computer proficiency.
* Ability to operate standard office equipment.
* Three (3) letters of recommendation.
* Satisfactory completion of typing test and written and oral interview.
* Criminal Records clearance.
* Unprofessional Conduct clearance.

**Job Title:** Special Subject Teacher (Visual Arts, Music, Physical Education, Computers)

**Contract:** Part time/Full Time

**Report to:** Administrator **Job Summary:**

As a part time or full time instructor, the special subject teacher will teach visual arts, vocal music and/or physical education to multi-grade or single grade classes of students and collaborate with core subject teachers to integrate his/her respective discipline into other disciplines.

**Performance Duties:**

* Communicate knowledge of respective disciplines (visual arts, vocal music, computers and physical education/health) to students.
* Supervise students within school setting and on school grounds.
* Maintain accurate attendance and grade reports.
* Develop respective discipline curricula for health and physical education, vocal music, and visual art; course objectives and outlines.
* Develop integrated curriculum units with the educational team.
* Model and teach application of respective discipline skills and techniques.
* Organize school/community art fair and music/performance festivals.
* Utilize technology to deliver instruction and enhance curriculum.
* Prepare and disseminate informal and formal progress reports to core subject teachers and parents.
* Additional instructional and related duties as assigned by administrator.

**Requirements:**

* Bachelor’s Degree
* Teacher certification in assigned teaching area.
* Highly Qualified under NCLB
* Previous teaching experience preferred.
* Portfolio and/or evidence of expertise in visual art, vocal music or physical/health education.
* Three (3) letters of recommendation.
* Evidence of satisfactory ratings in delivery of instruction and classroom management.
* Satisfactory completion of oral and written interview.
* Criminal Records clearance.
* Unprofessional Conduct clearance

**Job Title:** Maintenance/Custodian **Contract:** Extended Year

**Reports To:** Administrator **Job Summary:**

Under supervision of principal, maintain school and school grounds; performing a wide range of cleaning, maintenance and repair duties.

**Performance Duties:**

* Keep building clean of graffiti.
* Paint as needed.
* Perform routine maintenance – replace light bulbs, repair leaky faucets, move office and classroom furniture.
* Keep surrounding grounds free from litter and all inappropriate material.
* Repair equipment as needed.
* Make deliveries as needed.
* Receive and transport deliveries to designated locations.
* Clean and sanitize cafeteria daily.
* Clean and restore areas as needed in the event of student illness.
* Handle all electrical, plumbing, carpentry and other general maintenance repairs.

**Requirements:**

* High school diploma or equivalent.
* Ability to lift or push furniture and cleaning equipment; ability to do job with or without accommodations.
* Ability to utilize standard cleaning equipment and industrial equipment (polisher, buffer, etc.).
* Ability to safely utilize chemical cleaners and disinfectants.
* Self-motivated and high level of initiative.
* Previous experience necessary.
* Three (3) letters of recommendation from previous employers.
* Satisfactory completion of oral and written interview.
* Be familiar with state and federal codes and regulations.
* Criminal Records clearance.

**Job Title:** Para-Pro (Full or Part time) **Contract:** School Year

**Reports to:**  Administrator/Principal or Title 1 Coordinator **Job Summary:**

Working to assist the classroom teacher with student learning to increase student achievement, and work with the educational team to develop and implement the school and/or classroom program.

**Performance Duties:**

**ASSIST** the classroom teacher to do the following:

* Facilitate and communicate knowledge and strategies for learning to students. Prepare projects
* Demonstrate competency in assigned subject areas and the use of multiple teaching strategies and technology.
* Teach rules of conduct and proper etiquette
* Supervise students within the school setting and on school grounds.
* Counsel students regarding academic and behavioral problems.
* Provide consistent and progressive corrective discipline.
* Participate in school fund-raisers, extra-curricular activities, school-wide annual programs and social events.
* Coordinate field trips.
* Other duties assigned by the classroom teacher

**Requirements:**

* Associate Degree or pass competency test Highly Qualified under NCLB Experience preferred.
* Three (3) letters of recommendation.
* Ability to work with young people
* Willingness to participate in professional development.
* Satisfactory completion of oral and written interview.
* Criminal Records clearance.
* Unprofessional Conduct clearance

**Job Title:** RTC - Administrative Assistant **Contract:**  School Year

**Reports to:** Administrator/Principal **Job Summary:**

Coordinate the Responsible Thinking Classroom (RTC) program.

**Performance Duties:**

* Assist Principal with student discipline through the RTC Program  Coordinate and direct the RTC Program.
* Develop student behavior contracts
* Maintain log of students served through the RTC Program
* Communicate with parents and teachers regarding student behavior
* Compile data and reports for the board of directors
* Communicate with students and direct them to appropriate resources when necessary.
* Respond and disseminate information related to student discipline to appropriate persons within the school.
* Establish, maintain and revise record keeping.
* Assume other duties as assigned by the school administrator.

**Requirements:**

* Associate degree or two (2) years of college preferred  Previous experience with student discipline preferred  Strong verbal and written skills.
* Strong organization skills.
* Able to maintain discretion.
* Self-motivated.
* Computer proficiency.
* Three (3) letters of recommendation..
* Ability to create database, forms, tables, charts, records, spread sheets, etc., utilizing appropriate computer software  Criminal Records clearance.
* Unprofessional Conduct clearance

Schedule 7‐4

Methods of Accountability and Pupil Assessment

Regular on-going assessments will be an integral part of the teaching and learning process. Assessment results will identify the student’s progress level and knowledge base and help inform instructional strategies. Alignment between benchmark objectives and assessments will ensure that the instructional process is focused on learning related to the GLCE’s, curriculum goals, and the Academy’s School Improvement Plan.

The Academy will administer the MEAP, MI-Access, MEAP-Access, MME, either Scantron® by Global Scholar or MAP® by NWEA in grades 2-8, and EPAS (EXPLORE®, PLAN®, and ACT®) by ACT, Inc. in grades 8-11. The Academy will administer Scantron or MAP, and EPAS assessments during common testing windows.

Schedule 7‐5

Admissions Policy and Criteria

Admission Policy and Criteria

* **TIPTON ACADEMY** shall not charge tuition (but may charge fees in the same manner as existing public schools).

* **TIPTON ACADEMY** shall not discriminate on the basis of intellectual or athletic abilities.

