



LAKE SUPERIOR STATE UNIVERSITY

RESOLUTION ADOPTED BY LAKE SUPERIOR STATE UNIVERSITY BOARD OF TRUSTEES ON SEPTEMBER 20, 2019

CHARLTON HESTON ACADEMY ADDING SECOND SITE

On motion by Trustee Tim Lukenda and second by Trustee Tom Bailey, the following resolution was adopted unanimously:

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

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

WHEREAS, on April 27, 2012, the University Board issued to Charlton Heston Academy (the "Academy") a Contract to Charter a Public School Academy (the "Contract"); and

WHEREAS, the Academy seeks to add a second site;

WHEREAS, the University Board finds it appropriate to amend the Contract to add a second site located at 1495 N. St. Helen Road, St. Helen, MI;

THEREFORE, BE IT RESOLVED, the University Board, by a majority vote, approves amending the Contract to add an additional site located at 1495 N. St. Helen Road, St. Helen, Michigan;

BE IT FURTHER RESOLVED, the University Board hereby authorizes the University President or his designee to sign the Contract amendment approved herein on the University Board's behalf.

I, the undersigned, as Secretary of the Lake Superior State University Board of Trustees, do hereby certify the foregoing resolution was adopted by the Lake Superior State University Board of Trustees at a public meeting held on the 20th day of September, 2019, with a vote of 7 for, 0 opposed, and 0 abstaining.

Signature: _____

Lauren Prew

Application to Amend Charter Contract

Name of Academy: Charlton Heston Academy

Purpose of Amendment:

Additional sites

Change in age/grades offered (specify) _____

Other (explain): _____

Attach a copy of the Resolution of the Academy Board of Directors approving the proposed amendment. The specific contract amendment language does not have to be included in the language of the resolution, but the recorded vote must be included.

Changes in the physical site or additions or deletion of sites must be approved by the University Board of Trustees. Proposed amendments to the Academy Articles of Incorporation must also be approved by the University Board of Trustees. Other amendments may be approved by the University President.

FOR CHANGES IN SITES

1. Provide the following information.
2. The mailing address of the new site(s) and the grades to be offered.
1495 N. St. Helen Rd., St. Helen, MI 48656
3. A narrative description of the site(s) including schematic drawings if available.
The drawing of the building has been attached, along with the legal description. The building consist of a first floor of 1445 square feet, and a basement consisting of 1331 square feet. The building allows for a 90 person capacity.
4. Certificate of Occupancy and other safety certificates (when available, but before use).
5. Lease or deed. Attached
6. Revised budget, including any renovation and site improvement costs. No revised budgets or improvement costs at this time.

FOR AMENDMENTS TO THE ARTICLES OF INCORPORATION

The proposed amendments to the articles of incorporations must be provided to the Charter School Office and must be approved by the University Board of Trustees prior to filing the amendments.

FOR AMENDMENTS TO THE BYLAWS

Amendments to the Bylaws must be submitted to the Charter School Office for review and approval prior to final adoption by the Academy Board of Directors.

FOR ALL OTHER AMENDMENTS

Submit the proposed changes to the Charter School Office. The Charter School Office will work with you to develop the language for amendment to the Terms and Conditions and/or the appropriate Schedules of the charter contract.

Pre K School Plan

David Fultz

1499 N. St. Helen Road
St. Helen, MI 48656

Code Compliance Data

ADDRESS: 1499 N. St. Helen Road, St. Helen, MI
MICHIGAN REBUILDING CODE FOR EXISTING BUILDING CODE 2015
Minimum Level 3 With Addition
Business Group E

Existing First Floor area: 1,442 SF (Proposed 1,311 SF (86% addition))
Maximum height: 10' 0" (Proposed 10' 0")
Proposed maximum height: 15'00 (20' 0")
Maximum height of fire cover: 0" is 15'00 (0' 0")
No separation or occupancy: As Required Per Table 502.4

Use of any construction MB (Impressions)

Fire Resistance Rating: 1 hr. X 200
All building elements require a 2 hour fire resistance rating per Table 601.
Exterior walls require a 2 hour fire resistance rating per Table 602.

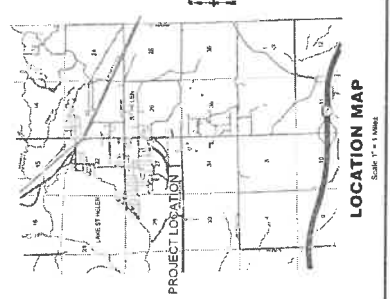
Exterior walls shall be fire rated, per building code.
Structural members shall be fire rated, per building code.

An automatic sprinkler system is not required.
Fire Alarm and Detection Systems are required per Section 906.
Fire Alarm and Detection Systems:

Classroom = 1,426 SF (Level Level B), 1 Person Per 200 Net AIA = 53
Classroom = 1,531 SF (Level Level B), 1 Person Per 200 Net AIA = 49
Egress doors: Minimum of egress width of 90" x 0.2" = 18" minimum egress width x 36" wall Egress Doors are provided.
Egress doors shall comply with Section 1016.
All egress doors shall comply with Section 1007.
Maximum allowable egress distance is 200' per net per Table 1017.2. Maximum egress distance for the building is less than 20 feet.

Occupancy Load:

Accessibility:
Egress doors:
Fire Alarm and Detection Systems:
Exit Access Travel Distance:



SHEET INDEX

- CS-1 Cover Sheet
- C-1 Site Plan
- A-1 Floor Plan
- A-2 Sections & Details
- E-1 Electrical Plan
- P-1 Plumbing Plan

GENERAL NOTES:

1. UNDERGROUND UTILITY LINES SHOWN ARE ELECT INFORMATION COLLECTED FROM UTILITY OWNERS. THE CONTRACTOR SHALL VERIFY THE LOCATION AND DEPTH OF ALL UTILITIES PRIOR TO CONSTRUCTION. BE EXACT AND CONTRACTOR MUST VERIFY LOCATIONS OF ALL UTILITIES PRIOR TO CONSTRUCTION.
2. DRAWING GENERATED BY AUTOCAD 2015. COPYING OR REPRODUCTION ANY DISTORT SCALE. DO NOT SCALE FOR LAYOUT OR CONSTRUCTION.
3. ANY INFORMATION OR DATA ON THIS DRAWING IS NOT INTENDED TO BE SUITABLE FOR RELIANCE BY ANY PERSON, FIRM OR CORPORATION OR ANY OTHERS ON EXTENSIONS OF THIS PROJECT OR FOR ANY OTHER PURPOSES. THE CONTRACTOR SHALL VERIFY THE INFORMATION PROVIDED HEREON BY THE SURVEYOR OR ENGINEER FOR THE SPECIFIC PURPOSES IT INTENDED WILL BE AT THE USER'S SOLE RISK AND WITHOUT LIABILITY OR LEGAL EXPOSURE TO THE SURVEYOR OR ENGINEER.
4. CONTRACTOR TO REVIEW ALL PHASES OF WORK. ANY DIFFERENCES FOUND BETWEEN PLANS TO BE RESOLVED WITH ENGINEER PRIOR TO STARTING CONSTRUCTION.

SCALE: N/A	DATE: APRIL 2, 2018	SHEET: CS-1
DRAWN BY: S.E. RUI	PROJECT NUMBER: P-10173	
ENGINEER: THOMAS L. LAHMAN, P.E., P.S., 27393		

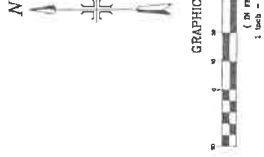
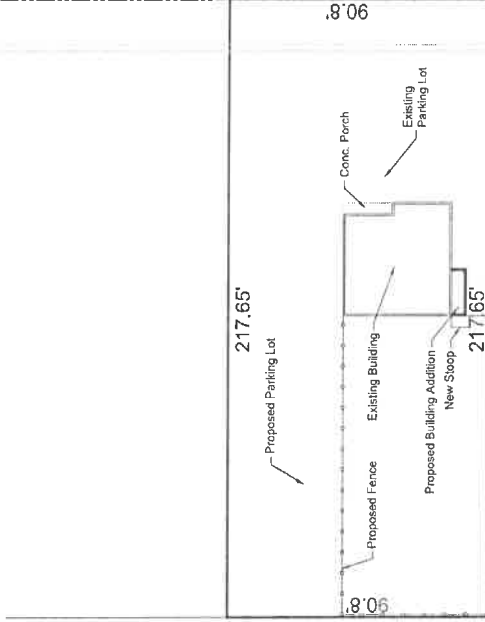
Cover Sheet
Pra K School Plan
David Fultz
1499 N. St. Helen Road
St. Helen, MI 48656

LAPHAM ASSOCIATES
ENGINEERING SURVEYING
1116 South Third Street
West Branch, MI 48661
P (989) 345-5930
F (989) 345-7302
www.laphamassoc.com
21700 Woodward
Lansing, MI 48202

CS-1	COVER SHEET
	PLUMBING
	ELECTRICAL
	MECHANICAL

Property Description:

(L-911 P-162&L-891 P-535&L-876 P-386) 231 L-1044 P-1679 COM AT E 1/4
 COR SEC 27 T23N R17W TH S 100 FT FOR POB TH S 90.8 FT TH 89 DEG 43'
 W 217.65 FT TH N 90.8 FT TH 89 DEG 43' E 217.65 FT TO POB



Site Plan Notes:

1. These plans and specifications are subject to modification during construction when conditions develop that were not apparent during the design and preparation of these plans. All modifications must be approved by local jurisdiction prior to construction and/or implementation.
2. In the event of any discrepancy between any drawings and the figures written thereon, the figures shall be taken as correct.
3. Should it appear that the work to be done or any matter relative thereto is not sufficiently detailed or explained in these plans, the contractor shall contact the engineer for such further explanations as may be necessary.
4. Before commencement of work, the contractor shall review all plans and specifications and the job site. The contractor shall verify the owner and the contractor are in agreement and that they request modification to these plans or of any field conflicts.
5. Contractor agrees that in accordance with generally accepted construction practices, the contractor will be required to assume sole and complete responsibility for job site conditions during the course of construction and shall be held responsible for any and all conditions of the job site. The requirement shall be made to apply to the contractor and not the engineer.
6. Contractor shall be responsible for obtaining all necessary permits prior to commencing construction including, but not limited to, utility, zoning, and other applicable requirements. All materials, equipment and materials shall conform to local jurisdiction standards and specifications.
7. Traffic control shall be provided in accordance with local jurisdiction.
8. The contractor shall provide all lights, signs, barricades, flag men, or other devices necessary to provide for public safety.
9. Meet all current applicable ADA requirements for parking, signage, ramps, sidewalks, and walking circulation on ramps approaching direct to request.

