

*LAKE SUPERIOR STATE
UNIVERSITY BOARD OF
TRUSTEES*

A
**CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS**

ISSUED BY

LAKE SUPERIOR STATE UNIVERSITY BOARD OF TRUSTEES
(AUTHORIZING BODY)

TO

CHARLTON HESTON ACADEMY
(A PUBLIC SCHOOL ACADEMY)

July 1, 2022

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**AUTHORIZING RESOLUTION
AND
RESOLUTION**



**RESOLUTION ADOPTED BY LAKE SUPERIOR STATE UNIVERSITY
BOARD OF TRUSTEES ON JANUARY 21, 2022**

On motion by Ms. Patricia Caruso and second by Dr. Mark Mercer,
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 May 5, 2017, the University Board issued to **Charlton Heston Academy** (the “Academy”) a Contract to Charter a Public School Academy (the “Current Contract”) with a term of five (5) years; and

WHEREAS, the Current Contract will expire on June 30, 2022 and the Academy has asked the University Board to issue a new contract to charter a public school academy; and

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

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

NOW, THEREFORE, BE IT RESOLVED:

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

- b. The University Board approves and authorizes the issuance of the Contract and related documents and authorizes the Lake Superior State University President (the "President") to execute the Contract and related documents issued by the University Board to the Academy, provided that, before execution of the Contract, the University President or his designee affirms the following:
- i. all terms of the Contract have been agreed upon and the Academy is able to comply with all terms and conditions of the Contract and applicable law;
 - ii. the Academy has submitted all due diligence and other information required by the CSO Officer and the University Board's legal counsel and the CSO Officer is satisfied that the Academy will be able to operate successfully;
 - iii. the Contract term does not exceed five (5) years and ends not later than June 30, 2027; and
 - iv. the Contract for the Academy is substantially similar to the charter contract reviewed and approved by the University Board on this date, with the only changes being those made by the CSO, in consultation with the University Board's legal counsel, that are in the University Board's best interest.

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

I, the undersigned, as Secretary of the Lake Superior State University Board of Trustees, do hereby certify the foregoing resolution was adopted by the Lake Superior State University Board of Trustees at a public meeting held on the 21st day of January, 2022, with a vote of 7 for, 0 opposed, and 0 abstaining.

Signature: 



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

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

Method of Selection and Appointment

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

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

Length of Term

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

Number of Directors

The number of members of the academy board of directors shall not be less than five (5) nor more than nine (9).

Prerequisite Qualifications of Members

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

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

Oath of Public Office

All members of the academy board of directors must take the constitutional oath of office and sign the Oath of Public Office. The oath and acceptance of office must be on file with the University Charter Schools Office within ten (10) days of signing.

Board Training

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

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

LSSU Board Approval:

Signed: Jenny Kronk
Jenny Kronk, Chair, Board of Trustees

Date April 27, 2012
April 27, 2012

**CONTRACT TERMS
AND CONDITIONS**

**TERMS AND CONDITIONS
OF CONTRACT**

DATED: JULY 1, 2022

ISSUED BY

THE LAKE SUPERIOR STATE UNIVERSITY BOARD OF TRUSTEES

TO

**CHARLTON HESTON ACADEMY
(A PUBLIC SCHOOL ACADEMY)**

**CONFIRMING THE STATUS OF
CHARLTON HESTON ACADEMY**

AS A

PUBLIC SCHOOL ACADEMY

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Exhibit A

Schedules

WHEREAS, the People of Michigan through their Constitution have provided that schools and the means of education shall forever be encouraged and have authorized the Legislature to maintain and support a system of free public elementary and secondary schools; and

WHEREAS, all public schools are subject to the leadership and general supervision of the State Board of Education; and

WHEREAS, the Michigan Legislature has authorized an alternative form of public school designated a “public school academy” to be created to serve the educational needs of pupils and has provided that pupils attending these schools shall be eligible for support from the State School Aid Fund; and

WHEREAS, the Michigan Legislature has delegated to the governing boards of state public universities, community University boards, including tribally controlled community University boards, intermediate school district boards and local school district boards, the responsibility for authorizing the establishment of public school academies; and

WHEREAS, the Lake Superior State University Board of Trustees has considered the authorization of the Academy and has approved the issuance of a contract to the Academy;

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

ARTICLE I

DEFINITIONS

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

- (a) “Academy” means the Michigan nonprofit corporation named Charlton Heston Academy which is established as a public school academy pursuant to this Contract.
- (b) “Academy Board” means the Board of Directors of the Academy.
- (c) “Applicable Law” means all state and federal law applicable to public school academies, including all rules, regulations, and orders promulgated thereunder.
- (d) “Application” means the public school academy application and supporting documentation submitted to the University Board for the establishment of

the Academy and supplemented by material submitted pursuant to the University Board's requirements for reauthorization.

- (e) "Authorizing Resolution" means the Resolutions adopted by the University Board on January 21, 2022.
- (f) "Charter Schools Director" means the person designated by the University Board to administer the operations of the Charter Schools Office.
- (g) "Charter Schools Office" or "CSO" means the office designated by the University Board as the initial point of contact for public school academy applicants and public school academies authorized by the University Board. The Charter Schools Office is also responsible for administering the University Board's responsibilities with respect to the Contract.
- (h) "Code" means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1853 of the Michigan Compiled Laws.
- (i) "Community District" means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (j) "Conservator" means an individual appointed by the University President in accordance with Section 10.9 of these Terms and Conditions.
- (k) "Contract" means, in addition to the definition set forth in the Code, these Terms and Conditions, Exhibit A containing the Authorizing Resolution and the Resolution, the Master Calendar, the ESP Policies, the Lease Policies, the Schedules, and the Application.
- (l) "Director" means a person who is a member of the Academy Board of Directors.
- (m) "Educational Service Provider" or "ESP" means an educational management organization as defined under section 503c of the Code, MCL 380.503c, that has entered into a contract or agreement with the Academy Board for operation or management of the Academy, which contract has been submitted to the Charter Schools Director for review as provided in Section 11.11 and has not been disapproved by the Charter Schools Director, and is consistent with the CSO Educational Service Provider Policies, as they may be amended from time to time, and Applicable Law.
- (n) "Educational Service Provider Policies" or "ESP Policies" means those policies adopted by the Charter Schools Office that apply to a Management Agreement. The Charter Schools Director may, at any time and at his or her sole discretion, amend the ESP Policies. The ESP Policies in effect as of this date are incorporated into and part of this Contract. Upon

amendment, changes to the ESP Policies shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.