* **TIPTON ACADEMY** shall not discriminate on the basis of “measures of achievement or aptitude.”

* **TIPTON ACADEMY** shall not discriminate based on a person’s status as handicapped or any other basis that would be illegal for an existing school district.

* **TIPTON ACADEMY** shall accept students who have successfully completed the grade attended the previous year or are tested and approved to enter

Kindergarten.

* **TIPTON ACADEMY** shall not enroll any student who is not a resident of this state, except a foreign exchange student.

* **TIPTON ACADEMY** shall provide for the education of its pupils without discrimination as to religion, creed, race, sex, color or national origin.

* **TIPTON ACADEMY** shall comply with all state and federal laws applicable to public schools concerning church‐state issues. TIPTON ACADEMY shall comply with all state and federal civil rights laws.

* **TIPTON ACADEMY** shall not operate at any site not approved by the Lake Superior State University Board of Trustees.

* **TIPTON ACADEMY** shall select students using a random selection process if there are more applications than spaces. Preference will be given to children of staff and board members and siblings of currently enrolled and newly enrolled students.

The Academy will follow the federal guidelines for enrollment by conducting an advertised, open enrollment period by which families may apply to enroll in the Academy. The open enrollment period will take place for 2 consecutive weeks during regular school hours. Also during the 2‐week open enrollment period, enrollment will take place on one Saturday and 2‐week days after hours in an effort to be accessible to everyone in the community. Preference will be given to children of staff and board members and siblings of existing students. The Academy will conduct a “lottery” after the open enrollment period has closed if the new student applicants exceed the number of available seats in any given grade. The “lottery” date and time will be announced and will be open to the public.

The Board of Directors of Tipton Academy will approve an Enrollment Policy prior to the initial enrollment of students and will submit the Enrollment Policy to the Charter School Office for review. The Enrollment Policy shall provide detailed information about the enrollment limits for each grade, the procedures for conducting a lottery, and the process for changing enrollment limits.

Schedule 7‐6

School Calendar and School Day Schedule

School Calendar

**TIPTON ACADEMY ANNUAL SCHOOL CALENDAR – 2013/14**

August 19 Teachers Report (Professional Development Week)

September 3 First Day of School (The day after Labor Day)

September 24-27 Performance Series Testing/MLPP Testing

October 8-24 MEAP Assessment

October/November MI-Access Testing

November 1 End of First Marking Period

November 12-13 Parent/Teacher Conferences (1/2 day for students)

November28-29 Thanksgiving Break - No School

December 20-Jan5 Winter Break – No School

January (TBD) Performance Series Testing

January 17 End of Second Marking Period/Records Day – No School January 20 Professional Development Day (no school for students)

February 17-18 Mid-Winter Break – No School

February/March MI-Access Testing

April 4 End of Third Marking Period

April 18-27 Spring Break – No School

May 6-9 Performance Series Testing/MLPP Testing

May 23 Professional Development 1/2 day for students

May 26 Memorial Day – No School

June 19 Last Day of School (students)

June 24 Last Teacher Day

|  |  |  |
| --- | --- | --- |
| **Days of Instruction = 183**   **SAMPLE DAILY SCHEDULE** (Office Hours 7:15A.M. – 4:00P.M.)  |   |  |
| **Pre-K/K Time**  | **Grade 1**  | **Time**  |
| ELA 8:00–9:30  | ELA  | 8:00–9:30  |
| Snack/Bathroom 9:30–9:45  | Snack/Bathroom  | 9:30–9:45  |
| Special Classes 9:45–10:30  | Special Classes  | 9:45–10:30  |
| Math 10:30–11:30  | Math  | 10:30-11:30  |
| Lunch/Rest 11:30–1:00  | Lunch/Recess/Read  | 11:30-12:30  |
| Centers 1:00–1:30  | Soc. Studies  | 12:30-1:30  |
| Sci./Soc. Studies 1:30–2:30  | Science  | 1:30-2:30  |
| Story/Quiet Time 2:30–3:05  | Foreign Lang.  | 2:30-3:05  |
| Prepare/Dismiss 3:05–3:15  | Prepare/Dismiss  | 3:05-3:15  |
| Enrichment 3:15–4:00  | Enrichment  | 3:15-4:00  |
| Latchkey/Sports 3:00–6:00  | Latchkey/Sports 3:00-6:00  |

**2nd Grade – 6th Grade**

|  |  |
| --- | --- |
| ELA  | 8:00-9:30  |
| Snack/Bathroom  | 9:30-9:45  |
| Special Classes  | 9:45-10:30  |
| Math  | 10:30-11:30  |
| Lunch/Recess/Read  | 11:30-12:30  |
| Soc. Studies  | 12:30-1:30  |
| Science  | 1:30-2:30  |
| Foreign Lang.  | 2:30-3:05  |
| Prepare/Dismiss  | 3:05-3:15  |
| Enrichment  | 3:15-4:00  |
| Latchkey/Sports  | 3:00-6:00  |

**Hours of Instruction = 1319.25**

Schedule 7‐7 Age/Grade Range of Pupils Enrolled

Age/Grade Range of Pupils Involved

 Tipton Academy opens in September 2013 planning to service children in grades Pre‐K through 5th Grade. Tipton plans to have 1 section of Pre-K with a maximum number of 20 students. Tipton will offer 2 sections of Kindergarten with a maximum of 25 students. Grades 1through 5will also begin with two sections with a maximum of 25 students per class. Sixth grade will be added the following year and consequently a grade thereafter until the school reaches the 12th grade.

Schedule 7‐8

Address and Description of Physical Plant

Lease

Certificate of Use and Occupancy

Facilities

The proposed location for Tipton Academy is 1615 Belton Garden City, MI. 48135. This site previously served as home to St. Dunstan Catholic School, which ceased operation two years ago. Just prior to the closing of St. Dunstan renovations were made in order to comply with State Building Code and to enhance the appearance and effectiveness of the site.

Tipton Academy will be centrally located within a densely populated collection of neighborhoods and is easily accessible due to its location on the intersection of Inkster Rd. and Marquette St. The site itself is a 50-acre oasis largely undeveloped in an area that is predominately overdeveloped and highly populated. Nestled in the center of the 50 acres is an 18,600 square foot building which will predominately serve as the education facility for Tipton Academy. Within this building there are 12 classrooms, several offices, and several smaller rooms that could accommodate resource room or counseling needs. A separate church activities center will provide space for art, music, gym, technology and some lunch needs.