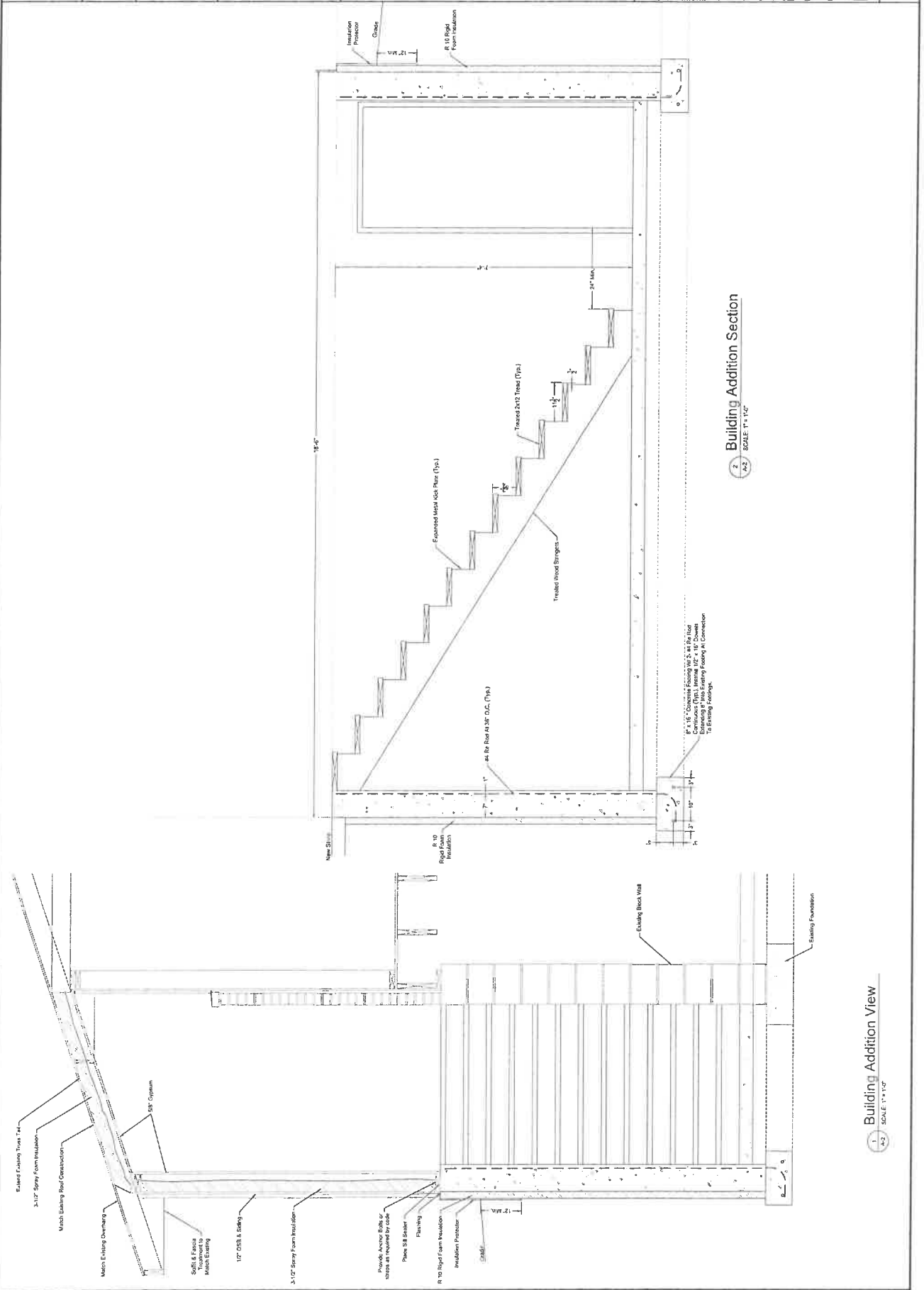
PROJECT NUMBER: P-140123	DRAWN BY: S.E. BUI	SCALE: 1" = 30'
ENGINEER: Timothy L. Lapham, P.E., P.S. 27995	DATE: 4/14/21, 2018	SHEET: C-1

Site Plan
 Pre K School Plan
 David Fultz
 1499 N. St. Helen Road
 St. Helen, MI 48658

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Know what's below.
 Call before you dig.

C-1
 APPROVED DATE FOR:
 CONSTRUCTION
 PERMITS
 FINAL RECORD



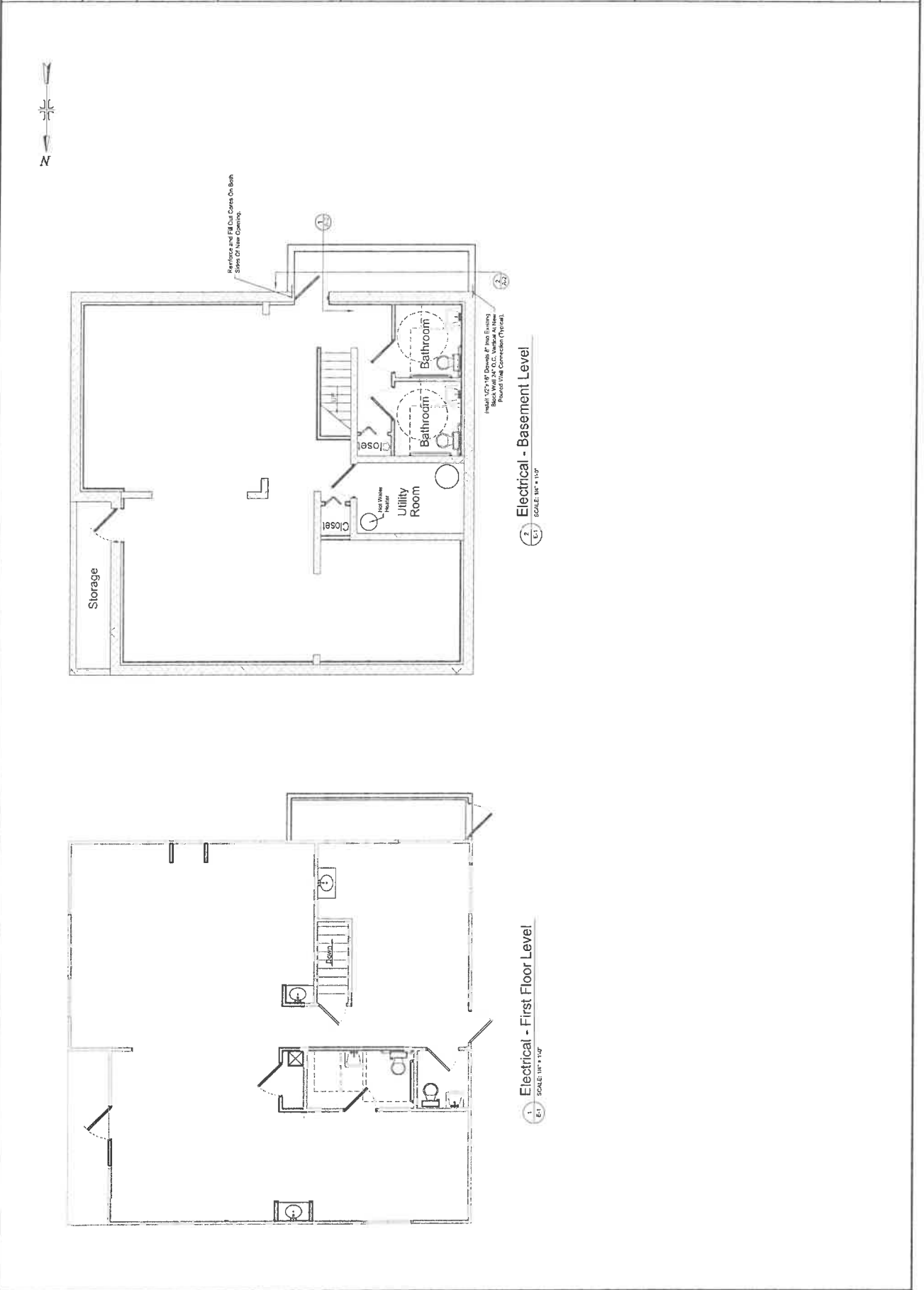
Building Addition Section
 SCALE: 1/4" = 1'-0"

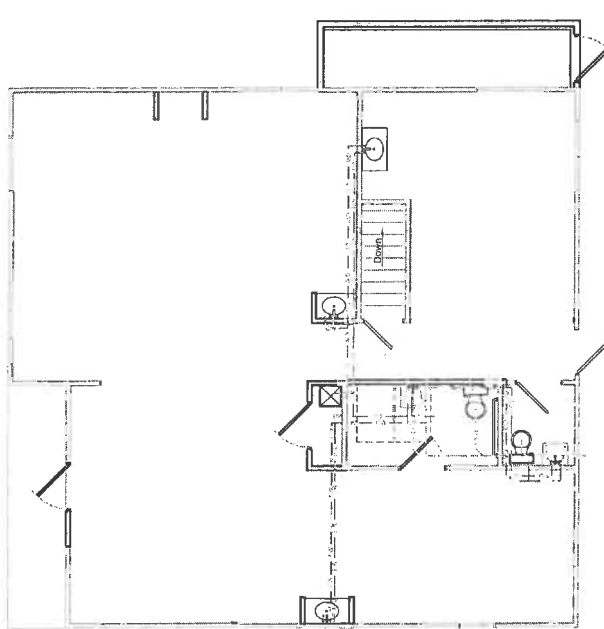
Building Addition View
 SCALE: 1/4" = 1'-0"

PROJECT NUMBER: P-148656	DATE: August 7, 2018	SCALE: As Shown
ENGINEER: TRUMP L. LAFORCE, P.E. P.S. 27553	SHEET: E-1	
DRAWN BY: S. E. RAL		

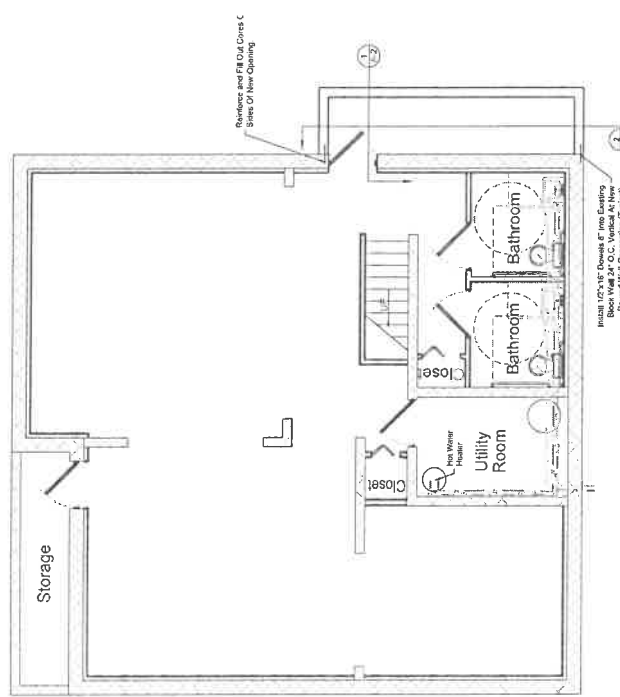
Electrical Plan
Pre K School Plan
 David Fuliz
 1499 N. St. Helen Road
 St. Helen, MI 48656

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 115 South Third Street
 West Branch, MI 48661
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 F (989) 345-7202
 www.laphamassoc.com
 2nd Floor, 1499 N. St. Helen Rd
 St. Helen, MI 48656





1 Plumbing - First Floor Level
SCALE: 1/4" = 1'-0"



1 Plumbing - Basement Level
SCALE: 1/4" = 1'-0"



PROJECT NUMBER: P-10123	DRAWN BY: S.E. BAI	SCALE: AS SHOWN
ENGINEER: TROY L. LAPHAM, P.E., P.S. 27280	DATE: MAR 7, 2018	SHEET: P-1

Plumbing Plan
Pre K School Plan
David Fultz
1499 N. St. Helen Road
St. Helen, MI 48656

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2250 CANTONVILLE AVENUE
LANSING, MI 48205

P-1
DATE PLOTTED: 03/07/2018
PLOTTER: HP DesignJet 2400
SCALE: 1/4" = 1'-0"

CLARK HILL

Clark Hill PLC
151 S. Old Woodward
Suite 200
Birmingham, MI 48009
T 248.642.9692
F 248.642.2174
clarkhill.com

April 11, 2019

Lake Superior State University
Board of Trustees

Charlton Heston Academy
Board of Directors

Ladies & Gentlemen:

**RE: Charlton Heston Academy
Opinion of Counsel Regarding Lease Agreement**

We are counsel to the Charlton Heston Academy (the "Academy") and, in that capacity, have reviewed the Lease between the Academy and the Mr. David Fultz (respectively, the "Lease" and the "Landlord"), the Lake Superior State University ("BMCC") Charter School Office Real Property Leasing Policies (the "Policies") and such other materials and proceedings as we have deemed appropriate to rendering the opinions expressed herein. The Lease is attached hereto as Exhibit A, the Policies and Due Diligence materials required by the Policies are attached hereto as Exhibit B. The Lease has been superseded by a Land Contract in the manner and form disclosed to the authorizer and its designee, Dykema Gossett, PLLC.