- (o) “Fund Balance Deficit” means the Academy has more liabilities than assets at the end of any given school fiscal year, and includes any fiscal year where the Academy would have had a budget deficit but for a financial borrowing by the Academy or a monetary contribution by an Educational Service Provider or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support from an Educational Service Provider or other person or entity that does not require repayment by the Academy, and is not conditioned upon the actions or inactions of the Academy or the Academy Board, then such gift or grant shall not constitute a financial borrowing or contribution for purposes of determining a Fund Balance Deficit.
- (p) “Lease Policies” means those policies adopted by the Charter Schools Office that apply to real property lease agreements entered into by the Academy. The Charter Schools Director may, at any time and at his or her sole discretion, amend the Lease Policies. The Lease Policies in effect as of this date are incorporated into and part of this Contract. Upon amendment, changes to the Lease Policies shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.
- (q) “Management Agreement” or “ESP Agreement” means an agreement as defined under section 503c of the Code, MCL 380.503c, that has been entered into between an ESP and the Academy Board for the operation and/or management of the Academy, which has been submitted to the Charter Schools Office for review as provided in Section 11.11 and has not been disapproved by the Charter Schools Director.
- (r) “Master Calendar” or “MCRR” means the Master Calendar of Reporting Requirements developed and administered by the Charter Schools Office setting forth a reporting time line for certain financial, administrative, facility, Academy Board and educational information relating to the Academy. The Charter Schools Director may, at any time and at his or her sole discretion, amend the Master Calendar. Upon amendment, changes to the Master Calendar shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.
- (s) “President” means the President of Lake Superior State University or his or her designee.
- (t) “Resolution” means the resolution adopted by the University Board on April 27, 2012 establishing the standard method of selection, length of term

and number of members format for public school academies issued a Contract by the University Board, as amended from time to time.

- (u) “Schedules” means the following Contract documents of the Academy: Schedule 1: Articles of Incorporation, Schedule 2: Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description and Schedule 7: Required Information for Public School Academies.
- (v) “State Board” means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (w) “State School Reform/Redesign Office” means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02, codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (x) “Superintendent” means the Michigan Superintendent of Public Instruction.
- (y) “Terms and Conditions” means this document entitled “Terms and Conditions of Contract, Dated July 1, 2022, Issued by the Lake Superior State University Board of Trustees to Charlton Heston Academy Confirming the Status of Charlton Heston Academy as a public school academy.”
- (z) “University” means Lake Superior State University, a state public University, established pursuant to Article VIII, Sections 4 and 6 of the Michigan Constitution of 1963 and MCL 390.391 et seq.
- (aa) “University Board” means the Lake Superior State University Board of Trustees, an authorizing body as designated under Section 501 of the Code, MCL 380.501.
- (bb) “University Board Chairperson” means the Chairperson of the Lake Superior State University Board of Trustees or his or her designee. In Section 1.1(cc) below, “University Board Chairperson” means the Board Chairperson of the Lake Superior State University Board of Trustees.
- (cc) “University Charter Schools Hearing Panel” or “Hearing Panel” means such person(s) as designated by the University Board Chairperson.

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

Section 1.3. Gender and Number. The use of any gender in this Contract shall be deemed to be or include the other genders, including neuter, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

Section 1.4. Statutory Definitions. Statutory terms defined in Part 6A of the Code shall have the same meaning in this Contract.

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

Section 1.6. Application. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. Portions of the Applicant's Application have been incorporated into this Contract. In the event that there is an inconsistency or dispute between materials in the Application and the Contract, the language or provisions in the Contract shall control.

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

ARTICLE II

RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

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

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

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

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

ARTICLE III

ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY

Section 3.1. University Board Resolutions. The University Board has adopted the Resolution providing for the method of selection, length of term, number of Directors and the qualification of Directors. The University Board has adopted the Authorizing Resolution which approves the issuance of this Contract. The Resolution and the Authorizing Resolution are hereby incorporated into this Contract as Exhibit A. At anytime and at its sole discretion, the University Board may amend the Resolution. Upon University Board approval, changes to the Resolution shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.

Section 3.2. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. As fiscal agent, the University Board assumes no responsibility for the financial condition of the Academy. The University Board is not liable for any debt or liability incurred by or on behalf of the Academy, or for any expenditure approved by or on behalf of the Academy Board. Except as provided in the Oversight Agreement and Article X of these Terms and Conditions, the University Board shall promptly, within five (5) business days of receipt, forward to the Academy all state school aid funds or other public or private funds received by the University Board for the benefit of the Academy. The responsibilities of the University Board, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 3.

Section 3.3. Oversight Responsibilities of the University Board. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The responsibilities of the Academy and the University Board are set forth in the Oversight Agreement executed by the parties and incorporated herein as Schedule 4.

Section 3.4. Reimbursement of University Board Expenses. The Academy shall pay the University Board an administrative fee to reimburse the University Board for the expenses associated with the execution of its authorizing body and oversight responsibilities. The terms and conditions of the administrative fee are set forth in Schedule 4.

Section 3.5. University Board Approval of Condemnation. In the event that the Academy desires to acquire property pursuant to the Uniform Condemnation Procedures Act or other applicable statutes, it shall obtain express written permission for such acquisition from the University Board. The Academy shall submit a written request to the Charter Schools Office describing the proposed acquisition and the purpose for which the Academy desires to acquire the property. The Charter Schools Director will generate a recommendation for consideration by the University Board with regard to the proposed acquisition. The request and the Charter Schools Director's recommendation will be submitted by the Charter Schools Director for the University Board's consideration in accordance with the University Board's generally applicable timelines and policies for the agendas of regularly-scheduled University Board committee meetings and formal sessions of the University Board. No acquisition may be made until the approval of the University Board is obtained by resolution adopted at a formal session of the University Board.