Several other ancillary buildings are situated on the site, which may be incorporated into Tipton Academy in the future. There is currently a parking lot with an available 234 spaces and a drop off/pick up lane at the main entrance. A nicely sized playground can be found on site complete with swings, slides and other structures, as well as associated 36 field areas that would serve nicely for other outdoor activities. There are multiple areas on the site, which could accommodate future expansion of facilities.

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**LEASE AGREEMENT**

This Lease Agreement (hereinafter called the “Agreement”), entered into as of the \_\_\_ day of

July, 2012, by and between ALLEN H. VIGNERON, ROMAN CATHOLIC ARCHBISHOP OF THE ARCHDIOCESE OF DETROIT**,** whose address is 1234 Washington Boulevard, Detroit, Michigan 48226 (herein called “Lessor”), and The Romine Group, Inc., a Michigan corporation**,** whose address is 7877 Stead Road, Utica, Michigan 48317(herein called “Lessee”):

**WITNESSETH:**

1. **The Leased Premises**. Lessor leases to Lessee and Lessee accepts and agrees to lease from Lessor the real property situated in the City of Garden City, County of Wayne and State of Michigan commonly known as 1615 Belton Road, Garden City, Michigan and referred to as the St. Dunstan School Building, as more particularly depicted on the attached Exhibit A (herein called the “Leased Premises”).
2. **Occupancy.** The Lessee will have full and exclusive occupancy of the Leased Premises **[ANY PARISH USE].**

The Lessor will have the right to use the Leased Premises jointly with the Lessee at other times. If any conflict arises as to schedules, the same shall be resolved by the principal of the school and the pastor of the parish in which the Leased Premises are located.

The Lessee shall provide to the pastor of St. Dunstan Parish keys and all access codes, if applicable, for the Leased Premises**.**

1. **Term**. The term of this Agreement begins September 1, 2012 and ends June 30, 2018.
2. **Use.** The Leased Premises are to be used and occupied only as a public school academy for Grade K through Grade 8 as defined in Act 362 of the Public Acts of 1993 of the State of Michigan (as amended) and for no other purpose.
3. **Rent**. The Lessee agrees to pay the Lessor, without demand, offset or deduction, as rental for the Leased Premises, the Rental Amount on the first day of each and every month, in advance. As used herein, the “Rental Amount” shall equal (i) commencing September 1, 2012, $1,000 per month, and (ii) commencing September 1, 2013, 1/12th of ten percent (10%) of any and all amounts of money actually received by Lessee with respect to, or for the benefit for, any student on the Leased Premises, including, but not limited to, (i) the per pupil enrollment/state student aid grant amount (based on the State Board of Education counts whenever they may be taken)(“State Aid Amount”), (ii) tuition, (iii) funding received from the State of Michigan or the United States Government, and/or (iv) grants.

Lessee shall provide Lessor with copies of the forms submitted to the State of Michigan regarding the student count within fifteen (15) days after such information is submitted to the State of Michigan. The principal will apprise the pastor in writing regarding actual student enrollment twice yearly; the fall count in September, and the winter count in February. Based on the results of these student counts, the monthly rental shall be increased or decreased retroactively to the beginning of the month of the current student count date. Any overpayment or underpayment shall be reconciled with the next month’s rent payment. Any further adjustments made to enrollment count or state aid will adjust rent retroactively as provided in this Paragraph. Anything in this Agreement to the contrary notwithstanding, in no event shall the monthly rental payment after September 1, 2013 be less than an amount based upon (i) 180 students from September 1, 2013 through August 1, 2014, (ii) 200 students for September 1, 2014 through August 1, 2015, and (ii) 220 students from September 1, 2015 through the termination of this Agreement.

Monthly rental installments shall be reduced by an amount of up to One Thousand One Hundred Sixty Six and 67/100 Dollars ($1,166.67) as compensation for Lessee’s leasehold improvements made to meet applicable health, fire and life safety codes which improvements shall be made in accordance with Section 14 of this Agreement. This amount is based on the assumption that the required renovation cost will be One Hundred Forty Thousand Dollars ($140,000) or more with the Lessor providing a rental credit of fifty percent (50%) of the actual amount spent by Lessee (excluding from such amount any money, credit or grant funds received by Lessee from any third party to perform such improvements, including, but not limited to stimulus funds from the United States, the State of Michigan, or any local municipality “Grants”)) up to a maximum credit of Seventy Thousand Dollars ($70,000) of the required renovation cost (“Reimbursement Amount”). The actual amount of the monthly rent credit will be determined by dividing the Reimbursement Amount by 60.

Anything in this Agreement to the contrary notwithstanding, Lessee hereby agrees that in the event this Agreement is terminated for any reason whatsoever (whether by default, surrender or otherwise), Lessor shall have no obligation to reimburse Lessee for the costs and/or expenses of the improvements made by Lessee to the leased premises for which Lessee is receiving rent credits pursuant to the terms hereof.

All checks shall be payable to “St. Dunstan Parish,” and shall be mailed to:

1515 Belton Street

Garden City, Michigan 48135

If at any time payment of the monthly rental amount reserved under this Section is more than five (5) days past due, Lessee shall pay Lessor a late fee in the amount of ten percent (10%) of the amount past due. The parties agree that such a late fee represents a fair and reasonable estimate of the costs Lessor will incur by reason of a late payment. In the event that any monthly rental payment is more than ten (10) days past due, in addition to the late fee, Lessee shall pay Lessor interest on the unpaid amount at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such payment was due, until such payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee’s default with respect to the overdue amount, nor prevent Lessor from exercising any of his rights and remedies. Except as may otherwise be expressly permitted in this Lease, rents shall not abate for any reason during the term hereof.