The Lease has been submitted to LSSU's designee and contains terms and conditions mandated by the Policies and by the designee after its review of the Lease and the Policies.

Based on our review of the foregoing, it is our opinion that:

1. The Academy is a Michigan nonprofit corporation duly organized, validly existing and in good standing under the laws of the State of Michigan and has full power and authority to enter into the Lease;
2. The Academy's execution, delivery and performance of the Lease, which has been reviewed and non-disapproved by LSSU's designee, does not violate any term or provisions in the Policies which has not been agreed to or waived by Lake Superior State University or its designee;

Lake Superior State University
Board of Trustees

Charlton Heston Academy
Board of Directors

April 11, 2019
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3. The Lease does not conflict with any provisions of the Contract, as amended, rendered this date at <https://www.lssu.edu/charter-schools/list-of-charters/charlton-heston-academy/> or applicable law;
4. The serving Academy Board members have complied with statutory requirements for public servants as provided in MCL 15.321 et seq and do not have a conflict of interest that would prevent them from serving as board members; and
5. The Academy's execution, delivery and performance of the Lease does not permit or require an improper delegation of the Academy Board's: (a) statutory and fiduciary responsibilities under applicable law; or (b) obligations and duties under the Contract.

Sincerely,

CLARK HILL PLC

A handwritten signature in black ink, appearing to read "Clark Hill PLC", written in a cursive style.

EXHIBIT A

LEASE

THIS LEASE (the "Agreement") is made this 27th day of September, 2018, between the MR. DAVID FULTZ, a private individual, ("LANDLORD") of 1595 Leeward Lane, St. Helen, MI 48656, and CHARLTON HESTON ACADEMY ("ACADEMY") of 1350 N. St. Helen Rd, St. Helen, MI 48656, a Michigan public school academy, operating under a Contract ("Charter") issued by the Lake Superior State University Board of Trustees (the "Authorizer").

No provision of this Agreement shall interfere with the Academy's Board of Directors ("Academy Board") exercise of its statutory, contractual and fiduciary responsibilities governing the operation of the Academy. No provision of this Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act. Nothing in this Agreement shall require the Academy Board to assert, waive or not waive its governmental immunity.

1. Leased Premises. LANDLORD leases to the ACADEMY the real property situated in the County of Roscommon, Township of Richfield, located at 1495 N. St. Helen Road, St. Helen, MI (the "Premises") as shown on Exhibit A attached hereto.

All lease and physical plant records of the Lessor related to the Academy will be made available to the Academy's independent auditor and to the Authorizer.

2. Term. The term of this Agreement shall be from October 1, 2018 to September 30, 2019, subject to the following provisions (the "Lease Term"). The Lease Term shall not be longer than the term of the Academy's Charter. In the event the Academy's Charter is revoked, suspended, terminated, or expires by its terms, this Agreement and all obligations hereunder shall immediately terminate. Once an appraisal of the Premises has been obtained, the Academy, at its option, may renegotiate the Lease Term and structure of this Agreement, provided the renegotiated lease term is not less than the Lease Term set forth in the first sentence of this section and further provided that such renegotiated lease term is subject to the restrictions set forth in the second and third sentences in this section.

3. Rental. The rental for each school year shall be \$36,000, paid in installments of \$3,000 per month, to be paid on the 25th of each month. No security deposit has been required, nor has there been any prepaid rent. Other than the rental and other fees specifically described herein, there shall be no add-on fees charged by the LANDLORD to the Academy for use of the premises. In the event the Academy and LANDLORD agree to the purchase of the premises by the Academy, the rent paid under this lease shall be a credit toward the purchase price once the purchase price is agreed upon.

4. Signage. The ACADEMY may establish signage at its own expense subject to the prior approval of LANDLORD which shall not be unreasonably withheld.

5. Parking. The parking lot designated on Exhibit A will be available for non-exclusive use by the ACADEMY.

6. Snow Removal. The ACADEMY shall be responsible for the cost of the snow removal from the parking lot.

7. Restricted Use. The leased premises shall be used solely for the ACADEMY'S educational purposes and as required by covenants and restrictions of records. ACADEMY agrees that it will not allow use of the premises by or for any group, organization, or program which LANDLORD reasonably finds to be objectionable. No party other than the ACADEMY, shall have an ongoing right to occupy the building, site, or physical plant without providing written notice to the LSSU Charter Schools Office Director thirty (30) days prior to such occupancy.

8. Assignment and Subletting. This lease shall not be assigned, nor shall any part of the leased premises be sublet by the ACADEMY.

9. Taxes and Utility Services. ACADEMY covenants and agrees that it will make payment when due for any and all taxes and public utilities used or consumed on said premises during the Lease Term. Any changes or modifications to the existing telephone or communication service to the building shall be the sole responsibility of ACADEMY and shall be done only by the express written consent and approval of LANDLORD.

10. Repairs and Maintenance. The ACADEMY shall provide all janitorial and mechanical maintenance services and shall be responsible for all other repairs due to building usage during the Lease Term. The ACADEMY shall use all reasonable precautions to prevent waste, damage or injury to the leased premises. The ACADEMY shall be responsible for any damage done to the premises outside ordinary and normal wear and tear.

11. Improvement by ACADEMY. All alterations, modifications, or improvements made to the leased premises above shall be at the ACADEMY'S expense and only on the prior written consent of the LANDLORD, and all improvements placed on or in the leased premises, whether heretofore or hereafter, by the ACADEMY and affixed to the leased premises shall become the property of LANDLORD and remain on the leased premises at the termination of this Agreement. The LANDLORD agrees to cooperate with the ACADEMY regarding modifications to the existing facility and to secure state fire marshal approval for use as a school building. On surrender of the premises or upon termination of the Agreement, whichever shall occur earlier, the ACADEMY shall repair all damages to floors, walls, ceilings, and other parts of the premises occasioned by the installation or removal of fixtures installed by the ACADEMY, shall remove all debris, rubbish and waste materials therefrom and shall restore the premises to the same condition as when taken except in respect to improvements made thereto with LANDLORD'S consent and except for normal wear and tear.

Notwithstanding the foregoing, (a) any fixtures purchased with the ACADEMY'S funds are deemed to be owned by the ACADEMY; and (b) if the ACADEMY makes any improvements to the facility, the ACADEMY shall recoup those investments if the Lease is terminated by the LANDLORD without cause prior to the conclusion of this Agreement. In the event the LANDLORD procures equipment, materials and supplies related to the premises, the LANDLORD will comply with the competitive bidding requirements under applicable law. The LANDLORD will include no mark-up or add on fees to equipment, materials and supplies procured for the ACADEMY.

Notwithstanding the foregoing, in the event any governmental agency or authority, other than a party hereto, requires any repairs, alterations, modifications or improvements to the premises because of or resulting from the ACADEMY'S use of the premises, such repairs, alterations, modifications or improvements shall be made by the ACADEMY with LANDLORD's prior consent at the expense of the ACADEMY. The ACADEMY takes the leased premises "as is" in its present condition.

12. Eminent Domain.

(a) In the event that any part of the leased premises shall be taken by exercise of the power of eminent domain (including governmental purchase in lieu of completion of bona fide condemnation or eminent domain proceeding theretofore actually threatened or instituted) the rent payable thereafter shall be decreased in proportion to the amount or portion of the said premises as shall be taken under such proceedings; provided, if all such premises shall be so taken, or if the taking shall preclude the ACADEMY from utilizing reasonably the leased premises as contemplated in Paragraph 1 hereof, this Agreement shall terminate at the time possession must be surrendered and the ACADEMY shall be relieved of all future rental payments provided for herein; provided, further, LANDLORD shall not voluntarily sell the leased premises or any part thereof in connection with any such proceeding that may be threatened or instituted without giving the ACADEMY the opportunity to resist such condemnation at the latter's expense, in which case LANDLORD shall resist such proceeding (if requested so to do by the ACADEMY) at the ACADEMY'S expense in the court or forum having jurisdiction thereof.

(b) In no event shall the ACADEMY have the right to compensation for the value of the term, its rights being solely those of reduced rent or termination as set forth in subparagraph (a) of this Paragraph 12.

13. Public Liability; Insurance and Indemnity. To the extent permitted by applicable law, the ACADEMY shall indemnify, defend and save harmless the LANDLORD from any liability for loss, damage, injury or other casualty to persons or property caused or occasioned by or arising from any act, use or occupancy or negligence by or of the ACADEMY or any of its agents, servants, visitors, licenses, or employees occurring during the Lease Term or any extended term; and in case any action or proceeding be brought against LANDLORD by reasons of any such claim, the ACADEMY on timely notice from LANDLORD shall resist or defend such action or proceedings by counsel selected and engaged by the ACADEMY, which shall include the taking of all permissible appeals, unless full release of LANDLORD is obtained by way of settlement or compromise at the expense of the ACADEMY or its insurance carrier.

The ACADEMY shall provide and keep in force comprehensive general public liability insurance against claims for personal injury, death or property damage occurring on, in, or about the premises and on, in or about the adjoining streets, property and passageways, such insurance to afford minimum protection during the term of this lease of not less than Five Hundred Thousand and 00/100 Dollars (\$500,000.00) with respect to personal injury or death to any one person and is not less than One Million and 00/100 Dollars (\$1,000,000.00) with respect to any occurrence and of not less than Five Hundred Thousand and 00/100 (\$500,000.00) with respect to any one occurrence and of not less than One Million Dollars (\$1,000,000.00) for property damage. Said policy shall name LANDLORD as an additional insured, and the ACADEMY

shall pay all premiums thereon and furnish evidence of such payment to LANDLORD on an annual basis.

Notwithstanding anything contained within this Agreement to the contrary, the ACADEMY shall have no liability or obligation to investigate, clean, remove, remediate, or otherwise deal with hazardous material present at the site prior to the ACADEMY occupying the site. Such liabilities are the sole responsibility of the LANDLORD.

LANDLORD shall indemnify the ACADEMY for damages or litigation caused by the condition of the physical plant, if those damages or litigation are caused by the LANDLORD'S use or prior use of hazardous material at the physical plant.

14. Subrogation. Each party hereto does hereby remise, release, and discharge the other party and any officer, agent, employee or representative of such party, of and from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualty for which insurance (permitting waiver of liability containing a waiver of subrogation) is carried by the injured party at the time of such loss, damage, or injury, to the extent of any recovery by the injured party under such insurance.

15. Holdover Tenancy. If the ACADEMY shall remain in possession following the end of the Lease Term, or any extension thereof, it shall be a tenant from month-to-month only unless the parties otherwise agree in writing. The monthly lease rate shall be set at 10% of the total lease payments from the previous year as established in Paragraph 3. (Example: \$36,000 paid the previous year x 10% or \$3,600 per month). Holdover lease payments shall be paid in advance on the first of the month for each month that the ACADEMY occupies the property for one or more days. Utility service shall continue under the terms of Paragraph 9.

16. Default. This Agreement is made upon the condition that the ACADEMY shall perform all covenants and agreements herein set forth to be performed by it, and if any time rent, insurance premiums or other charges and payments or any of them or any part thereof, shall become in arrears and unpaid for a period of thirty (30) days after becoming due, or if any of the covenants or agreements aforesaid shall not be performed by the ACADEMY, within the period of thirty (30) days after notice of default in performance, LANDLORD, at any time thereafter shall have full right, at its election, to enter upon the above-described premises, and to take immediate possession thereof.

In the event LANDLORD shall retake possession of the premises, this Agreement shall terminate and LANDLORD shall have the right to right to lease the premises or any part thereof for all or any portion of the remainder of said Lease Term to a tenant or tenants satisfactory to LANDLORD. The ACADEMY shall be liable to the LANDLORD for outstanding liabilities of the ACADEMY.