Section 3.6. Authorization of Employment. The University Board authorizes the Academy to employ or contract directly with personnel according to the position information outlined in Schedule 5. However, the Academy Board shall prohibit any individual from being employed by the Academy, an Educational Service Provider or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. Additionally, the Academy Board shall require each individual who works at the Academy to disclose to the Academy Board any other public school or Educational Service Provider at which that individual works or to which that individual provides services. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) recruit, select and engage employees; (ii) pay their wages; (iii) evaluate performance; (iv) discipline and dismiss employees; and (v) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The Academy shall ensure that the term or length of any employment contract or consultant agreement does not extend beyond the term of this Contract and shall terminate in the event this Contract is revoked or terminated. In no event may an Academy employee's employment contract term, inclusive of automatic renewals, extend beyond the term of this Contract.

Section 3.7. Charter Schools Office Review of Certain Financing Transactions. If the Academy proposes to (i) finance the acquisition, by lease, purchase, or other means, of facilities or equipment, or renovation of facilities, in excess of \$150,000, pursuant to arrangements calling for payments over a period greater than one (1) year, and which include a pledge, assignment or direction to one or more third parties of a portion of the funds to be received by the Academy from the State of Michigan pursuant to the State School Aid Act of 1979, as amended, being MCL 388.1601 et seq., or (ii) direct that a portion of its State School Aid Payments be forwarded

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

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

Section 3.9. University Board's Invitation to Academy to Apply For Conversion to Schools of Excellence. If the University Board is interested in accepting applications to issue contracts to charter Schools of Excellence under Part 6E of the Code, and the University Board determines that the Academy meets the University Board's and the Code's eligibility criteria for applying to convert the Academy to a School of Excellence, then the University Board may invite

the Academy to submit an application to apply for a contract to convert the Academy to a school of excellence. In accordance with the Code, the University Board shall establish its own competitive application process and provide the necessary forms and procedures to eligible public school academies.

ARTICLE IV

REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

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

Section 4.2. Other Permitted Activities. Consistent with the provisions of this Contract, the Academy is permitted to engage in lawful activities that are not in derogation of the Academy's mission and status of operating a public school academy or that would not jeopardize the eligibility of the Academy for state school aid funds.

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

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

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

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

Section 4.5. Prohibition of Identified Family Relationships. The Academy Board shall prohibit specifically identified family relationships pursuant to Applicable Law and the Terms and Conditions of this Contract. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited familial relationships for the purposes of this Contract:

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

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

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

Section 4.8. Academy Counsel. The Academy Board shall select, retain and pay legal counsel to represent the Academy. The Academy shall not retain any attorney to represent the Academy if the attorney or the attorney's law firm also represents the Academy's Educational Service Provider or any person or entity leasing real property to the Academy, if any.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

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

Section 5.2. Articles of Incorporation. The Articles of Incorporation of the Academy, as set forth in Schedule 1, shall be the Articles of Incorporation of the Academy. Any subsequent amendments to the Academy's Articles of Incorporation shall only be incorporated into this Contract pursuant to Article IX of these Terms and Conditions.

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

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

ARTICLE VI

OPERATING REQUIREMENTS

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

Section 6.2. Educational Goals. The Academy shall pursue the educational goals identified in Schedule 7b. The educational goals shall include demonstrated improved pupil academic achievement for all groups of pupils.

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

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

Section 6.5. Method of Pupil Assessment. The Academy shall evaluate pupils' work based on the assessment strategies identified in Schedule 7e. The Academy also shall assess pupil performance using all applicable testing that the Code or the Contract require. The Academy shall provide the Charter Schools Office with copies of reports, assessments and test results concerning the following:

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

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

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

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

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

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

Section 6.10. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles and accounting system requirements that comply with the Code, this Contract, the State School Aid Act of 1979, as amended, and applicable State Board of Education and Department of Education rules.

Section 6.11. Annual Financial Statement Audit. The Academy shall conduct an annual financial statement audit prepared and reviewed by an independent certified public accountant. The Academy Board shall select, retain and pay the Academy's independent auditor. The Academy Board shall not approve the retention of any independent auditor if that independent auditor or the auditor's firm is also performing accounting and/or auditing services for the Academy's Educational Service Provider, if applicable. In accordance with timeframes set forth in the Master Calendar, the Academy shall submit one (1) copy of the annual financial statement audit, auditor's management letters and any responses to auditor's management letters to the Charter Schools Office.

Section 6.12. Address and Description of Physical Plant; Process for Expanding Academy's Site Operations. The address and description of the physical plant for the Academy is set forth in Schedule 6. With the approval of the University Board, the Academy Board may operate the same configuration of age or grade levels at more than one (1) site if each configuration of age or grade levels and each site identified in Schedule 6 are under the direction and control of the Academy Board.

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

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

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

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

Section 6.15. Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes. The Academy shall perform the compliance certification duties required by the University Board and outlined in the Oversight Agreement set forth as Schedule 4. In addition to the University Board's oversight responsibilities and other reporting requirements set forth in this Contract, the Academy's compliance certification duties shall serve as the method for monitoring the Academy's compliance with Applicable Law and its performance in meeting its educational goals.

Section 6.16. Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft copy of the agreement to the Charter Schools Office for review. Any matriculation agreement entered into by the Academy shall be incorporated into Schedule 7f by contract amendment pursuant to Article IX of these Terms and Conditions.

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

Section 6.18. New Public School Academies Located Within The Boundaries of A Community District. If the Academy is a new public school academy and either of the circumstances listed below in (a) or (b) apply to the Academy's proposed site(s), the Academy represents to the University Board, intending that the University Board rely on such representation as a precondition to issuing this Contract, that the Academy has a substantially different governance, leadership and curriculum than the public school previously operating at the site(s):

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

ARTICLE VII

TUITION PROHIBITED

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

ARTICLE VIII

COMPLIANCE WITH APPLICABLE LAW

Section 8.1. Compliance with Applicable Law. The Academy shall comply with all applicable state and federal laws, including, but not limited to, to the extent applicable, the Code, the State School Aid Act of 1979, the Open Meetings Act, the Freedom of Information Act (“FOIA”), the Public Employment Relations Act, the Uniform Budgeting and Accounting Act, the Revised Municipal Finance Act of 2001, the Elliott-Larsen Civil Rights Act, the Persons with Disabilities Civil Rights Act, and Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC & 12101 et seq. or any successor law. The Academy agrees to participate in state assessments, data collection systems, state level student growth models, state accountability and accreditation systems, and other public comparative data collection required for public schools. Additionally, the Academy shall comply with other state and federal laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other state or federal law to the Academy.