1. **Utilities**. Lessee shall pay all charges for all utilities used by Lessee or charged to the Leased Premises during the term of this Agreement, including, without limiting the generality of the foregoing, for gas, water, sewer, electricity and heating service (“Utility Charges”).
2. **Compliance With Laws**. Lessee agrees to comply promptly with all laws, orders, regulations, and ordinances of all municipal, county, state and federal authorities, and all easements and building and use restrictions of record, affecting the Leased Premises and the cleanliness, safety, occupation, and use of same, including without limitation the Americans with Disabilities Act of 1990 42U.S.C. 12101-12213 (1991), as amended. Lessee also agrees to observe all reasonable regulations and requirements of underwriters concerning the use and condition of the Leased Premises tending to reduce fire hazards and insurance rates, and not permit nor allow any rubbish, waste material or products to accumulate on the Leased Premises. Lessee shall not do or permit anything to be done in or about the Leased Premises that will in any way obstruct or interfere with the rights of other tenants, if any, or use or allow the Leased Premises to be used for any improper, immoral, unlawful or objectionable purpose, nor shall Lessee cause, maintain or permit any nuisance in, on or about the Leased Premises.
3. **Maintenance, Repairs, Snow Removal and Landscaping**. Except for the express obligations of Lessor set forth below (“Lessor’s Obligations”), during the entire term of the Agreement, including any extension period, Lessee agrees, at its sole cost and expense, to maintain the entire Leased Premises and fixtures in good order, condition and repair at all times (including any replacements thereof if necessary in the event such item or component of the Leased Premises or fixture cannot be repaired), including, but not limited to, the interior and exterior, structural and nonstructural components and the roof top HVAC units. Lessee shall keep the Leased Premises in a clean, sanitary and safe condition at all times, including custodial services, trash removal, a dumpster and disposal. In addition, Lessee shall be responsible for contracting for maintenance of the lawn and landscaping of the Leased Premises and for snow and ice removal from the pavement, driveways, walkways and parking lots of the Leased Premises. Lessee hereby acknowledges and agrees that except for Lessor’s Obligations it is the intent of the parties that Lessor shall have no obligation whatsoever to repair or maintain or replace any portion of the Leased Premises.

Lessor, after receiving notice from the Lessee, agrees to keep in good order and repair the parking lot, sidewalks, roof and four outer walls of the Leased Premises except for damage to the roof or outer walls caused by Lessee or anyone Lessee permits to use the Leased Premises, which shall be the obligation of the Lessee.

Anything in this Agreement to the contrary notwithstanding, in the event any of the roof top HVAC units need to be replaced, as determined by an engineer approved by Lessor, in its sole and absolute discretion, Lessor hereby agrees to replace such unit and the cost of replacing such unit shall be the sole cost and expense of the Lessor during the first two years of this Agreement and shall be equally shared by the parties thereafter.

1. **Licenses**. If the nature of the Lessee’s business requires licensure, Lessee shall keep in effect a valid license to operate the Leased Premises for that purpose and provide Lessor with a current copy of the required license.
2. **Security**. Lessee agrees to provide any and all security for its use of the lease premises during the term of this Agreement. Lessee hereby acknowledges that Lessor is not responsible for providing any security during Lessee’s use of the Leased Premises and hereby releases Lessor from any and all claims Lessee may have against Lessor arising from, or related to, security of the Leased Premises during the term of this Agreement. In addition, Lessee hereby agrees to indemnify, defend (using counsel of Lessor's choice) and hold Lessor harmless for any claim, expense or loss arising from, or relating to, security of the Leased Premises.
3. **Quiet Enjoyment.** The Lessor covenants that the Lessee, on payment of the rental at the time and in the manner aforesaid and performing all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the Leased Premises for the term aforesaid.
4. **Insurance**. The Lessee will procure and keep in effect during the term hereof commercial general liability insurance on an occurrence basis with limits of at least Two Million Dollars ($2,000,000.00) per occurrence, with a Two Million Dollar ($2,000,000.00) annual general aggregate insurance issued by a company acceptable to Lessor for benefit of the Lessor. Said policy shall name the Lessee and the Lessor (The Archdiocese of Detroit, the Archbishop of Detroit, St. Dunstan Parish and the pastor of St. Dunstan Parish) as additional named insureds. Lessee shall deliver a Certificate of Insurance to the Lessor. Such policy shall (a) contain cross-liability endorsements and shall include coverage for bodily injury, property damage, premises and operations, personal and advertising injury and contractual liability insurance that covers the indemnification obligations of this Agreement; (b) be primary, not contributing with, and not in excess of coverage which Lessor may carry; (c) state that Lessor is entitled to recovery for the negligence of Lessee even though Lessor is named as an additional insured; (d) provide for severability of interest; (e) provide that an act or omission of one of the insured or additional insureds which would void or otherwise reduce coverage shall not void or reduce coverages as to the other insured or additional insured; (f) afford coverage after the term of this Agreement (by separate policy or extension if necessary) for all claims based on acts, omissions, injury or damage which occurred or arose (or the onset of which occurred or arose) in whole or in part during the term of this Agreement; and (g) contain a provision that it may not be canceled without at least thirty (30) days prior written notice being given by the insurer to Lessor.

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

Lessee shall be responsible for securing any insurance it deems advisable on contents and tenant improvements or for business interruption and Lessor shall have no liability with respect to any loss to Lessee’s personal property or improvements.

1. **Indemnity**. Lessee shall indemnify, defend (using counsel satisfactory to Lessor in its sole discretion) and hold harmless Lessor, the Archdiocese of Detroit, the Archbishop of Detroit, St. Dunstan Parish, the pastor of St. Dunstan Parish, and their employees, managers, partners, officers, directors, contractors and agents from and against all claims, demands, liabilities, obligations, damages, penalties, causes of action, suits, judgments, and expenses (including attorneys’ fees) arising from or related to (i) the occupancy, condition, operation or use of the Leased Premises, (ii) any accident, occurrence, injury to or death of persons, or loss of or damage to property occurring on or about the Leased Premises, (iii) use or misuse of any portions of the Leased Premises by a Lessee or any of Lessee’s respective agents, contractors, employees, visitors, and invitees, or (iv) Lessee’s failure to perform its obligations under this Agreement. The obligations of Lessee under this paragraph arising by reason of any occurrence taking place during the term of this Agreement shall survive any termination of this Agreement.
2. **Alterations**. The Lessee may make no alterations, additions, or improvements to the Leased Premises without the Lessor's prior written consent. All such alterations, additions and improvements shall be at the expense of the Lessee and Lessee hereby indemnifies and holds Lessor harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of any such alterations, additions or improvements. Upon vacation of the Leased Premises, said improvements, additions and alterations shall, at Lessor's option, become the property of the Lessor. Lessee shall promptly remove all such alterations, additions and improvements required by Lessor to be removed and Lessee shall restore the Leased Premises after such removal to substantially their condition prior to the time such alteration, addition or improvement was made. All furnishings and equipment which are not attached or affixed to the Leased Premises made or placed by Lessee upon the Leased Premises shall be the property of the Lessee, and the Lessee shall remove the same at the end of the term of this Agreement.