17. Bankruptcy. If the ACADEMY shall become insolvent or make an assignment for the benefit of creditors, or file a petition in bankruptcy, or seek the benefit of any bankruptcy, composition, or insolvency law or act, or if the ACADEMY shall be adjudged bankrupt or if a receiver or trustee of the property of the ACADEMY shall be appointed, or this lease shall by operation of law devolve upon or pass to any person or persons other than the ACADEMY then in each such case LANDLORD shall have the right and option to terminate this Agreement at any time, and with or without demand or notice, and with or without legal process, enter into the

demised premises and take possession thereof, and may use all force necessary to effect such entry and/or to hold such possession and/or to remove the ACADEMY and/or any person and/or property from the demised premises.

18. Fire and Other Casualty. In the event the building on the leased premises and any other building located thereon shall be damaged by fire or by elements or other casualty, LANDLORD as soon as reasonably may be done shall reconstruct, repair, or rebuild to the extent necessary to make the same substantially similar in character and value of the building so damaged. In the event such loss shall render the buildings totally unusable to the extent that reasonable activities cannot be conducted therein by the ACADEMY, rent shall abate until said buildings shall have been put back in condition substantially similar to their condition immediately prior to said loss; provided, if these buildings are partially destroyed by fire or the elements or other casualty, and are not rendered totally unusable by the ACADEMY, the ACADEMY shall pay such proportion of the rental herein provided as the part of the buildings that may be used for the activities of the ACADEMY bears to the whole thereof. Notwithstanding the forgoing, in the event said buildings shall have been rendered totally unusable to the extent that reasonable activities cannot be conducted therein by the ACADEMY, LANDLORD shall be fully relieved of its obligation to reconstruct or rebuild or repair, and this Agreement shall terminate forthwith and the ACADEMY repaid all prepaid rent, if any, pro rata for any unexpired portion of the Lease Term.

LANDLORD shall carry and pay all premiums on fire and extended insurance in an amount equal to the estimated replacement value of all buildings on the leased premises and furnish proof thereof upon request to the ACADEMY.

19. Right of Entry. LANDLORD and its agents shall have the right to enter the leased premises at such reasonable times as will not interfere with the ACADEMY'S normal use thereof for the purpose of inspection, repair, showing to prospective purchasers and/or tenants, posting and maintaining for sale or rental signs. Provided, however, that showing to prospective tenants and posting for sale or rental signs shall be allowed only within a period of ninety (90) days from the end of the Lease Term.

20. Non-Liability Clause.

(a) LANDLORD shall not be liable for damage to the leased premises from water, rain, or snow which may leak into, issue or flow from the leased parts of the building or from pipes or plumbing or from within the leased premises.

(b) LANDLORD shall not be liable to the ACADEMY for damages nor shall the ACADEMY be entitled to abatement of rent by reason of interruption of activities resulting from the making or any repairs or restoration required to be made by LANDLORD under Paragraph 10 hereof if LANDLORD proceeds with due diligence in so doing. This subparagraph shall not transcend any express contrary provision in Paragraph 14 hereof.

(c) The ACADEMY shall be responsible for any charges or billings from the local law enforcement or fire agencies for false burglar or fire alarms during its occupation of the premises.

21. Notice. Any notice, reports, or statements required to be given hereunder shall be sufficiently given by certified United States mail, return receipt requested, addressed to the

LANDLORD at 1595 Leeward Lane, St. Helen, MI 48656 (or to such other address as LANDLORD may direct in writing) and to the ACADEMY at 1350 N St. Helen Rd, St. Helen, MI 48656 (or to such other address as the ACADEMY may direct in writing). The notice shall be effective when deposited in such mail.

22. Benefit. This Agreement shall inure to the benefit of and be binding upon LANDLORD, its successors and assigns, subject to the provisions of Paragraph 5 thereof.

23. Entire Agreement; Amendment. This Agreement constitutes the entire agreement between the parties and it shall not be modified or amended, except by a writing executed by both parties which shall also be approved or approval waived by the Authorizer before execution.

24. Authorizer Approval. This Agreement shall be subject to the approval of the Authorizer's designee, the Lake Superior State University Charter Schools Office.

IN WITNESS WHEREOF, the parties have executed this Agreement.

MR. DAVID FULTZ

By

Witnesses:

Its

Date

LANDLORD

CHARLTON HESTON ACADEMY

By

Witnesses:

Its

Date

ACADEMY

LANDLORD at 1595 Leeward Lane, St. Helen, MI 48656 (or to such other address as LANDLORD may direct in writing) and to the ACADEMY at 1350 N. St. Helen Rd. St. Helen, MI 48656 (or to such other address as the ACADEMY may direct in writing). The notice shall be effective when deposited in such mail.

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24. Authorizer Approval. This Agreement shall be subject to the approval of the Authorizer's designee, the Lake Superior State University Charter Schools Office.

IN WITNESS WHEREOF, the parties have executed this Agreement.

MR. DAVID FULTZ

By David Fultz _____
Its _____
Witnesses: _____

Date 9-27-18 _____ LANDLORD

CHARLTON HESTON ACADEMY

By David Fultz _____
Its David Fultz _____
Date 9/27/18 _____
Witnesses: _____
ACADEMY

EXHIBIT B

CHARLTON HESTON ACADEMY

ROSCOMMON COUNTY, MICHIGAN

A special board meeting of the Board of Directors of the Charlton Heston Academy, Roscommon County, Michigan (the "Academy"), was held at the Academy on January 31, 2019, at 6:00 p.m., Local Time.

PRESENT: Members: Jennifer Jarosz, Michael Hodnett, Gary Buddenberg

ABSENT: Members: Veronica, Bridson

RESOLUTION AUTHORIZING PURCHASE OF ACADEMY FACILITY BY WAY OF LAND CONTRACT

The following preamble and resolution were offered by Gary Buddenberg and supported by Michael Hodnett.

WHEREAS, Act 451, Public Acts of Michigan, 1976, as amended, permits the Academy to acquire, hold, and own in its own name real and personal property, or interests in real or personal property, for educational purposes land contract subject to security interests, or other liens; and

WHEREAS, the Academy has determined it is in the best interest of the Academy to acquire a public school academy facility (the "Property"), located at 1495 N. St. Helen Road, Roscommon, MI by way of land contract from David and Nancy Fultz under the terms specified on Exhibit A; and

WHEREAS, the Academy also deems it advisable to authorize the President, any other member of the Board of Directors, or any one of them acting alone (each an "Authorized Officer"), to accept an offer to execute the land contract on behalf of the Academy and to approve various other terms and documents in connection with the sale and delivery of the bonds to such purchaser.

THEREFORE, IT IS RESOLVED BY THE CHARLTON HESTON ACADEMY, ROSCOMMON COUNTY, MICHIGAN THAT:

1. Land Contract. Upon the approval of the Academy's authorizing body, the Academy shall purchase the Property by way of land contract from David and Nancy Fultz under the terms described on Exhibit A.

2. Approval. The Authorized Officer is directed to seek appropriate approvals or certifications from the Academy's Authorizing Body.

3. Conflicts. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution be and the same hereby are rescinded.

Ayes: Jennifer Jarosz, Michael Hodnett, Gary Buddenborg

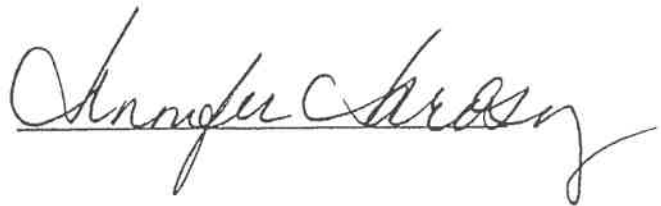
Nays: None

RESOLUTION DECLARED ADOPTED.

A handwritten signature in cursive script, reading "Jennifer Jarosz", written over a horizontal line.

President, Board of Directors

The undersigned duly qualified and acting President of the Board of Directors of the Charlton Heston Academy, Roscommon County, Michigan, hereby certifies that the foregoing is a true and complete copy of a Resolution adopted by the Board of Directors at a special meeting held on January 31, 2019, the original of which Resolution is a part of the Board's minutes, and further certifies that notice of the meeting was given to the public under the Open Meetings Act, Act 267, Public Acts of Michigan, 1976, as amended.

A handwritten signature in cursive script, reading "Jennifer Jarosz", written over a horizontal line.

President, Board of Directors

LAND CONTRACT RESOLUTION

LAND CONTRACT

THIS LAND CONTRACT, made on February 1, 2019 (the "Contract Date"), between David W. Fultz and Nancy E. Fultz, whose address is 1597 Leeward Lane, St. Helen, Michigan 48656, hereinafter referred to as the "Sellers," and Charlton Heston Academy, a Michigan public school academy, whose address is 1350 N. St. Helen Rd., St. Helen, MI 48656, hereinafter referred to as the "Purchaser."

WITNESSETH that in consideration of the mutual covenants to be performed between the respective parties hereto as hereinafter expressed and the sum of Two Hundred Sixty Four Thousand, Two Hundred Seventy One and 15/100 Dollars (\$264,271.15) to be duly paid by the Purchaser to the Sellers, as hereinafter specified, it is agreed between the parties hereto as follows:

1. DESCRIPTION OF LAND

The Sellers hereby sell and agree to convey unto the Purchaser all of that certain piece or parcel of land situated in St. Helen County, Michigan, described as:

1495 N. St. Helen Road, St. Helen, MI 48656, more particularly described on Exhibit A attached hereto (the "Premises")

together with all tenements, hereditaments, appurtenances and improvements thereunto belonging or in any way appertaining thereto, hereinafter collectively referred to as the "Premises," for the sum of Two Hundred Sixty Four Thousand, Two Hundred Seventy One and 15/100 Dollars (\$264,271.15) paid to the Sellers, pursuant to the payment schedule attached as Exhibit B.

Subject to:

- A. Easements and building and use restrictions, of record;
- B. Rights of the public, and any governmental authority in any part of the land taken, deeded, or used as a street, road or highway; and
- C. Restrictions imposed by zoning ordinances, building and use codes or as part of any general plan or land use plan, real property taxes and special assessments which become due at any time after the Contract Date, liens, charges and encumbrances which have accrued in respect of or attached to or upon the Premises through the acts or omissions of the Purchaser or its assigns at any time after the Contract Date, and liens, charges and encumbrances which have accrued in respect of or attached to or upon the Premises through acts or omissions of persons other than Sellers at any time after the Contract Date.

2. TERMS OF PAYMENT

Purchaser hereby purchases the Premises from Sellers and agrees to pay the Sellers therefore the sum of Two Hundred Sixty Four Thousand, Two Hundred Seventy One and 15/100 Dollars (\$264,271.15) (the "Purchase Price"). At closing, Purchaser shall pay to seller \$12,000 for rent attributable to the months of October, November and December 2018 and January 2019, which

amounts are creditable toward the Purchase Price. The balance of \$252,271.15 shall be paid as set forth on Exhibit B.

3. PURCHASER'S OBLIGATION TO PAY TAXES, ASSESSMENTS, UTILITIES AND INSURANCE

Purchaser shall pay all taxes, assessments and utilities due after the Contract Date and will ensure that no penalties for non-payment attach thereto, beginning immediately with the execution of this Land Contract. Purchaser shall pay all Summer taxes and all Winter taxes on or before the due date each year. During the term of this Land Contract, immediately following payment of the Summer taxes and the Winter taxes, Purchaser shall submit a copy of the tax bill and evidence of payment in full of the respective taxes to Sellers. Throughout the term of this Land Contract, Purchaser shall procure and maintain commercial general liability insurance with limits of not less than Five Hundred Thousand and 00/100 (\$500,000.00) Dollars per occurrence and One Million and 00/100 (\$1,000,000.00) Dollars in the aggregate, and shall keep the Premises (including the land and all improvements and fixtures thereon) insured against loss and damage by fire and the perils covered by extended coverage insurance reasonably acceptable to Sellers and against such other risks, in an amount not less than its full replacement value, if available, with such insurer(s) as may from time to time be reasonably approved by Sellers. The Purchaser's insurance shall be primary to any insurance available to the Sellers and the Sellers' insurance, if any, shall not contribute to any loss or damage covered by Purchaser's insurance policies. Such policies shall not be cancelled or materially changed without at least thirty (30) days prior written notice to Sellers.