ARTICLE IX

AMENDMENT

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

Section 9.2. Process for Amendment Initiated by the Academy. The Academy, by a majority vote of its Board of Directors, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The proposal will be made to the University Board through its designee. Except as provided in Section 6.12 of these Terms and Conditions, the University Board delegates to the Charter Schools Director the review and approval of changes or amendments to this Contract. In the event that a proposed change is not accepted by the Charter Schools Director, the University Board may consider and vote upon a change proposed by the Academy following an opportunity for a presentation to the University Board by the Academy.

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

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

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

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

ARTICLE X

CONTRACT TERMINATION, SUSPENSION, AND REVOCATION

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

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

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

- (a) The Academy fails to achieve or demonstrate measurable progress toward achieving the educational goals and related measures identified in this Contract;
- (b) The Academy fails to properly implement, consistently deliver, and support the educational programs or curriculum identified in this Contract;
- (c) The Academy is insolvent, has been adjudged bankrupt, or has operated for two or more school fiscal years with a fund balance deficit;
- (d) The Academy has insufficient enrollment to successfully operate a public school academy, or the Academy has lost more than fifty percent (50%) of its student enrollment from the previous school year;
- (e) The Academy fails to fulfill the compliance and reporting requirements or defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract or, during the term of this Contract, it is discovered by the Charter Schools Office that the Academy failed to fulfill the compliance and reporting requirements or there was a violation of a prior Contract issued by the University Board;
- (f) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services without first obtaining the Charter Schools Office's approval;
- (g) The Charter Schools Office discovers grossly negligent, fraudulent or criminal conduct by the Academy's applicant(s), directors, officers,

employees or agents in relation to their performance under this Contract;
or

(h) The Academy's applicant(s), directors, officers, employees or agents have provided false or misleading information or documentation to the Charter Schools Office in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law.

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

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

If the Department rescinds the State's Automatic Closure Notice for an Academy site or sites by granting a Pupil Hardship Exemption, the Academy is not required to close the identified site(s), but shall present to the Charter Schools Office a proposed Contract amendment incorporating the Department's school improvement plan, if applicable, for the identified site(s).

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

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

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

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

Section 10.6. University Board Procedures for Revoking Contract. The University Board's process for revoking the Contract is as follows:

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

(b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the Charter Schools Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response

includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the Charter Schools Director prior to a review of the Academy Board's response.

(c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, the Charter Schools Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the Charter Schools Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the Charter Schools Director shall develop a plan for correcting the non-compliance ("Plan of Correction") which may include reconstitution pursuant to Section 10.6(d) of these Terms and Conditions. In developing a Plan of Correction, the Charter Schools Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be closed if the Charter Schools Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction.

(d) University Board's Contract Reconstitution Provision. The Charter Schools Director may reconstitute the Academy in an effort to improve student educational performance or to avoid interruption of the educational process. Reconstitution may include, but is not limited to, one of the following actions: (i) removal of 1 or more members of the Academy Board; (ii) termination of at-will board appointments of 1 or more Academy Board members in accordance with the Resolution; (iii) withdrawing approval of a contract under Section 506 of the Code; (iv) the appointment of a new Academy Board of Directors or a Conservator to take over operations of the Academy; or (v) closure of an Academy site(s). Reconstitution of the Academy does not prohibit the Department from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s).

(e) Request for Revocation Hearing. The Charter Schools Director may initiate a revocation hearing before the University Charter Schools Hearing Panel if the Charter Schools Director determines that any of the following has occurred:

(i) the Academy Board has failed to respond to the Notice of Intent to Revoke as set forth in Section 10.6(b);

(ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;

(iii) the Academy Board's response admits violations of the Contract or Applicable Law which the Charter Schools Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the Charter Schools Director determines that a Plan of Correction cannot be formulated;

(iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;

(v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.6(c);

(vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or

(vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

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

(f) Hearing before the University Charter Schools Hearing Panel. Within thirty (30) days of receipt of a request for revocation hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the notice of hearing to the Charter Schools Office and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the Charter Schools Director's request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the Charter Schools Director and shall not last more than three hours. The hearing shall be transcribed and the cost shall be divided equally between the University and the Academy. The Charter Schools Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel may, however, question the Charter Schools Director and the Academy Board. Within thirty (30) days of the revocation hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. For good cause, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the Charter Schools Office and the Academy Board at the same time that the recommendation is sent to the University Board.

(g) University Board Decision. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available to it copies of the Hearing Panel's recommendation and the transcript from the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the Charter Schools Office, the Academy Board and the Department.

(h) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board.

(i) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be withheld by the University Board or returned to the Michigan Department of Treasury upon request. The University Board may also direct that a portion of the Academy's state school aid funds be directed to fund the Academy's Dissolution account established under Section 10.10 of these Terms and Conditions.

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

(a) The Charter Schools Director Action. If the Charter Schools Director determines, in his or her sole discretion, that certain conditions or circumstances exist such that the Academy Board:

- (i) has placed staff or students at risk;
- (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property;
- (iii) has lost its right to occupancy of the physical facilities described in Schedule 6, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities;
- (iv) has failed to secure or has lost the necessary fire, health, and safety approvals as required by Schedule 6;
- (v) has willfully or intentionally violated this Contract or Applicable Law; or
- (vi) has violated Section 10.2(g) or (h), then the Charter Schools Director may immediately suspend the Contract, pending completion of the procedures set forth in Section 10.6. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.

(b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the Charter Schools Director to suspend the Contract, may be retained by the University Board for the Academy until the Contract is reinstated, or may be returned to the Michigan Department of Treasury upon the State's request.