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

* 1. a complete set of plans and specifications (“Plans”) prepared and sealed by a registered architect or engineer,
	2. a complete set of drawings and specifications for mechanical, electrical and plumbing systems (“Drawings”); and
	3. a list of the contractors and subcontractors (“Contractors”) who will perform the Work, together with proof of insurance and performance and labor bonds, in such amounts and with such carriers or sureties as Lessor may require in its sole and absolute discretion.

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

1. **Eminent Domain**. If all or any part of the Leased Premises shall be taken as a result of the exercise of the power of eminent domain, this Agreement shall terminate as to the part so taken as of the date of taking, and, in the case of partial taking, either Lessee or Lessor shall have the right to terminate this Agreement as to the balance of the Leased Premises by notice to the other within thirty (30) days after such date; provided, however, that a condition to the exercise by Lessee of such right to terminate shall be that the portion of the Leased Premises taken shall be of such extent and nature as substantially to handicap, impede or impair Lessee’s use of the balance of the Leased Premises. In the event of any taking, Lessor shall be entitled to any and all compensation, damages, income, rent, awards, or any interest therein whatsoever which may be paid or made in connection therewith, and Lessee shall have no claim against Lessor for the value of any unexpired term of this Agreement or otherwise. In the event of a partial taking of the Leased Premises which does not result in a termination of this Agreement, the rental thereafter to be paid shall be reduced on a per square foot basis.
2. **Taxes**. Any real property taxes, assessments, impositions or charges, whether general or special, including, but not limited to, any and all real estate taxes and assessments, personal property taxes and assessments and the like, assessed against the Leased Premises or any property of which they are a part, at any time, shall be paid by the Lessee where such taxes have resulted because of rental of the Leased Premises by Lessee or any party Lessee permits to use the Leased Premises.

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

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

1. **Additional Rent**. All taxes, insurance, utility charges, costs and expenses that the Lessee assumes or agrees to pay under this Agreement, together with all interest and late charges that may accrue thereon in the event of failure of Lessee to pay these items, and all other damages that Lessor may incur by reason of any default of the Lessee to comply with the terms and conditions of this Agreement shall be deemed additional rent, and in the event of non-payment, Lessor shall have all the rights as herein provided for failure to pay rent.
2. **Assignment and Subletting**. Lessee covenants that it will not assign, sell, mortgage

or in any manner transfer or encumber this Agreement or any interest herein, or sublet the Leased Premises or any part or parts thereof or grant any concession or license or otherwise permit occupancy of all or any part thereof by others without in each case first obtaining the prior written consent of Lessor. The consent by Lessor to an assignment or subletting shall not in any way be construed to release Lessee from obtaining the express consent of the Lessor to any further assignment or subletting of any part of the Leased Premises nor shall the collection of rent by Lessor from any assignee, subtenant or other occupant be deemed a waiver of this covenant or the acceptance of the assignee, subtenant or occupant as a tenant hereunder or a release of Lessee from the further performance by Lessee of the covenants in this Agreement on Lessee’s part to be performed. In the event Lessor consents to any subletting, Lessor shall have the right, upon the occurrence of a default by Lessee under this Agreement, to demand the sublessee to pay the rent due under the sublease directly to the Lessor to be applied to sums due Lessee under this Agreement.

If Lessee is a corporation or a partnership, the sale or transfer of fifty percent (50%) or more of such corporation’s voting shares or of such partnership’s general partnership interests, as the case may be, shall be deemed to be an assignment of this Agreement. If Lessee is a nonprofit corporation, then the occurrence of any of the following events also shall be deemed to be an assignment of this Agreement: (i) during any twelve (12) month period, the change of thirty-five percent (35%) or more of the members of the Board of Directors; or (ii) a change in the name of Lessee or the nature of its business, generally, or in its affiliations or in its use of the Leased Premises, any of which, in the sole discretion of Lessor, is substantial; or (iii) in the event that the Lessee is currently affiliated with the Roman Catholic Church or any group or organization identified with, approved by or affiliated with the Roman Catholic Church, any event which causes Lessee to lose such affiliation.

1. **Default**. The occurrence of any one or more of the following events (hereinafter referred to as “Events of Default”) shall constitute a default or breach of this Agreement by Lessee:
2. if Lessee shall fail to pay rent or any other sum when and as the same becomes due and payable;
3. if Lessee shall fail to perform or observe any other term hereof to be performed or observed by Lessee under this Agreement;
4. if Lessee shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of Lessee or any material part of its properties;
5. if this Agreement or any estate of Lessee hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days; and
6. if Lessee vacates, abandons or deserts the Leased Premises or Lessee fails to occupy the Leased Premises for more than thirty (30) consecutive days.
7. if there is a revocation, termination or other invalidation of any permit, license or authorization with respect to Lessee’s use and/or occupancy of the Leased Premises, including, but not limited to, certificates of occupancy, business licenses or charters.

20. **Remedies**. Upon the occurrence of any an Event of Default, in addition to any other remedies which may be available to Lessor, Lessor may, at his option, after providing to Lessee any notice required under Michigan Law, do one or more of the following:

1. Terminate this Agreement and, upon such termination, this Agreement shall come to an end and expire upon Lessor’s termination, but Lessee shall remain liable for damages as provided in Section 21 hereof; or
2. Either with or without terminating this Agreement, Lessor may immediately or at any time after the Event of Default or after the date upon which this Agreement shall expire, reenter the Leased Premises or any part thereof, without notice, either by summary proceedings or by any other applicable action or proceeding, (without being liable to indictment, prosecution or damages therefor), and may repossess the Leased Premises and remove any and all of Lessee’s property and effects from the Leased Premises; or
3. Either with or without terminating this Agreement, Lessor may relet the whole or any part of the Leased Premises from time to time, either in the name of Lessor or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this Agreement, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Lessor, in its sole discretion, may determine. In the event of any such reletting, Lessor shall not be liable for the failure to collect any rental due upon any such reletting, and no such failure shall operate to relieve Lessee of any liability under this Agreement or otherwise to affect any such liability; and Lessor may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Leased Premises as Lessor, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Lessee of any liability under this Agreement or otherwise affecting such liability;
4. Perform for the account of Lessee any default of Lessee under this Agreement and immediately recover as expenses any expenditures made and the amount of any expenses (including legal fees) or obligations incurred in connection therewith, plus interest at the maximum legal interest rate allowed by law in the State of Michigan, from the date of any such expenditure. The payment of interest on such amount shall not excuse or cure any default by Lessee under this Lease.
5. Lessor shall have the right to recover the rental and all other amounts payable by Lessee hereunder as they become due and all other damages incurred by Lessor as a result of an Event of Default including, without limitation, attorney’s fees and costs.
6. Accelerate all rental due for the balance of the term of this Agreement and declare the same to be immediately due and payable.