Certificates of insurance or copies of the policies of all such insurance and all renewals thereof, together with receipts evidencing payment in full of the premiums thereon, shall be delivered to Sellers on the Contract Date and thereafter as Sellers request. In the event of loss or damage, the proceeds of said insurance shall be paid to repair damage caused to improvements if Purchaser is not in default of this Land Contract. If Purchaser is in default of this Land Contract beyond any notice and cure period, then Sellers are authorized to adjust and compromise such loss with prior notice to, but without the need for consent of, Purchaser, to collect on, receive such proceeds in the name of Sellers and Purchaser and to endorse Purchaser's name upon any check in payment thereof. Anything herein to the contrary notwithstanding, any insurance proceeds shall be first applied toward reimbursement of all costs and expenses incurred by Sellers in collecting said proceeds, and the balance of said proceeds, in Sellers' discretion, may be used in any one or more of the following ways: (a) apply the same or any part thereof against amounts owned by Purchaser under this Land Contract, (b) use the same or any part thereof to fulfill any of the Purchaser's covenants contained in this Land Contract as Sellers may determine, (c) use the same or any part thereof to replace or restore the improvements to the Premises to a condition satisfactory to Sellers, (d) release the same to Purchaser, or (e) in any reasonable manner deemed necessary by Sellers provided that Sellers agree to pursue option (c) above so long as Purchaser is not in default hereunder and Purchaser desires to have the improvements restored or repaired. If Purchaser is in default of this Land Contract, Sellers are free to pursue options (a) through (e) in its sole discretion.

Additionally, the Purchaser shall ensure that any and all applicable policies are endorsed to name the Sellers, including its Board of Education, Board members (in their official and individual capacities, if available), administration, employees and agents, as an additional insured under any and all applicable policies of insurance. In addition to any other remedies hereunder, if default is made by the Purchaser in the payment of any tax, special assessment, utility or insurance premiums

or in the delivery of insurance as above provided, Sellers may pay such tax, special assessment, utility or premiums or procure such insurance upon providing Purchaser with five (5) business days' notice and pay the premiums therefore, and any amount so paid shall be a further lien on the land, payable by Purchaser to Sellers forthwith with interest at ten (10%) percent per annum.

4. BUILDINGS, TREES AND OTHER IMPROVEMENTS

All buildings, trees or other improvements hereafter made or placed on the Premises, shall be a part of the security for the performance of this Land Contract and may not be removed without the written consent of the Sellers. Notwithstanding the foregoing, the Purchaser acknowledges that it shall not make any improvements on or to the Premises, nor shall it build or develop or remove trees from the unreleased portion of the Premises prior to the respective full release of the same from under this Land Contract, except that Purchaser is entitled to install the road(s) and utilities within the portion of the Premises not yet released by Sellers pursuant to this Land Contract and to remove any and all trees as needed and to mass grade the Premises to accomplish the same.

5. PURCHASER'S DEFAULT

The payment of all monies becoming due hereunder by the Purchaser and the performance of all covenants and conditions of this Land Contract to be kept and performed by the Purchaser are conditions precedent to the performance by the Sellers of the covenants and conditions of this Land Contract to be kept and performed by the Sellers.

Purchaser shall be deemed in default of this Land Contract, which is referred to as an "Event of Default," upon occurrence of any one or more of the following events:

(1) the failure of Purchaser to make any payment of Principal and/or interest when due, whether due by acceleration, maturity, or otherwise, under this Land Contract; and/or

(2) the occurrence of any breach or violation of any of the terms or conditions of this Land Contract; and/or

(3) the occurrence of any one of the following:

(i) Purchaser voluntarily or involuntarily applies for or is subject to the appointment of a custodian, trustee or receiver to take custody or dispose of any substantial portion of the assets of Purchaser including, but not limited to, the Premises; or

(ii) a court of competent jurisdiction appoints a custodian, trustee or receiver to take custody or dispose of any substantial portion of the assets of Purchaser including, but not limited to, the Premises pursuant to any involuntary proceeding and the same shall not be dismissed or discharged within thirty (30) days; or

(iii) Purchaser voluntarily seeks protection from creditors under any applicable State or Federal bankruptcy, liquidation or dissolution, insolvency, or debt reorganization laws; or

(iv) any of Purchaser's creditors institutes any proceeding against Purchaser under any applicable State or Federal bankruptcy, liquidation or dissolution, insolvency, or debt reorganization laws, and the same shall not be dismissed or discharged within thirty (30) days; or

(4) the temporary or permanent liquidation, dissolution, or other discontinuance of the Purchaser's existence; the merger or consolidation of Purchaser; the sale or transfer of all or substantially all of Purchaser's assets or the termination, revocation or suspension of Purchaser's Charter; and

(5) the desertion or abandonment of the Premises, or any portion thereof, by Purchaser.

Upon an Event of Default, Sellers immediately thereafter shall, among its remedies, have the right to declare this Land Contract forfeited and void, and retain whatever may have been paid hereon, and shall be entitled to retain any and all plans, specifications, building certifications or approvals, and all improvements that may have been made upon the land, together with additions and accretions thereto, and Sellers shall be released from all obligations in law or in equity, to convey said Premises to the Purchaser, but not the architectural plans relating specifically to Purchaser's proposed houses. A proper written notice of forfeiture, giving Purchaser at least thirty (30) days to pay any monies required to be paid hereunder or to cure other material breaches of this Land Contract, shall be served on Purchaser, as provided by statute, prior to institution of any proceedings to recover possession of the Premises; Sellers also retains the right upon the occurrence of an Event of Default which default remains uncured by Purchaser for a period of forty-five (45) days or more after the receipt of written notice, to foreclose this Land Contract in equity, through which Sellers shall have, at the Sellers' option, the right to collect the entire unpaid balance hereunder to be due and payable.

Nothing in this Land Contract shall be construed as a waiver by Sellers of all of its rights and remedies in law and equity including, but not limited to, upon the occurrence of an Event of Default, declaring the entire unpaid Principal balance hereunder to be immediately due and payable. If, following a default by the Purchaser hereunder, the Sellers elect to forfeit this Land Contract, and having done so seeks a writ of restitution in a court having jurisdiction, interest shall continue hereunder following such forfeiture until a writ of restitution is entered by the court and all of Purchaser's rights to have this Land Contract reinstated have been extinguished.

6. USE AND CONDITION OF PREMISES

Purchaser shall not commit, or suffer any other person to commit, any waste or damage to the Premises or to any appurtenances and shall keep the Premises and all improvements in as good condition as they are now, and Purchaser shall use, maintain (including grass cutting of the entire Premises) and occupy the Premises in accordance with any and all applicable building and use restrictions, and police, sanitary or other regulations imposed by any governmental authority. Furthermore, until Purchaser satisfies all of its obligations pursuant to this Land Contract and pays the Principal balance in full, Purchaser shall not remove, change, modify or make improvements to the Premises without prior written consent from Seller.

7. PROHIBITION OF CONSTRUCTION LIENS

Purchaser shall not permit any construction liens to be filed against its interest under this Land Contract or any interest it holds in the Premises. If any such construction liens shall attach, Purchaser shall discharge, bond off, insure over or provide adequate security against any such construction lien(s) within sixty (60) days from the date such lien(s) is/are filed. Nothing in this Land Contract shall be deemed or construed to give the Purchaser the right or authority to contract for, or to authorize or permit the performance of, any labor or services or the furnishing of any

material that would permit the attaching of a construction lien to the Sellers' interest in the Premises.

8. ENVIRONMENTAL COMPLIANCE

A. Purchaser shall not use, generate, manufacture, transport, treat, store, process, dispose, discharge, emit, or release any Hazardous Materials at, on, under or from the Premises, except that Purchaser: (i) may use and store retail products that contain such substances in packaging and quantities consistent with typical residential use, and (ii) may remove or remediate any Hazardous Materials present at the Premises as of the Contract Date, all in strict compliance with applicable Environmental Laws. Purchaser also shall handle, transfer and dispose of any solid waste generated on the Premises in strict compliance with applicable Environmental Laws. "Hazardous Materials" shall mean (i) any hazardous or regulated substance as defined by Environmental Laws (ii) any other pollutant, contaminant, hazardous substance, solid waste, hazardous material, radioactive substance, toxic substance, noxious substance, hazardous waste, particulate matter, airborne or otherwise, chemical waste, medical waste, crude oil or any fraction thereof, radioactive waste, petroleum or petroleum-derived substance or waste, asbestos, PCBs, radon gas, all forms of natural gas, or any hazardous or toxic constituent of any of the foregoing, whether such substance is in liquid, solid or gaseous form, or (iii) any such substance the release, discharge or spill of which requires activity to achieve compliance with applicable law. "Environmental Laws" shall mean all federal, state and local environmental laws, including, but not limited to, The Hazardous Materials Transportation Act, (47 USC §§ 1801 *et seq.*), Federal Water Pollution Control Act (33 U.S.C. §§ 1251 *et seq.*) ("Clean Water Act"), the Resource Conservation & Recovery Act (42 U.S.C. §§ 6901 *et seq.*) ("RCRA"), Safe Drinking Water Act (42 U.S.C. §§ 300f-j-26), Toxic Substances Control Act (15 U.S.C. §§ 2601 *et seq.*), Clean Air Act (42 U.S.C. §§ 7401 *et seq.*), the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. §§ 9601 *et seq.*) ("CERCLA"), the Emergency Planning and Community Right to Know Act, 42 U.S.C. §§ 11001 *et seq.* ("EPCRA"), the Michigan Natural Resources and Environmental Protection Act, MCL 324.101 *et seq.*, the administrative rules and regulations promulgated under such statutes, or any other similar federal, state or local law or administrative rule or regulation of similar effect, each as amended or supplemented. Purchaser agrees to defend, indemnify, and hold Sellers harmless at all times from (i) all fines, penalties, costs and/or expenses (including reasonable attorneys' fees and costs) incurred by Sellers are a result of claims, demands, causes of action and actions, suits, rights and damages, whether in law or in equity ("Claim(s)"), made by any party in connection with any Hazardous Materials used, generated, manufactured, transported, treated, stored, processed, disposed, discharged, emitted, or released, at, on, under, or from the Premises, from and after the Contract Date by Purchaser, and (ii) for injuries sustained or other tort actions brought for claims arising out of Purchaser's failure to remove or remediate such Hazardous Materials caused or generated by Purchaser. Such indemnification shall include all costs of removal or remediation of such Hazardous Materials due to, or caused by, the Purchaser, its employees, agents or contractors.

B. Purchaser shall comply with all Environmental Laws relating to the Premises. Purchaser shall immediately inform Sellers of any federal or state investigation or notice relating to a release of any Hazardous Materials at, on, under or from the Premises into the environment. Purchaser shall immediately inform Sellers of any violation or notice of an alleged violation of any Environmental Laws relating to the Premises.

9. SELLERS' DUTY TO CONVEY AND FURNISH EVIDENCE OF TITLE

Upon execution of this Agreement, Sellers shall execute a warranty deed in the form attached as **Exhibit C** for the Premises in the form attached hereto to be held in escrow pending fulfillment of this Land Contract, which shall be evidenced by correspondence from Purchaser to 3 Lakes Abstract and Title Company (the "Title Company"), which is the Title Company selected by Sellers, attesting to payment in full of the amounts set forth on Exhibit B.

10. POSSESSION

Possession of the Premises may be taken by Purchaser as of the Contract Date and prior to a respective Release retained by Purchaser for so long as no default is made by said Purchaser in any of the terms or conditions hereof.

11. PURCHASER'S ASSIGNMENT

Purchaser covenants that neither Purchaser's interest in this Land Contract nor Purchaser's interest in the Premises may be voluntarily or involuntarily transferred, sold, assigned, or conveyed without the prior written consent of Sellers. No transfer, assignment, sale, or conveyance shall release Purchaser from obligations under the provisions of this Land Contract unless Sellers release Purchaser in writing.