(c) Immediate Revocation Proceeding. If the Academy Board, after receiving a notice of Contract suspension from the Charter Schools Director, continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene

a revocation hearing in accordance with the procedures set forth in section 10.6(e) of this Contract. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the Charter Schools Office and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with Sections 10.6(f) through (h).

Section 10.8. Venue; Jurisdiction. The parties agree that all actions or proceedings arising in connection with this Contract will be tried and litigated only in the Circuit Court of Chippewa County, Michigan, the Michigan Court of Claims or the Federal District Court for the Western District of Michigan. The parties hereby irrevocably accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of such courts. The parties irrevocably consent to the service of process out of any such courts in any such action or proceedings by the mailing of copies thereof by registered or certified mail, postage prepaid, to each such party, at its address set forth for notices in this Contract, such service to become effective ten (10) days after such mailing. The parties irrevocably waive any right they may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceedings is brought in accordance with this Section 10.8. This Section 10.8 shall not in any way be interpreted as an exception to the Academy's covenant not to sue contained in Section 11.3 of these Terms and Conditions.

Section 10.9. Conservator; Appointment By University President. Notwithstanding any other provision of the Contract, in the event that the University President, in his or her sole discretion, determines that the health, safety and welfare of Academy students, property or funds are at risk, the University President, after consulting with the University Board Chairperson, may appoint a person to serve as the Conservator of the Academy. Upon appointment, the Conservator shall have all the powers of a Board of Directors of a Public School Academy and act in the place and stead of the Academy Board. The University President shall appoint the Conservator for a definite term which may be extended in writing at his or her sole discretion. During the appointment, the Academy Board members and their terms in office are suspended and all powers of the Academy Board are suspended. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. During their appointment, the Conservator shall have the following powers:

- (a) take into his or her possession all Academy property and records, including financial, board, employment and student records;
- (b) institute and defend actions by or on behalf of the Academy;
- (c) continue the business of the Academy including entering into contracts, borrowing money, and pledging, mortgaging, or otherwise encumbering the property of the Academy as security for the repayment of loans. However, the power shall be subject to any provisions and restrictions in any existing credit documents;

- (d) hire, fire, evaluate and discipline employees of the Academy;
- (e) settle or compromise with any debtor or creditor of the Academy, including any governmental or taxing authority;
- (f) review all outstanding agreements to which the Academy is a party and to take those actions which the Academy Board may have exercised to pay, extend, rescind, renegotiate or settle such agreements as needed; and
- (g) perform all acts necessary and appropriate to fulfill the Academy's purposes as set forth under this Contract or Applicable Law.

Section 10.10. Academy Dissolution Account. If the University Board terminates, revokes or fails to issue a new Contract to the Academy, the Charter Schools Director shall notify the Academy that, beginning thirty (30) days after notification of the University Board's decision, the University Board may direct up to \$10,000 from each subsequent state school aid fund payment, not to exceed a combined total of \$30,000, to a separate Academy account ("Academy Dissolution Account") to be used exclusively by the Academy to pay the costs associated with the wind up and dissolution responsibilities of the Academy. Within five (5) business days of the Charter Schools Director's notice, the Academy Board Treasurer shall provide the Charter Schools Director, in a form and manner determined by the CSO, with account detail information and authorization to direct such funds to the Academy Dissolution Account. The Academy Dissolution Account shall be under the sole care, custody and control of the Academy Board, and such funds shall not be used by the Academy to pay any other Academy debt or obligation until such time as all the wind-up and dissolution expenses have been satisfied. An intercept agreement entered into by the Academy and a third party lender or trustee shall include language that the third party lender or trustee acknowledges and consents to the funding of the Academy's dissolution account in accordance with this Contract. Any unspent funds remaining in the Academy's dissolution account after payment of all wind up and dissolution expenses shall be returned to the Academy.

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan.

The Academy agrees to comply with all of the following:

- (a) The Academy Board is responsible for establishing, approving, and amending an annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421 et seq.
- (b) Within ten (10) days after adoption by the Academy Board (but not later than July 1st) each year, the Academy Board shall submit to the Charter Schools Office a copy of its annual budget for the upcoming fiscal year.

The budget must detail budgeted expenditures at the object level as described in the Michigan Department of Education’s Michigan School Accounting Manual. In addition, the Academy Board is responsible for approving all revisions and amendments to the annual budget. Within 10 days after Academy Board approval, revisions or amendments to the Academy’s budget shall be submitted to the Charter Schools Office.

- (c) Unless exempted from transmitting under section 1219 of the Code, MCL 380.1219, the Academy, on or before July 7th of each school fiscal year, shall transmit to the Center for Educational Performance and Information (“CEPI”) the budgetary assumptions used when adopting its annual budget pursuant to the Uniform Budgeting and Accounting Act, MCL 141.421 et seq.
- (d) The Academy shall not adopt or operate under a deficit budget, or incur an operating deficit in a fund during any fiscal year. At any time during the term of this Contract, the Academy shall not have an existing deficit fund balance, incur a deficit fund balance, or adopt a current year budget that projects a deficit fund balance. If the Academy has an existing deficit fund balance, incurs a deficit fund balance in the most recently completed school fiscal year, or adopts a current year budget that projects a deficit fund balance, all of the following apply:
 - (i) The Academy shall notify the Superintendent and the State Treasurer immediately upon the occurrence of the circumstance, and provide a copy of the notice to the Charter Schools Office.
 - (ii) Within 30 days after making notification under subdivision (d)(i), the Academy shall submit to the Superintendent in the form and manner prescribed by the Department an amended budget for the current school fiscal year and a deficit elimination plan approved by the Academy Board, with a copy to the State Treasurer. The Academy shall transmit a copy of the amended budget and the deficit elimination plan to the Charter Schools Office.
 - (iii) After the Superintendent approves the Academy's deficit elimination plan, the Academy shall post the deficit elimination plan on the Academy's website.
- (e) If the Academy is required by the State Treasurer to submit an enhanced deficit elimination plan under section 1220 of the Code, MCL 380.1220, the Academy shall do all of the following:
 - (i) The enhanced deficit elimination plan shall be approved by the Academy Board before submission.