21. **Recovery of Damages upon Termination**. Upon termination of this Agreement by Lessor pursuant to Section 20(a) hereof, Lessor shall be entitled to recover from Lessee the aggregate of:

1. the worth at the time of award of the unpaid rental which had been earned at the time of termination;
2. the worth at the time of award of the amount by which the unpaid rental which would have been earned after termination until the time of award exceeds the then reasonable rental value of the Leased Premises during such period;
3. the worth at the time of the award of the amount by which the unpaid rental for the balance of the term of this Agreement after the time of award exceeds the reasonable rental value of the Leased Premises for such period; and
4. any other amount necessary to compensate Lessor for all the detriment proximately caused by Lessee’s failure to perform its obligations under this Agreement or which in the ordinary course of things would be likely to result therefrom.

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

1. **Lessor’s Cure**. All covenants, terms and conditions to be performed by Lessee under any of the terms of this Agreement shall be at its sole cost and expense and without any abatement of rental. If Lessee shall fail to pay any sum of money, other than the payment of rent, required to be paid by it hereunder or shall fail to perform any other act on its part to be performed hereunder, Lessor may, but shall not be obligated so to do, and without waiving or releasing Lessee from any obligations of Lessee, make any such payment or perform any such other act on Lessee’s part to be made or performed as in this Agreement provided. Lessee shall reimburse all sums so paid by Lessor and all necessary incidental costs related thereto (“Reimbursable Expenses”) within fifteen (15) days of receipt of written notice from Lessor of the amount due. All Reimbursable Expenses shall be deemed additional rental, and Lessor shall have (in addition to any other right or remedy of Lessor) the same rights and remedies in the event of the nonpayment thereof by Lessee as in the case of default by Lessee in the payment of rent.
2. **Lessee’s Payment Obligations**. In the event Lessee fails to pay any sum of money, other than the payment of rent, required to be paid by Lessee under the terms of this Agreement, including, but not limited to any Reimbursable Expenses, Lien Expense and Utility Charges (“Delinquent Payment”), within five (5) days of when due (“Delinquency Date”), Lessee shall pay to Lessor, on the Delinquency Date and every thirty (30) days thereafter until such payment is made, in addition to the amount of such Delinquent Payment, a late fee in the amount of ten percent (10%) of the amount of the Delinquent Payment. In the event such Delinquent Payment is more than ten (10) days past due, in addition to the late fee, Lessee shall pay to Lessor interest on the unpaid amount of the Delinquent Payment at the rate of ten percent (10%) per annum commencing on the tenth (10th) day after such Delinquent Payment was due, until such Delinquent Payment is made. Acceptance of the late fee or interest under this Section shall in no event constitute a waiver of Lessee’s default with respect to the Delinquent Payment, nor prevent Lessor from exercising any of his rights and remedies set forth in this Agreement.
3. **Lessor’s Rights and Non-liability**. Lessor shall have the right from time to time, without notice to Lessee, to inspect the Leased Premises to confirm Lessee’s compliance with this Agreement. Lessor shall not be responsible or liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining areas or any part of the area adjacent to or connected with the Leased Premises or any part of the structures or improvements on the Leased Premises or for any loss or damage resulting to Lessee or his property from theft or a failure of the security systems, if any, in the structures or improvements on the Leased Premises, or for any damage or loss of property within the Leased Premises from any cause other than solely by reason of the willful act of Lessor, and no such occurrence shall be deemed to be an actual or constructive eviction from the Leased Premises or result in an abatement of rents.

If Lessor shall fail to perform any covenant, term or condition of this Agreement upon Lessor’s part to be performed, and, if as a consequence of such default, Lessee shall recover a money judgment against Lessor, such judgment shall be satisfied only against the right, title and interest of Lessor in the Leased Premises and out of rents or other income from the Leased Premises by Lessor, or out of the consideration received by Lessor from the sale or other disposition of all or any part of Lessor’s right, title and interest in the Leased Premises, and Lessor shall not be liable for any deficiency.

1. **Controlling Law; No Other Agreement or Representatives; Time of Essence**. This Agreement shall be governed by the laws of the State of Michigan. This Agreement represents the entire agreement between the parties and there are no understandings, agreements, representations, or warranties, expressed or implied, other than those set forth in a written addendum or supplement executed simultaneously herewith, or as herein set forth fully or incorporated by specific reference, respecting this Agreement or any real or personal property leased hereunder.

Time is of the essence in this Agreement.

1. **Non-Waiver; Modifications**. No waiver of any provision of this Agreement, or a breach thereof, shall be construed as a continuing waiver, nor shall it constitute a waiver of any other provision or breach. The acceptance of part (but not all) of a rent installment(s) due Lessor hereunder shall not constitute a waiver of default hereunder for nonpayment of rent. The acceptance of all or part of a rent installment(s) due Lessor hereunder shall not constitute a waiver of any other type of default hereunder. No modification, alteration and/or amendment of this Agreement shall be binding upon the other party hereto, unless the same shall be reduced to writing and signed by the party against whom it is sought to be enforced.
2. **Notices.** Whenever under this Agreement provision is made for notice of any kind, unless otherwise expressly herein provided, it shall be in writing and shall be served personally or sent by registered or certified mail, with postage prepaid, to the address of Lessor or Lessee, as the case may be, as stated below, or such other address as either of the parties may subsequently designate in writing by notice to the other party in the manner required herein:

To the Lessor at:

Pastor, St. Dunstan Parish

1515 Belton Street

Garden City, Michigan 48135 and

Director of Properties

Archdiocese of Detroit

1234 Washington Boulevard Detroit, Michigan 48226

To the Lessee at:

Romine Group, Inc.