12. NOTICE TO SELLERS OF ASSIGNMENT

No assignment or conveyance by Purchaser shall create any liability whatsoever against the Sellers until a duplicate thereof duly witnessed, together with the address of such Assignee, shall be delivered to the Sellers. However, in the event of assignment, pursuant to Paragraph 11 of this Land Contract, such notice to the Sellers or acceptance of same by the Sellers or acceptance of payment made by Assignee shall constitute a change of parties and privity of contract and a novation between the Sellers and the Assignee and enable the Sellers to maintain any suit or action for payment, specific performance, deficiency or summary proceedings for possession against the Assignee alone.

13. AUTHORIZING BODY NONDISAPPROVAL This Land Contract shall be subject, if so demanded by the Authorizing Body (The Board of Trustees of Lake Superior State University), to its nondisapproval. In the event the Authorizing Body demands revisions or amendments hereto, such revisions or amendments shall be incorporated into this agreement verbatim as dictated by the Authorizing Body or its counsel and signed by both Sellers and Purchaser in the form of an Amendment to this Land Contract.

14. INTERPRETATION OF LAND CONTRACT

If more than one joins in the execution hereof as Sellers or Purchaser, or be either of the feminine sex, or a corporation, the pronouns and relative words herein used shall be read as if written in plural, feminine or neuter respectively.

15. TIME OF THE ESSENCE

It is expressly understood and agreed by the parties hereto that time shall be deemed as of the very essence of this Land Contract and all stipulations and agreements herein contained shall apply to and bind the heirs, executors, administrators, successors and assigns of the parties hereto.

16. SELLERS' CONVEYANCE SUBJECT TO EASEMENTS, ORDINANCES, RESTRICTIONS AND RESERVATIONS

This Land Contract and the conveyance to be made in fulfillment hereof are made subject to all zoning ordinances, building and use restrictions, easements and reservations in the chain of title, or of record.

17. ENCUMBRANCES ON SELLERS' TITLE

Sellers covenant that it shall never have an indebtedness outstanding against the title to the above-described Premises (for example, a mortgage) which exceeds the balance then owing on this Land Contract and the term of repayment.

18. PURCHASER'S ACCEPTANCE OF TITLE

Purchaser agrees that he has examined a title insurance commitment dated _____, 2019, given by the Title Company (the "Commitment"), covering the Premises, and is satisfied with the marketability of title shown thereby. Delivery of such Commitment and the owner's title policy, showing Purchaser's interest of the Premises as Owner, shall constitute fulfillment of Sellers' agreement to furnish title evidence herein contained.

19. PURCHASER'S ACCEPTANCE OF PREMISES

Purchaser acknowledges that Purchaser has inspected the condition of the Premises prior to the execution of this Land Contract and that, except as expressly stated in this Land Contract, Sellers make no representations as to the condition of the Premises, including, without limitation, the environmental condition thereof. Purchaser further acknowledges that it is purchasing the Premises "As Is" and "with all faults," if any, and Purchaser hereby releases Sellers from any claims, damages, liabilities, losses and costs of any nature that arise from the condition, including the environmental condition, of the Premises. The Purchaser further agrees that the Sellers and any and all agents of the Sellers shall not be liable for or on account of any inducements, promises, representations, or agreements not contained in this Land Contract; that no agent or employee of the Sellers are or have been authorized by the Sellers to make any representations with respect to said property; and that if any such representations have been made, they are wholly unauthorized and not binding on the Sellers.

20. RISK OF LOSS

Destruction of, or damage to, any building or other improvement now or hereafter placed on said Premises, or of any personal property, if any, described in this Land Contract, whether from fire or any other cause, shall not release the Purchaser from any of its obligations under this Land Contract, it being expressly understood that Purchaser bears all risk of loss to, or damage of, said property.

21. INDEMNIFICATION

Purchaser shall indemnify, defend and hold the Sellers and the property of the Sellers, including the Sellers' interest in said Premises, free and clear from liability for any and all

mechanics' and/or construction liens or other expenses resulting from any renovations, alterations, buildings, repairs, or other work placed on said Premises by the Purchaser.

22. REIMBURSEMENT OF COSTS AND EXPENSES

If either party defaults hereunder, the defaulting party shall be responsible for actual costs and expenses incurred, including attorney's fees arising out of the default under this Land Contract, including any action for enforcement of the provisions of this Land Contract or an action to which the non-defaulting party is made a party by reason of being a party to this Land Contract.

23. WAIVER

The waiver of any breach of this Land Contract by either party shall not constitute a continuing waiver or a waiver of any subsequent breach, either of the same or another provision of this Land Contract. The delay or omission by Sellers to exercise any right or power provided by this Land Contract shall not constitute a waiver of such right or power, or acquiescence in any default on the part of Purchaser. The acceptance of any payments made by the Purchaser in a manner or at a time other than as required by the terms and conditions of this Land Contract shall not be construed as a waiver or variation of such terms and conditions. Any default on the part of Purchaser shall be construed as continuous, and the Sellers may exercise every right and power under the Land Contract at any time during the continuance of such default, or upon the occurrence of any subsequent default. Purchaser reserves the right to cure the event of any default in accordance with the provisions of Paragraph 5 of this Land Contract.

24. GOVERNING LAW

It is agreed by Sellers and Purchaser that this Land Contract shall be governed by the laws of the State of Michigan. Venue shall be Roscommon County, Michigan.

25. NOTICE

Any declarations, notices or papers necessary or proper to terminate, accelerate or enforce this Land Contract shall be conclusively presumed to have been served upon Purchaser if such instrument was enclosed in an envelope with first class postage fully paid, addressed to Purchaser at the address set forth in the heading of this Land Contract or at the latest other address which may have been specified by Purchaser and receipted for in writing by Sellers, and such envelope was deposited in the United States Government mail.

26. ACCESS TO PREMISES

During the Term of this Land Contract, Sellers and Sellers' agents and representatives shall have the right, upon twenty-four (24) hour notice to Purchaser, to enter and inspect the Premises at all reasonable hours for the purpose of verifying Purchaser's compliance with the terms of this Land Contract.

27. AUTHORIZED SIGNATORY

Purchaser and Sellers each represent and warrant to the other that the individual executing this Land Contract on its behalf is duly authorized by, and has the authority to execute this Land Contract and bind, the respective party.

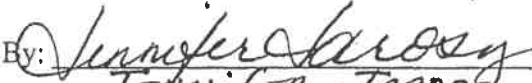
THE PURCHASER HEREBY CERTIFIES THAT IT HAS READ AND UNDERSTANDS THE DEFAULT PROVISIONS CONTAINED IN PARAGRAPH 5 ABOVE AND SELLERS'

REMEDIES IN THE EVENT OF DEFAULT WHICH ENTITLES SELLERS TO FORFEIT OR FORECLOSE THIS LAND CONTRACT.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals the day and year first above written.

IN THE PRESENCE OF:

PURCHASER:
CHARLTON HESTON ACADEMY

By: 
JENNIFER JAROSE

Its: President

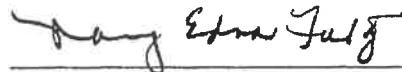
Date: February 1, 2019

SELLER:
DAVID WILTSE FULTZ



Date: February 1, 2019

SELLER:
NANCY EDNA FULTZ



Date: February 1, 2019

STATE OF MICHIGAN)
)SS
COUNTY OF Roscommon)

On February 1, 2019, before me, the undersigned notary public in and for said County, personally appeared Jennifer Jarosz, President of Charlton Heston Academy, to me known to be the same person who executed the within instrument on behalf of Charlton Heston Academy, and who acknowledges the same to be the free act and deed of Charlton Heston Academy. -

NICHOLE WITER
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF ROSCOMMON
My Commission Expires Dec. 22, 2023
Acting in the County of Roscommon

Nichole Witer
Nichole Witer, Notary Public
Roscommon County, Michigan
Acting in Roscommon County, Michigan
My commission expires: Dec 22, 2023

STATE OF MICHIGAN)
)SS
COUNTY OF Roscommon)

On February 1, 2019, before me, the undersigned notary public in and for said County, personally appeared David W. Fultz and Nancy E. Fultz, to me known to be the same persons who executed the within instrument and who acknowledge the same to be the free act and deed of David W. Fultz and Nancy E. Fultz.

NICHOLE WITER
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF ROSCOMMON
My Commission Expires Dec. 22, 2023
Acting In the County of Roscommon

Nichole Witer
Nichole Witer, Notary Public
Roscommon County, Michigan
Acting in Roscommon County, Michigan
My commission expires: Dec 22, 2023

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

Land situated in the Township of Richfield, County of Roscommon, State of Michigan.

Commencing at the East $\frac{1}{4}$ corner of Section 27, T23N, R1W; thence South along the Section line 100.0 feet to the Place of Beginning; thence continuing South along the Section line 90.9 feet; thence S89 degrees, 43 minutes W, 217.65 feet; thence North 90.8 feet; thence N89 degrees 43 minutes east, 217.65 feet to the point of Beginning.

Sidwell No. 72-010-327-013-0025

Exhibit B

Note Model Statement

Date Quoted:	Jan 11, 2019
Product:	Product Not Defined
Interest Method:	(1) 365/365 Payments P&I
Note Date:	Jan 25, 2019
Maturity Date:	Feb 25, 2024
Principal Advance:	\$252,271.15
Amount Financed:	\$252,271.15
Finance Charge:	\$35,624.59
APR:	5.000000%
Total Principal:	\$252,271.15
Total Interest:	\$35,624.59
Total of Payments:	\$287,895.74

Payment Schedule

Description	Date	Frequency	Number	Amount
Fixed Regular Payment	Feb 25, 2019	Monthly	8	\$3,000.00
Fixed Regular Payment	Oct 25, 2019	Monthly	52	\$5,000.00
Balloon Payment	Feb 25, 2024	One Time	1	\$3,895.74

☒ Jun 25, 2022	Fixed Regular Payment	5,000.00	5,000.00	4,578.27	421.73	94,734.24
☒ Jul 25, 2022	Fixed Regular Payment	5,000.00	5,000.00	4,610.69	389.31	90,123.55
☒ Aug 25, 2022	Fixed Regular Payment	5,000.00	5,000.00	4,617.29	382.71	85,506.26
☒ Sep 25, 2022	Fixed Regular Payment	5,000.00	5,000.00	4,636.90	363.10	80,869.36
☒ Oct 25, 2022	Fixed Regular Payment	5,000.00	5,000.00	4,667.67	332.33	76,201.69
☒ Nov 25, 2022	Fixed Regular Payment	5,000.00	5,000.00	4,676.41	323.59	71,525.28
☒ Dec 25, 2022	Fixed Regular Payment	5,000.00	5,000.00	4,706.07	293.93	66,819.21
☒ 2022 Totals		60,000.00	60,000.00	55,155.65	4,844.35	
☒ Jan 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,716.25	283.75	62,102.96
☒ Feb 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,736.28	263.72	57,366.68
☒ Mar 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,779.97	220.03	52,586.71
☒ Apr 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,776.69	223.31	47,810.02
☒ May 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,803.53	196.47	43,006.49
☒ Jun 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,817.37	182.63	38,189.12
☒ Jul 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,843.06	156.94	33,346.06
☒ Aug 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,858.40	141.60	28,487.66
☒ Sep 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,879.03	120.97	23,608.63
☒ Oct 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,902.98	97.02	18,705.65
☒ Nov 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,920.57	79.43	13,785.08
☒ Dec 25, 2023	Fixed Regular Payment	5,000.00	5,000.00	4,943.35	56.65	8,841.73
☒ 2023 Totals		60,000.00	60,000.00	57,977.48	2,022.52	
☒ Jan 25, 2024	Fixed Regular Payment	5,000.00	5,000.00	4,962.46	37.54	3,879.27
☒ Feb 25, 2024	Balloon Payment	3,895.74	3,895.74	3,879.27	16.47	
☒ 2024 Totals		8,895.74	8,895.74	8,841.73	54.01	
☒ Grand Total		287,895.74	287,895.74	252,271.15	35,624.59	

EXHIBIT C

WARRANTY DEED

This Indenture, made the 1st day of February, 2019 between DAVID WILTSE FULTZ and NANCY EDNA FULTZ, his wife (hereinafter called the "Grantors"), whose address is 1597 Leeward Lane, Richfield Township, Michigan 48656, and CHARLTON HESTON ACADEMY, a Michigan nonprofit corporation and Public School Academy, (hereinafter called Grantee"), whose address is 1350 N. St. Helen Road, St. Helen, MI 48656. The Grantor hereby conveys and warrants to the Grantee the following described premises situated in St. Helen Township, St. Helen County, Michigan, described as:

See Exhibit 1 (the "Premises"),

Together with all tenements, hereditaments, appurtenances and improvements thereunto belonging or in any way appertaining for the amount of consideration set forth on the Real Estate Transfer Valuation Affidavit being filed simultaneously with this Deed.