- (ii) After the State Treasurer approves an enhanced deficit elimination plan for the Academy, the Academy shall post the enhanced deficit elimination plan on the Academy's website.
- (iii) Submit to the Superintendent and State Treasurer an enhanced monthly monitoring reports in a form and manner prescribed by the State Treasurer and post such monthly reports on the Academy's website.

Section 11.2. Insurance. The Academy Board shall secure and maintain in its own name as the "first named insured" at all times the following insurance coverages:

M.U.S.I.C. INSURANCE COVERAGE REQUIREMENTS	
for Public School Academies (PSA), Strict Discipline Academies (SDA) Urban High Schools (UHS) & Schools of Excellence (SOE)	
NOTE: Insurance carriers must have an AM Best Rating of "A - VII" or better	
EFFECTIVE DATE: 07/01/12 -- MUSIC Board Approval Date: 12/15/2011	
COVERAGE	REQUIREMENTS
General or Public Liability (GL)	<p>Must be Occurrence form</p> <p>Must include Sexual Abuse & Molestation coverage which can be Occurrence or Claims Made. If this coverage is Claims Made the Retroactive Date must be the same or before date of original University PSA/SDA/UHS/SOE contract. If this coverage is Claims Made, and the PSA/SDA/UHS/SOE goes out of business, the PSA/SDA/UHS/SOE needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the PSA/SDA/UHS/SOE.</p> <p>Must include Corporal Punishment coverage.</p> <p>\$1,000,000 per occurrence & \$2,000,000 aggregate.</p> <p>In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.</p> <p>University must be included as an Additional Insured with Primary and Non-Contributory Coverage.</p> <p>NOTE: SDA must also have Security/Police Professional Liability coverage with MINIMUM of \$1,000,000 limit which can be Occurrence or Claims Made. If this coverage is Claims Made, and the SDA goes out of business, the SDA needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the SDA.</p>
COVERAGE	REQUIREMENTS
Errors & Omissions (E&O)	<p>Must include Employment Practices Liability.</p> <p>Must include Corporal Punishment coverage.</p> <p>Must include Sexual Abuse & Molestation coverage.</p> <p>Must include Directors' & Officers' coverage.</p> <p>Must include School Leaders' E&O.</p>

	Can be Claims Made or Occurrence form.
	If Claims Made, retroactive date must be the same or before date of original University-PSA/SDA/UHS/SOE Charter Contract. If this coverage is Claims Made, and the PSA/SDA/UHS/SOE goes out of business, the PSA/SDA/UHS/SOE needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the PSA/SDA/UHS/SOE.
	\$1,000,000 per occurrence & \$3,000,000 aggregate.
	In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.
	University must be included as an Additional Insured with Primary and Non-Contributory Coverage.

M.U.S.I.C. INSURANCE COVERAGE REQUIREMENTS
for Public School Academies (PSA), Strict Discipline Academies (SDA)
Urban High Schools (UHS) & Schools of Excellence (SOE)

NOTE: Insurance carriers must have an AM Best Rating of "A - VII" or better

EFFECTIVE DATE: 07/01/12 -- MUSIC Board Approval Date: 12/15/2011

COVERAGE	REQUIREMENTS
Automobile Liability (AL) for Owned and Non-Owned Autos	\$1,000,000 per accident.
	In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.
	University must be included as Additional Insured with Primary and Non-Contributory Coverage.
See Umbrella section for higher limit requirements.	Higher limits are required if PSA/SDA/UHS/SOE has its own buses.

COVERAGE	REQUIREMENTS
Workers' Compensation	Must be Occurrence form.
	Statutory Limits with \$1,000,000 Employers Liability Limits.
Requirement for PSA/SDA/UHS/SOE when leasing employees from Educational Service Provider (ESP) or Management Firm (MF)	NOTE: Must have Alternate Employer Endorsement from ESP/MF. Schedule PSA/SDA/UHS/SOE location on the ESP/MF Contract.
	NOTE: If PSA/SDA/UHS/SOE is leasing employees from ESP/MF and the PSA/SDA/UHS/SOE name does not have payroll, PSA/SDA/UHS/SOE still must carry Workers' Compensation coverage including Employers' Liability

COVERAGE	REQUIREMENTS
Crime	Must include Employee Dishonesty coverage.
	Must include third party coverage.
	\$500,000 limit.

COVERAGE	REQUIREMENTS
Umbrella	Can be Claims Made or Occurrence form. If this coverage is Claims Made, and the PSA/SDA/UHS/SOE goes out of business, the PSA/SDA/UHS/SOE needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the

	Umbrella is acceptable with a \$4,000,000 limit and aggregate. Also, an Umbrella policy with an unlimited aggregate is acceptable at a \$2,000,000
	If PSA/SDA/UHS/SOE has its own buses AND/OR has more than 1,000 students, must have MINIMUM \$5,000,000 per occurrence.
	If PSA/SDA/UHS/SOE purchases additional Umbrella limits to meet the \$1,000,000/\$3,000,000 for E&O then they must be in addition to the required Umbrella limit.
	In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.
	University must be included as Additional Insured with Primary and Non-Contributory Coverage.
	All coverages have to be included in the Umbrella that are in General Liability, Automobile and E&O.

**M.U.S.I.C. INSURANCE COVERAGE REQUIREMENTS
for Public School Academies (PSA), Strict Discipline Academies (SDA)
Urban High Schools (UHS) & Schools of Excellence (SOE)**

NOTE: Insurance carriers must have an AM Best Rating of "A - VII" or better

EFFECTIVE DATE: 07/01/12 -- MUSIC Board Approval Date: 12/15/2011

ADDITIONAL RECOMMENDATIONS

COVERAGE	RECOMMENDATION
Property	Limits to cover replacement for PSA/SDA/UHS/SOE's property exposures, including real and personal, owned or leased.
Cyber Risk Coverage	Cyber Liability addresses the first- and third-party risks regarding Internet business, the Internet, networks and other assets. Cyber Liability Insurance coverage offers protection for exposures from Internet hacking and notification requirements.
Automobile Physical Damage	Coverage for damage to the owned or used vehicle.