7877 Stead Road

Utica, Michigan 48317

1. **Surrender**. The Lessee shall return said Leased Premises peaceably and promptly to the Lessor at the end of the term of this Agreement, or at any earlier termination thereof, in as good condition as the same are now in or may hereafter to be put in, except for ordinary wear and tear. Upon termination of this Agreement, whether by expiration of the term, abandonment or surrender by Lessee, process of law or otherwise, any personal property belonging to Lessee and left on the Leased Premises shall be deemed to be abandoned and may be removed and disposed of by Lessor at Lessee’s expense.
2. **Damage to Leased Premises.** If the Leased Premises become wholly untenable through damage or destruction, this Agreement shall automatically be terminated without any further action by the parties; if partially untenable, Lessor shall have the option of terminating this Agreement at anytime within thirty (30) days after such casualty. If Lessor does not terminate this Agreement, the Lessor shall repair the Leased Premises with all convenient speed. The obligation of the Lessee to pay the monthly rental shall be abated during the time the Leased Premises are untenable and shall be partially abated during the time the Leased Premises are partially untenable.
3. **Right to Terminate**. This Agreement may be terminated at any time by Lessor upon thirty (30) days written notice to Lessee.
4. **Successors and Assigns**. This Agreement and each of the covenants, conditions, and agreements contained herein shall be binding upon each of the parties and upon their respective successors, representatives and assigns, and the benefits shall inure to each of the parties and to their respective permitted successors, representatives and assigns.
5. **“AS IS”; No Representations**. Lessee accepts the Leased Premises in its condition on the date of this Agreement, “AS IS” and without any representations or warranties of any kind, express or implied, by Lessor. Lessee acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Lessor regarding the condition of the improvements on the Leased Premises. This Agreement is not made in reliance upon any representation whatsoever.
6. **Security Deposit**. The Lessor herewith acknowledges the receipt of Ten Thousand Dollars ($10,000), which he is to retain as security for the faithful performance of all of the covenants, conditions, and agreements of this Agreement, but in no event shall the Lessor be obliged to apply the same upon rents or other charges in arrears or upon damages for the Lessee’s failure to perform said covenants, conditions, and agreements; the Lessor may so apply the security at his option; and the Lessor’s right to the possessions of the Leased Premises for non-payment of rent or for any other reason shall not in any event be affected by reason of the fact that the Lessor holds this security. The said sum, if not applied toward payment of rent in arrears or toward the payment of damages suffered by the Lessor by reason of the Lessee’s breach of the covenants, conditions, and agreements of this Agreement, is to be returned to the Lessee when this Agreement is terminated, according to the terms, but in no event is the said security to be returned until the Lessee has vacated the Leased Premises and delivered possession to the Lessor. In the event that the Lessor repossesses himself of the Leased Premises because of the Lessee’s default or because of the Lessee’s failure to carry out the covenant, conditions, and agreements of this Agreement, the Lessor may apply the said security upon all damages suffered to the date of said repossession and may retain the said security to apply upon such damages as may be suffered or shall accrue thereafter by reason of the Lessee’s default or breach. The Lessor shall not be obliged to keep the said security as a separate fund, but may mix the said security with its own funds nor shall Lessor be required to obtain or account for any interest on said funds.
7. **Hold Over**. It is hereby agreed that in the event the Lessee herein holds over after the termination of this Lease, that thereafter the tenancy will be from month-to-month in the absence of a written agreement to the contrary. All terms of the previous lease will remain the same, except that the rent amount shall be increased to 150% of the previous rent amount.
8. **Options to Renew.** Provided Lessee is not in default of any of the provisions of this Agreement, Lessee shall have two (2) options to extend the term of this Agreement for an additional three (3) year period from and after the expiration of the original term and the first extension term, as applicable. Lessee shall exercise the option by giving Lessor written notice of the intention to extend, no later than December 31, 2016 with respect to the first extension term and December 31, 2019 with respect to the second extension term. The terms and conditions of this Agreement during the extended term shall be the same as during the original term of this Agreement.
9. **Brokers**. The parties hereto each represent to one another that no real estate brokers are involved in this transaction. Each party indemnifies the other against the claims of any brokers and salespeople who allege that they represented a party or are entitled to a commission or fee as a result of this transaction.
10. **Headings**. The headings of this Agreement are for purposes of reference only and shall not limit or define the meaning of any provisions of this Agreement.
11. **Hazardous Materials**. Lessee will not use Hazardous Materials as hereinafter defined, on or at the Leased Premises in any manner that violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials.

In the event Lessee uses or stores any Hazardous Materials on the Leased Premises, then with regard to such use or storage of any Hazardous Materials upon the Leased Premises, the Hazardous Materials shall be stored and/or used in compliance with all applicable federal, state and local laws and regulations; and without limiting the foregoing, Lessee shall not cause the Leased Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Lessee cause, as a result of any intentional or unintentional act or omission on the part of Lessee, the release of Hazardous Materials onto the Leased Premises.

With respect to the release of Hazardous Materials upon the Leased Premises caused by or resulting from the activities of Lessee, its employees or agents on the Leased Premises, Lessee shall: (i) to the extent required by applicable law, conduct and complete all investigations, studies, sampling and testing, and perform all remedial, removal, response and other actions necessary to clean up and remove all Hazardous Materials, on, under, from or affecting the Leased Premises in accordance with all applicable federal, state and local laws, ordinances, rules, regulations and policies, and in accordance with the orders and directives of all federal, state, and local governmental authorities; and (ii) defend, indemnify and hold harmless Lessor, its employees and agents from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to: (1) the presence, disposal, removal, or release of any Hazardous Materials on, over, under, from or affecting the Leased Premises or the soil, water, vegetation, buildings, personal property, persons or animals thereon; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; and (3) any violation of laws, orders, regulations, requirements or demands of government authorities which are based upon or in any way related to such Hazardous Materials, including, without limitation, reasonable attorneys' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses.