Subject to:

1. Easements and building and use restrictions, of record;
2. Rights of the public, and any governmental authority in any part of the land taken, deeded, or used as a street, road or highway; and
3. Restrictions imposed by zoning ordinances or as part of a general plan, real property taxes and special assessments which become due at any time after the date of this Deed.

Grantor grants to Grantee the right to make all applicable divisions under Section 108 of the Michigan Land Division Act, being Act No. 288 of the Public Acts of 1967, as amended.

This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

IN WITNESS WHEREOF, the Grantor has hereunto set his hand the day and year first above written.

GRANTORS:

DAVID W. FULTZ

David W. Fultz

NANCY E. FULTZ

Nancy E. Fultz

STATE OF MICHIGAN)

COUNTY OF Roscommon)
SS

On this 1 day of February, 2019 before me, the undersigned notary public in and for said County, personally appeared David W. Fultz, to me known to be the same person who executed the within instrument and who acknowledges the same to be his free act and deed.

Nichole Witer

, Notary Public

County, Michigan
Acting in Roscommon County
My commission expires: DEC 22, 2023

NICHOLE WITER
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF ROSCOMMON
My Commission Expires: Dec. 22, 2023
Acting in the County of Roscommon

STATE OF MICHIGAN)
COUNTY OF Roscommon)SS

On this 1 day of February, 2019, before me, the undersigned notary public in and for said County, personally appeared Nancy E. Fultz, to me known to be the same person who executed the within instrument and who acknowledges the same to be her free act and deed.

NICHOLE WITER
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF ROSCOMMON
My Commission Expires Dec. 22, 2023
Acting in the County of Roscommon

Nicole Witer
, Notary Public
County, Michigan
Acting in Roscommon County
My commission expires: Dec 22, 2023

This Instrument Drafted By:

When Recorded Return to: 1

Joseph B. Urban, Esq.
CLARK HILL PLC
151 S. Old Woodward Ave., Suite 200
Birmingham, MI 48009

Grantee

Recording Fee: _____

Transfer Tax: *Exempt pursuant to MCLA 207.505(h)(i) and 207.526(h)(i)*

Sidwell Nos: 72-010-327-013-0025

EXHIBIT 1
LEGAL DESCRIPTION OF PREMISES

Land situated in the Township of Richfield, County of Roscommon, State of Michigan.

Commencing at the East $\frac{1}{4}$ corner of Section 27, T23N, R1W; thence South along the Section line 100.0 feet to the Place of Beginning; thence continuing South along the Section line 90.9 feet; thence S89 degrees, 43 minutes W, 217.65 feet; thence North 90.8 feet; thence N89 degrees 43 minutes east, 217.65 feet to the point of Beginning.

Sidwell No. 72-010-327-013-0025



**LAKE SUPERIOR STATE UNIVERSITY
CHARTER SCHOOLS OFFICE
REAL PROPERTY LEASE POLICY**

December 1, 2015 (“Effective Date”)

Pursuant to the Terms and Conditions of the Contract (“Contract”) issued by the Lake Superior State University Board of Trustees (“University Board”), this Real Property Lease Policy (“Lease Policy”) is adopted by the Lake Superior State University Charter Schools Office (“CSO”).

As of the Effective Date, the Lease Policy is part of the Contract and apply to all public school academies authorized by the University Board, including new public school academies. A public school academy board of directors (“Academy Board”) must comply with the Lease Policy in addition to other Contract provisions that apply to an Academy Board entering into an agreement to lease real property for use as the Academy’s physical plant.

The University Board does not intend to become a party to real property lease agreements or to negotiate real property lease agreements on an Academy Board’s behalf. Instead, these guidelines are intended to be a resource that will assist Academy Boards in the process of conducting due diligence and negotiating lease agreements so that Academy Board members can fulfill their fiduciary duties in evaluating lease agreements prior to approval.

A. Academy Board Due Diligence

1. Before an Academy Board votes to approve an agreement to lease real property, the Academy Board must perform sufficient due diligence to establish that the lessor of the facility (“Lessor”) and the facility are suitable for the Academy. Prior to executing an agreement to lease real property (“Lease Agreement”), the Academy Board must obtain sufficient information to conclude that the Lease Agreement, on the terms to be approved, is in the best financial and educational interest of the Academy. At a minimum, and prior to the execution of the Lease Agreement, the Academy Board shall provide the CSO with the completed form (See Attachment A) containing the following information:
 - a. Identify the current party holding the leasable interest (whether through fee title ownership or leasehold interest) in the real property that the Academy Board proposes to lease. If the Lessor is not an individual, identify all individual owners, shareholders, members, etc., as well as the Lessor’s directors, officers and management level employees. This list shall disclose any familial, business, or other relationships between Academy Board members, Academy employees, and owners and employees of the Academy’s Educational Service Provider (“ESP”), if any.

David Fultz, Owner/Lessor of the building located at 1495 N. St. Helen Rd., St. Helen, MI 48656. David Fultz is NOT an active board member, but is a former board member. The Lessee is the CHA Board of Directors. There are NO Academy Board

members, Academy employees, entities owned by Academy Board members, Academy employees, and family members of Academy Board members nor Academy employees having any ownership, contractual or monetary interest in the Lessor.

- b. Identify whether the Lease Agreement transaction involves a related party. Related parties include the ESP, ESP owners, ESP employees, family members of ESP owners and employees, parent, subsidiary or affiliates of the ESP, as well as with Academy Board members, Academy employees and family members of Academy Board members and Academy employees. Academy Board members, Academy employees, entities owned by Academy Board members, Academy employees, and family members of Academy Board members and Academy employees are prohibited from having any ownership, contractual or monetary interest in the Lessor.

David Fultz, Owner/Lessor of the building located at 1495 N. St. Helen Rd., St. Helen, MI 48656. David Fultz is NOT an active board member, but is a former board member. The Lessee is the CHA Board of Directors. There are NO Academy Board members, Academy employees, entities owned by Academy Board members, Academy employees, and family members of Academy Board members nor Academy employees having any ownership, contractual or monetary interest in the Lessor.

- c. Identify all known conflicts of interest that the Lessor's owners, directors, officers or employees may have in regard to Academy Board members, Academy employees, as well as other vendors contracting with the Academy. Conflict of interests include, but are not limited to, familial and/or business relationships.

There are NO conflicts of interest known at this time.

- d. Identify whether the Lessor is an individual or an entity and, if an entity, the type or form of entity that owns the property (for-profit corporation, non-profit corporation, limited liability company, special purpose entity, etc.).

David Fultz is an individual and the Owner/Lessor of the building located at 1495 N. St. Helen Rd., St. Helen, MI 48656.

- e. If the Lessor is a church, parochial school, or other religious institution, the Academy must complete the CSO's Church-State Questionnaire. See Attachment B.

Not applicable

- f. Identify the Lessor's legal counsel who is involved in negotiating the Lease Agreement: name, address, and telephone number of firm and name of contact person.

David Fultz, Owner/Lessor of the building located at 1495 N. St. Helen Rd., St. Helen, MI 48656. He/David Fultz is the contact for the negotiation on the lease. David Fultz can be reached at:
Home-989-389-4825
Mobile-989-387-0061
Address-1595 Leeward Lane, St. Helen, MI 48656

- g. Identify the Academy's anticipated total costs during the term of the proposed Lease Agreement, including:
- i. Rent \$3000 per month (\$36,000 annually)
 - ii. Fixture costs None
 - iii. Taxes \$1000 annually
 - iv. Utilities and Assessments \$600 per month (\$7200 annually)
 - v. Interest \$1800 annually
 - vi. Insurance \$3000 annually
 - vii. Renovation, Repair and Maintenance \$5000 annually
 - viii. Transaction fees None
 - ix. Broker fees None
 - x. Other fees or costs (please identify) None
- h. Identify whether the Lease is classified as a capital or operating lease and the cost per square foot for the physical plant.

The lease agreement has been sent to LSSU and the legal counsel representatives for LSSU, as well as to David Fultz and affiliates. The appraisal has also been sent to the aforementioned parties.

2. Before an Academy Board votes to approve a Lease Agreement, the Academy Board must:
- a. Aside from public utility easements, determine whether other individuals and entities will have an ongoing right to use or occupy the Academy's physical plant. If so, the Academy Board should identify those other individuals and entities and determine whether their relationship to the Lessor, the ESP, Academy Board members or employees would create a conflict of interest prohibited by the Contract or the Leasing Policy.

No other individuals or entities will have right to use the physical plant.
 - b. Identify who presented the proposed site to the Academy Board. In other words, was the site identified by a real estate agent, the Academy's Educational Service Provider, an Academy Board member, the Lessor, or any other person.

This site and all other potential leased sites in Richfield Township were presented to the Academy Board by David Patterson, School Superintendent.

- c. Confirm that the Academy Board undertook, or retained a third party to undertake, a process to identify and select the proposed site that is the subject of the Lease Agreement that included a site analysis to determine factors such as the school age population in the area surrounding the facility, adequacy of transportation options, number of other schools nearby, and any other factors considered by the Academy Board in selecting the site. If the Academy Board retained an ESP to undertake the process described in this paragraph, confirm that the information compiled by the ESP was presented to the Academy Board at a public meeting before the Lease Agreement was approved.

The Academy Board received a public presentation on this site prior to the approval of the lease agreement. The School Superintendent presented this site against the only other site-based pre-school building in Richfield Township. The age, square footage, prior use, safety of the location, the ability to transport students via buses and vehicle drop off, and the overall location being visible and desirable:

- d. Confirm that the Academy Board determined that the proposed Lease Agreement provides for a fair market value for the Academy. Specifically, confirm that the Academy used one of the following market indicators in its fair market value determination (the Academy may use more than one or a different indicator for determining fair market value):
- Colliers International Market Report
 - Area chamber of commerce reports
 - CB Richard Ellis Market Index
 - Charter School Facilities Report from a National Survey of Charter Schools, prepared by Charter Friends National Network
 - Independent appraisal-The independent appraisal was completed by a third party and has been sent to the authorizer, the authorizer's legal counsel, the owner/lessor, the lessee's, and the Academy's legal counsel.
 - Market analysis by independent real estate professional- The market analysis by an independent appraisal was completed by a third party and has been sent to the authorizer, the authorizer's legal counsel, the owner/lessor, the lessee's, and the Academy's legal counsel.
 - Analysis of comparable properties by independent real estate professional- The independent appraisal included comparable properties, which was completed by a third party and has been sent to the authorizer, the authorizer's legal counsel, the owner/lessor, the lessee's, and the Academy's legal counsel.
 - Comparison of other similar public school academies using the Michigan Department of Education's Bulletin 1014

- e. Confirm that the Academy retained a real estate, architect, or other professional to advise the Academy Board regarding the decision to lease the property, identify that professional. If the Academy Board did not engage such experts, explain why not. If the Academy retained its ESP to engage such professionals, confirm that the ESP explained to the Academy Board at a public meeting prior to the Academy Board approving the Lease Agreement the process utilized to reach its recommendation regarding the property.

The Academy Board retained a certified appraisal to ensure the lease and/or rates of purchase meet fair market value.