DISCLAIMER:

By requiring such minimum insurance, the University and M.U.S.I.C. shall not be deemed or construed to have assessed the risks that may be applicable to every PSA/SDA/UHS/SOE's operation and related activities. Each PSA/SDA/UHS/SOE should assess its own risks and if it deems appropriate and/or prudent, maintain higher limits and/or broader coverage.

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

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The Academy may join with other public school academies to obtain insurance if the Academy Board finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured. The Academy shall have a provision included in all policies requiring notice to the University Board, at least thirty (30) days in advance, upon termination or non-renewal of the policy. In addition, the Academy shall submit within ten (10) days of

insurance renewal “Acord” copies of the insurance certificate of liability insurance and public school academy insurance verification document to the Charter Schools Director, or upon request, submit copies of insurance policies binder sheets evidencing all insurance required by the Contract, and proof of naming University as additionally insured. The Academy shall properly maintain the necessary insurance certificates evidencing the insurance required by the Contract.

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

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

If the Academy utilizes an Educational Service Provider, the following insurance requirements apply to the Educational Service Provider and such coverages must be secured prior to providing any services or personnel to the Academy:

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

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

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

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

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the full faith and credit of the University Board, the University or any other authorizing body, or to enter into a contract that would bind the University Board or the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy hereby agrees and covenants not to sue the University Board, the University, or any of its Trustees, officers, employees, agents or representatives for any matters that arise under this Contract. The University Board and the University do not assume any obligation with respect to any Director, employee, agent, parent, guardian, student, or independent contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board or the University, or any of its Trustees, employees, agents, or independent contractors as a result of the issuing, overseeing, suspending, terminating or revoking of this Contract, or as a result of not issuing a new Contract at the end of the term of this Contract.

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

Any lease agreement entered into by the Academy shall include a termination provision permitting the Academy to terminate the lease, without cost or penalty to the Academy, in the event that the Academy is required to close an Academy site covered by the lease (i) pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) pursuant to a reconstitution by the University pursuant to Section 507 of the Code, MCL 380.507 and these Contract Terms and Conditions. The provision shall also provide that the lessor/ landlord shall have no recourse against the Academy or the University Board for implementing the site closure or reconstitution. Nothing in this paragraph shall prevent the lessor/ landlord from receiving lease payments owed prior to site closure or reconstitution, or relieve the Academy from paying any costs or expenses owed under the lease prior to site closure or reconstitution.

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

Section 11.5. Occupancy and Safety Certificates. The Academy Board shall: (i) ensure that the Academy's physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates for the Academy's

physical facilities. The Academy Board shall not conduct classes until the Academy has complied with this Section 11.5. Copies of these certificates shall be incorporated into this Contract under Schedule 6.

Section 11.6. Criminal Background and History Checks; Disclosure of Unprofessional Conduct. The Academy shall comply with the Code concerning criminal background and criminal history checks for its teachers, school administrator(s), and for any other position requiring State Board approval. In addition, the Academy shall comply with the Code concerning the disclosure of unprofessional conduct by persons applying for Academy employment. This Section 11.6 shall apply to such persons irrespective of whether they are employed by the Academy or employed by an Educational Service Provider contracting with the Academy.

Section 11.7. Special Education. Pursuant to Section 1701a of the Code, the Academy shall comply with Article III, Part 29 of the Code, MCL 380.1701 et seq., concerning the provision of special education programs and services at the Academy. Upon receipt, the Academy shall notify the Charter Schools Office of any due process or state complaint filed against the Academy.

Section 11.8. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within three (3) business days after receipt of the funds by the Academy. Only Academy Board members or designated Academy employees may be a signatory on any Academy bank account.

Section 11.9. Nonessential Elective Courses. If the Academy Board elects to provide nonessential elective courses to part-time pupils at a nonpublic school building, the Academy shall comply with Section 166b of the State School Aid Act of 1979, as amended, MCL 388.1766b. Prior to providing instruction, the Academy Board shall ensure that the Academy has sufficient documentation to qualify for part-time pupil funding under the State School Aid Act. The provision of nonessential elective courses by the Academy shall be incorporated into Schedule 7c of this Contract by amendment pursuant to Article IX of these Terms and Conditions.

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

“Indemnification of Lake Superior State University. The parties acknowledge and agree that the Lake Superior State University Board of Trustees, Lake Superior State University and its members, officers, employees, agents or representatives (collectively referred to as “the University”) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the [insert name of Educational Service Provider] hereby promise to indemnify, defend, and hold harmless the University from and against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines penalties, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses imposed upon or incurred by the University, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury,

sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the University, which arise out of or are in any manner connected with Lake Superior State University Board of Trustees' approval of the Academy's application, Lake Superior State University Board of Trustees' consideration of or issuance of a Contract, the [insert name of Educational Service Provider's] preparation for and operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by the [insert name of Educational Service Provider], or which arise out of the failure of the [insert name of Educational Service Provider] to perform its obligations under the Contract, the Agreement or Applicable Law, as applicable. The parties expressly acknowledge and agree that the University, Lake Superior State University Board of Trustees and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against [insert name of Educational Service Provider] to enforce its rights as set forth in this Agreement."

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

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

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

"Amendment Caused By Academy Site Closure or Reconstitution. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507 and the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site

closure or reconstitution, with no cost or penalty to the Academy, and [insert name of Educational Service Provider] shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.”

“Compliance with Section 12.17 of Contract Terms and Conditions. [Insert name of Educational Service Provider] shall make information concerning the operation and management of the Academy, including without limitation the information described in Schedule 4 of the Contract, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under Section 12.17(a) of the Contract Terms and Conditions.”

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

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

Section 11.13. K to 3 Reading. If the Academy offers kindergarten through third grade, the Academy Board shall comply with section 1280f of the Code, MCL 380.1280f. The Academy shall ensure that all required actions, notices and filings required under section 1280f, MCL 380.1280f, are timely completed. The Master Calendar shall be updated to include the requirements set forth in section 1280f, MCL 380.1280f.