For purposes of this Lease, "Hazardous Materials" includes, but is not limited to, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in: (1) the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601 et seq.),; (2) the

Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801 et seq.); (3) the

Resource Conservation and Recovery Act, as amended (41 U.S.C. Section 9601, et seq.); (4) the Federal Water Pollution Control Act, 33 U.S.C. Section 1251 et seq .; or (5) Michigan’s Natural Resources and Environmental Protection Act, as amended (M.C.L. 324.101 et seq.), including any regulations adopted or publications promulgated pursuant to the above-referenced statutes, or as otherwise defined, classified, characterized, listed or identified by any other federal, state or local and governmental law, ordinance, rule or regulation.

1. **Asbestos**. Lessee, at Lessee’s sole cost and expense, hereby agrees to comply with all of the requirements under Michigan’s Asbestos in Educational Facilities Act (MCL 388.861 et seq.) and the Asbestos Hazard Emergency Response Act (15 USC § 2601 et seq.)(collectively, the “Asbestos Laws”) with respect to the Leased Premises, including, but not limited to, performing all of Lessor’s obligations. All obligations of Lessee under this Section must be performed by accredited contractors approved by Lessor, in its sole and absolute discretion, and all contracts with such contractors shall expressly provide that Lessor is a third party beneficiary of such contract. Lessee hereby indemnifies and holds Lessor harmless from all costs, liability and loss of any kind and all claims of loss or liability, in any way arising out of or by reason of Lessee’s failure to comply with this Section and/or the Asbestos Laws.
2. **Transfer of Leased Premises by Lessor**. Lessor reserves the right to sell, assign or otherwise transfer its interest in the Leased Premises without Lessee’s consent. In the event of any such sale, assignment or transfer, the transferor shall automatically be relieved of any obligations or liabilities on the part of Lessor accruing from and after the date of such transfer and Lessee covenants and agrees to recognize such transferee as the Lessor under this Agreement.
3. **Subordination**. This Agreement and the rights of the Lessee hereunder are hereby made subject and subordinate to all mortgages now or hereafter placed upon the Leased Premises. Lessee covenants and agrees to execute and deliver on demand an instrument or instruments subordinating this Agreement to the lien of any such mortgage or mortgages and hereby irrevocably appoints Lessor the attorney-in-fact of Lessee to execute and deliver any such instrument or instruments in the name of Lessee. In addition, Lessee agrees that, upon the request of Lessor or any mortgagee of Lessor, Lessee shall execute a estoppel certificate in form satisfactory to Lessor or any mortgagee of Lessee.
4. **Recording**. Neither party shall record this Agreement or a copy thereof without the written consent of the other; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum of this Agreement for the purposes of recordation. Said memorandum of this Agreement shall describe the parties, the Leased Premises, the term of this Agreement and any special provisions, except rentals payable hereunder, and shall incorporate this Agreement by reference.
5. **Signs.** No sign may be erected on the Leased Premises without the prior written

consent of the pastor of St. Dunstan Parish. If such consent is given, the size, type, design, legend, and location must be in compliance with all applicable laws, including but not limited to, all applicable Garden Cityordinances and must be approved by the pastor ofSt. Dunstan Parish. Lessee hereby acknowledges and agrees to maintain, at Lessee's sole cost and expense, any sign erected by Lessee pursuant to this Section in good repair and working order at all times. In addition, Lessee hereby agrees to indemnify, defend and hold Lessor harmless (using counsel of Lessor's choice) from and against any cost, expense, claim or liability, including reasonable attorneys’ fees, arising from or related to any sign erected by Lessee on the Leased Premises or the maintenance thereof.

At the expiration or termination of this Agreement, the Lessee shall promptly remove the sign and shall restore the Leased Premises and/or surrounding land to substantially their condition prior to installation of the sign. If the sign is not so removed within 30 days after the termination or expiration of this Agreement, then the sign shall, at Lessor's option, be deemed to have been abandoned by Lessee and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Lessor without notice to Lessee and without any obligation to account for such sign. All costs and expenses incurred by Lessor in connection with repairing or restoring the Leased Premises and/or surrounding land to the condition called for herein, together with the costs, if any, of removing the sign shall be invoiced to Lessee and shall be immediately due from and payable by Lessee.

1. **Attorneys’ Fees**. If Lessor uses the services of an attorney in connection with (i) any breach or default in the performance of any of the provisions of this Agreement, in order to secure compliance with such provisions or recover damages therefor, or to terminate this Agreement or evict Lessee, or (ii) any action brought by Lessee against Lessor, or (iii) any action brought against Lessee in which Lessor is made a party, Lessee shall reimburse Lessor upon demand for any and all attorneys’ fees and expenses so incurred by Lessor.
2. **Rules and Regulations**. Lessee shall faithfully observe and comply with the rules and regulations as issued by Lessor from time to time, if any, and, after notice thereof, all reasonable modifications thereof and additions thereto from time to time promulgated in writing by Lessor. Lessor shall not be responsible to Lessee for the nonperformance by any other tenant or occupant, if any, of the Leased Premises of any of such rules and regulations.
3. **Jury Waiver**. **LESSOR AND LESSEE ACKNOWLEDGE THAT THE RIGHT TO TRIAL BY JURY IS A CONSTITUTIONAL ONE, BUT THAT IT MAY BE WAIVED. EACH PARTY, AFTER CONSULTING (OR HAVING HAD THE OPPORTUNITY TO CONSULT) WITH COUNSEL OF THEIR CHOICE, KNOWINGLY AND VOLUNTARILY, AND FOR THEIR MUTUAL BENEFIT, WAIVES ANY RIGHT TO TRIAL BY JURY IN THE EVENT OF LITIGATION REGARDING THE PERFORMANCE OR ENFORCEMENT OF, OR IN ANY WAY RELATED TO, THIS AGREEMENT.**
4. **Severability; Authority**. Each provision of this Agreement must be interpreted in a way that is valid under applicable law. If any provision is held invalid, the rest of this Agreement will remain in effect. Each of the parties executing this Agreement does hereby covenant and warrant that it is a fully authorized and existing corporation, limited liability company, partnership or other business entity, if applicable, that it has and is qualified to do business in the State of Michigan, that it has full right and authority to enter into this Agreement, and that each and all of the persons signing on behalf of such entity are authorized to do so.

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

**IN THE PRESENCE OF: LESSOR:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

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

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**IN THE PRESENCE OF: LESSEE:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Romine Group, Inc., a Michigan corporation

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

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

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Certificate of Occupancy

A certificate of occupancy will be obtained from the State of Michigan Building

Department prior to the opening of Tipton Academy.