- f. Confirm the Academy Board considered other properties prior to agreeing to terms of a Lease Agreement. If so, explain what factor(s) compelled the Academy Board to select the site? If not, explain why not? If the Academy retained its ESP to evaluate property options, confirm that the ESP explained to the Academy Board at a public meeting, prior to the Academy Board approving the Lease Agreement, the process utilized to identify the site selected.

The Academy Board put an offer on another building previous to the building located at 1495 N. St. Helen Rd. The Academy Board also previously used its primary school site to house the pre-k building; however, due to enrollment increasing the primary site no longer has available room for the pre-k program. Also, the Academy Board authorized the Superintendent to research and review other available properties in Richfield Township. Richfield Township is a rural area with very limited commercial buildings available. Thus, this search turned up with no other available and practical properties in Richfield Township.

- g. Confirm that the Academy considered purchasing the proposed site and, if so, why the Academy Board ultimately decided to lease instead of pursuing the purchase of the facility. Analyze whether the Academy's cost to acquire, construct, renovate, or occupy the building during the lease term exceed the amount for which the Academy could expect to purchase the building. If the lease term is one year, the Academy should use the annual lease cost contemplated in the Lease Agreement multiplied by the years remaining under the Contract. If the Academy is renewing an existing lease, the Academy should analyze whether the amount the Academy has paid under the expiring lease, together with the amount the Academy will pay under the new lease, exceeds the amount for which the Academy could expect to purchase the building.

The Academy Board is interested in purchasing the proposed site. However, at this time, the Academy Board decided to engage in a one year lease in order to take additional time to analyze the long term financial impact of the purchase. The Academy Board will begin negotiations to purchase the property in the coming

months. The Academy will spend \$36,000 in lease fees versus the appraised value of \$240,000, or the appraised income market value of \$290,000.

- h. Confirm that the Academy Board has inspected the proposed physical plant and that the use and condition of the proposed physical plant, including the interior and exterior walls, restrooms, technology infrastructure, roof, HVAC, and other structures is sufficient for the intended use.

The physical plant has been inspected. The childcare licensing agent from Michigan's Department of Human Services (DHS), as well as local building inspectors (mechanical, plumbing, electrical, and building) have provided inspections to conclude the building is sufficient for intended use.

- i. Confirm the total square footage of the building and the number acres at the physical plant. Is there adequate space and acreage for subsequent expansion of the building, if necessary?

The architectural plans have been attached. These illustrate the lot size being 217.65 feet X 90.8 feet, and 2776 square feet of classroom space. The oversized lot does allow for expansion of the building if needed.

- j. Confirm whether the Lessor owns or leases the building. If the Lessor leases the building, obtain a copy of the underlying Lease Agreement and review with Academy legal counsel to ensure the parties understand all obligations thereunder that may be assumed pursuant to the sublease.

The building is owned by the Lessor, David Fultz. The lease agreement has been sent to the authorizer, its legal counsel, the Academy Board's legal counsel, and of course the Academy Board.

3. Confirm that Academy Board members, Academy Board employees, and their respective spouses and immediate family members do not have any direct or indirect ownership, employment, contractual, management, or other monetary interest in any Lessor that leases to the Academy. The relationship between the Academy and the Lessor shall be consistent with the conflicts of interest and prohibited familial relationship provisions set forth in the Contract and the Leasing Policy.

The Academy Board members, Academy Board employees, and their respective spouses and immediate family members do not have any direct or indirect ownership, employment, contractual, management, or other monetary interest in any Lessor that leases to the Academy.

4. In accordance with the Contract, an Academy Board shall timely notify the CSO of any proposed Lease Agreement before the proposed Lease Agreement becomes effective. If an Academy proposes to enter into a new or renewed Lease Agreement, or to amend an

existing Lease Agreement, the Academy shall, not later than thirty (30) days prior to the proposed date of execution of the Lease Agreement, submit the proposed Lease Agreement to the CSO Director along with a detailed description of the process the Academy Board used to identify the site. The CSO shall then review the proposed Lease Agreement to determine whether it complies with the Contract and Applicable Law. Unless the CSO Director extends the review period, the CSO Director shall notify the Academy if the proposed Lease Agreement is disapproved for violation of the Contract or Applicable Law at the end of the thirty (30) day review period. The CSO Director has the discretion to determine whether a Lease Agreement is disapproved, and whether an Lease Agreement is in violation of the Contract or Applicable Law. If the proposed Lease Agreement is disapproved, such disapproval may, provide one or more conditions which, if complied with by the Academy and the Lessor, may warrant the disapproval to be withdrawn. No Lease Agreement described in the Lease Policy may be entered into if the Lease Agreement is disapproved by the CSO Director. If a Lease Agreement is disapproved, the CSO Director will not sign a Contract Amendment incorporating the proposed Lease Agreement into the Contract. By not disapproving a proposed Lease Agreement, the CSO Director is in no way giving approval of the Lease Agreement, or any of the terms or conditions of the Lease Agreement.

Understood

5. The Academy Board must retain independent legal counsel to review and advise on the negotiation of the Lease Agreement. Legal counsel for the Academy shall not represent the Lessor or the Lessor's owners, directors, officers, or employees. The Lease Agreement must be an arms-length, negotiated agreement between an informed Academy Board and the Lessor. Prior to the Academy Board's approval of the Lease Agreement, the Academy Board must obtain a legal opinion from its legal counsel, which includes the representation that legal counsel has reviewed the proposed Lease Agreement, the Lease Policy and the Academy's Contract, and that in their opinion:
 - a. The Academy Board has the power and authority to enter into the proposed Lease Agreement;
 - b. Execution of the proposed Lease Agreement does not violate any term or provision of the Contract (including the Lease Policy) and applicable law; and
 - c. Entering into the proposed Lease Agreement does not authorize or require an improper delegation by the Academy Board.

Understood

6. The Academy Board shall not approve a Lease Agreement until all Academy Board members have been given the opportunity to review the proposed Lease Agreement with the Academy's legal counsel. Understood

7. The Academy Board shall only approve a Lease Agreement with a formal vote at a public board meeting. Prior to an Academy Board's vote on the Lease Agreement, the Academy Board shall provide an opportunity for public comment on the proposed Lease Agreement.

Understood

B. Academy Board Administrative and Fiduciary Responsibilities

1. In negotiating the Lease Agreement, the Academy Board must budget adequate resources to fulfill its Contract requirements which may include, but are not limited to: oversight of any ESP, negotiation of the Contract and any Contracts amendments, payment of staff costs, insurance required under the Lease Agreement, ESP agreement and the Contract, annual financial audit, the Academy Board's legal counsel, consultants, recording secretary and any other such cost necessary for Academy Board operations. In undertaking this analysis, the Academy Board should consider the total costs of the building identified in Section A(1)(g) above.

Understood

2. The Academy Board shall be responsible for ensuring that the budget reserve amount included as part of the Academy's annual budget is adequate for any anticipated facility improvements required under the Lease Agreement.

Understood

3. The Lease Agreement shall contain the specific provisions, if any, that are incorporated into the Contract as required provisions for all Lease Agreements.

Understood

C. Lease Agreement Provisions

1. The Lease Agreement must clearly state the length or term of the Lease. A Lease Agreement cannot exceed the term of the Academy's Contract. A Lease Agreement may be concurrent with the term of Academy's Contract provided that the last day of the Contract term shall be the last day of the Lease Agreement term. The Lease Agreement shall provide that, in the event the Contract is revoked, suspended, terminated, or expires by its terms, the Lease Agreement and all obligations thereunder shall immediately terminate.

Understood

2. The Lease Agreement shall clearly explain the disposition of pre-paid rent and security deposits upon termination of the Lease Agreement.
3. The Lease Agreement shall clearly state the total amount the Academy must pay to the Lessor each month.
4. The Lease Agreement shall clearly state which parties are responsible for utilities, taxes, maintenance, snow removal, repairs, and any other costs associated with the building.
5. If the Lease Agreement provides for a security deposit to be paid by the Academy, the Lease Agreement must make clear whether the Lessor must repay that security deposit to the Academy at the end of the Lease Agreement term.
6. The Lease Agreement shall provide that the Academy has no liability or obligation to investigate, clean, remove, remediate, or otherwise deal with hazardous material present at the site prior to the Academy occupying the site. Such liabilities should be the responsibility of the Landlord and the Lease Agreement must explicitly delineate the Lessor's responsibility.
7. The Lease Agreement shall provide that no party other than the Academy shall have an ongoing right to occupy the building, site, or physical plant without providing written notice to the CSO Director 30-days prior to such occupancy. If another school will occupy the Academy's building, site, or physical plant, the Academy must provide to the CSO a written analysis regarding any potential implications of such occupancy, including potential security, school safety, and church-state issues.
8. No provision of a Lease Agreement shall interfere with the Academy Board's exercise of its statutory, contractual and fiduciary responsibilities governing the operation of the Academy. No provision of a Lease Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.
9. Lease Agreement shall not restrict an Academy Board from waiving its governmental immunity or require an Academy Board to assert, waive or not waive its governmental immunity.
10. The Lease Agreement may not provide for an automatic increase in rental amount unless the rent escalator is fair and reasonable for the market at the time the Lease Agreement is executed.
11. A Lease Agreement must contain a provision that all lease and physical plant records of the Lessor related to the Academy will be made available to the Academy's independent auditor and the CSO.

12. The Lease Agreement must provide that any amendments to the Lease Agreement must be reviewed by the CSO before execution, however, for certain types of non-substantive amendments to the Lease Agreement, the CSO Director may decide to waive in writing the Lease Policy.
13. The Lease Agreement must provide that fixtures purchased with the Academy's funds are owned by the Academy.
14. If the Lessor procures equipment, materials and supplies at the request of or on behalf of the Academy, the Lease Agreement shall contain a provision requiring the Lessor to follow applicable competitive bidding laws and prohibiting the Lessor from including any added fees or charges with the cost of equipment, materials and supplies purchased from third parties (except that the Lessor may assess actual costs, such as taxes, shipping, permits, installation, or other similar expenses).
15. The Lease Agreement must provide that the Lessor will indemnify the Academy Board for damages or litigation caused by the condition of the physical plant, if those damages or litigation are caused by the Lessor's use or prior use of hazardous material at the physical plant.
16. The Lease Agreement may include an option for the Academy to purchase the physical plant or a right of first refusal to purchase the physical plant and shall establish a process for determining fair market value with regard to purchasing the property.
17. A Lease Agreement must contain a provision outlining the insurance coverage and amounts the parties are required to procure. The Lessor's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract.
18. If the Lessor and the ESP are related parties, the Lease Agreement shall not include a cross-default provision that allows the Lessor to terminate the Academy's Lease Agreement upon termination of the ESP Agreement.
19. Any arbitration clause(s) contained with the Lease Agreement shall require a cause opinion (written explanation) as to the final decision. The cause opinion shall be made available to the University Board or CSO upon request.
20. If the Academy makes improvements to the facility, the Lease Agreement shall allow the Academy to recoup those investments if the Lease is terminated by Lessor without cause prior to the conclusion of the Lease term.

Understood



Christopher Oshelski <coshelski@lssu.edu>

Fwd: Charlton Heston PreK

1 message

Jenny Peterman <jpeterman@lssu.edu>

To: David Patterson <dpatterson@charltonhestonacademy.com>

Cc: Christopher Oshelski <coshelski@lssu.edu>

Fri, Aug 23, 2019 at 9:05 AM

Good morning Dave,

Please see below message received this morning with your new building code.

Have a great weekend,
Jenny

Jenny L. Peterman, Administrative Assistant

Charter Schools Office

Lake Superior State University

650 W Easterday Avenue

Sault Ste. Marie, MI 49783

(906) 635-2121

----- Forwarded message -----

From: **Thompson, Jill (MDE)** <ThompsonJ17@michigan.gov>

Date: Fri, Aug 23, 2019 at 8:44 AM

Subject: Charlton Heston PreK

To: jpeterman@lssu.edu <jpeterman@lssu.edu>

Good morning,

The building code is **03673** for **Charlton Heston Academy Pre-K** is a new PSA Unique Education Provider as directed by CEPI because of the grade.

Please let me know if you need anything else and have a good weekend!