ARTICLE XII

GENERAL TERMS

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

If to the University Board: Charter School Office Director
Lake Superior State University
650 W. Easterday Avenue
Sault Ste. Marie, Michigan 49783

If to Outside Counsel: Courtney F. Kissel
Dykema Gossett PLLC
201 Townsend Street, Suite 900
Lansing, Michigan 48933

If to Academy: Charlton Heston Academy
1350 N St Helen Rd.
St Helen, MI 48656

If to Academy Counsel: James Crowley
Miller Canfield
150 West Jefferson, Ste. 2500
Detroit, Michigan 48226

Section 12.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of Applicable Law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

Section 12.4. Entire Contract. Except as specifically provided in this Contract, this Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior contracts, representations, statements, negotiations, understandings, and undertakings are superseded by this Contract.

Section 12.5. Assignment. This Contract is not assignable by either the Academy or the University Board.

Section 12.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.7. Governing Law. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.8. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.9. Term of Contract. This Contract shall commence on the date first set forth above and shall remain in full force and effect for 5 years until June 30, 2027, unless sooner revoked or terminated according to the terms hereof.

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

Section 12.11. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.12. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the

parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.13. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board and no other person or entity, including without limitation, the Educational Service Provider. Except as otherwise provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.14. Non-agency. It is understood that the Academy is not the agent of the University.

Section 12.15. University Board or CSO General Policies on Public School Academies Shall Apply. Notwithstanding any provision of this Contract to the contrary, and with the exception of existing University Board or CSO policies regarding public school academies which shall apply immediately, University Board or CSO general policies clarifying procedure and requirements applicable to public school academies under this Contract, as from time to time adopted or amended, will automatically apply to the Academy, provided they are not inconsistent with provisions of this Contract. Before issuing general policies under this Section, the University Board or the CSO shall provide a draft of the proposed policies to the Academy Board. The Academy Board shall have at least thirty (30) days to provide comment to the CSO on the proposed policies before such policies shall become effective.

Section 12.16. Survival of Provisions. The terms, provisions, and representations contained in Section 11.2, Section 11.3, Section 12.10, Section 12.13 and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.17. Information Available to the Public.

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

Section 12.18. Termination of Responsibilities. Upon termination or revocation of the Contract, the University Board or its designee shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract. Upon termination or revocation of the Contract, the Academy may amend its articles of incorporation or bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend any provision in the Academy's articles of incorporation or bylaws regarding the disposition of assets upon dissolution.

Section 12.19. Disposition of Academy Assets Upon Termination or Revocation of Contract. Following termination or revocation of the Contract, the Academy shall follow the applicable wind-up and dissolution provisions set forth in the Academy's articles of incorporation, Part 6A of the Code and Applicable Law.

Section 12.20. Student Privacy. In order to protect the privacy of students enrolled at the Academy, the Academy Board, subject to Section 12.23, shall not:

(a) sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of a pupil's education records. This subsection does not apply to any of the following situations:

(i) for students enrolled in the Academy, providing such information to an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the University;

(ii) providing the information as necessary for standardized testing that measures a student's academic progress and achievement; or

(iii) providing the information as necessary to a person that is providing educational or educational support services to the student under a contract with either the Academy or an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the University.

(b) The terms "education records" and "personally identifiable information" shall have the same meaning as defined in MCL 380.1136.

Section 12.21. Disclosure of Information to Parents and Legal Guardians. Subject to Section 12.23:

(a) Within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose without charge to the student's parent or legal guardian any personally identifiable information concerning the student that is collected or created by the Academy as part of the student's education records.

(b) Except as otherwise provided in this subsection (b) and within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose to a student's parent or legal guardian without charge any personally identifiable information provided to any person, agency or organization. The Academy's disclosure shall include the specific information that was disclosed, the name and contact information of each person, agency, or organization to which the information has been disclosed; and the legitimate reason that the person, agency, or organization had in obtaining the information. The parental disclosure requirement does not apply to information that is provided:

- (i) to the Department or CEPI;
- (ii) to the student's parent or legal guardian;
- (iii) by the Academy to the University Board, University, Charter Schools Office or to the educational management organization with which the Academy has a management agreement that has not been disapproved by the University;
- (iv) by the Academy to the Academy's intermediate school district or another intermediate school district providing services to Academy or the Academy's students pursuant to a written agreement;
- (v) to the Academy by the Academy's intermediate school district or another immediate school district providing services to pupils enrolled in the Academy pursuant to a written agreement;
- (vi) to the Academy by the University Board, University, Charter Schools Office
- (vii) to a person, agency, or organization with written consent from the student's parent or legal guardian, or from the student if the student is 18 years of age;
- (viii) to a person, agency, or organization seeking or receiving records in accordance with an order, subpoena, or ex parte order issued by a court of competent jurisdiction;
- (ix) to a person, agency, or organization as necessary for standardized testing that measures a student's academic progress and achievement; or
- (x) in the absence of, or in compliance with, a properly executed opt-out form, as adopted by the Academy in compliance with section 1136(6) of the Code, pertaining to uses for which the Academy commonly would disclose a pupil's "directory information."

(c) If the Academy considers it necessary to make redacted copies of all or part of a student's education records in order to protect personally identifiable information of another student, the Academy shall not charge the parent or legal guardian for the cost of those redacted copies.

(d) The terms "education records," "personally identifiable information," and "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.22. List of Uses for Student Directory Information; Opt Out Form; Notice to Student's Parent or Legal Guardian.

- (a) Subject to Section 12.23, the Academy shall do all of the following:
- (i) Develop a list of uses (the “Uses”) for which the Academy commonly would disclose a student’s directory information.
 - (ii) Develop an opt-out form that lists all of the Uses and allows a student’s parent or guardian to elect not to have the student’s directory information disclosed for 1 or more Uses.
 - (iii) Present the opt-out form to each student’s parent or guardian within the first thirty (30) days of the school year and at other times upon request.
 - (iv) If an opt-out form is signed and submitted to the Academy by a student’s parent or guardian, then the Academy shall not include the student’s directory information in any of the Uses that have been opted out of in the opt-out form.

(b) The terms “directory information” shall have the same meaning as defined in MCL 380.1136.

Section 12.23. Confidential Address Restrictions.

(a) The Academy shall not disclose the confidential address of a student if the student or the student's parent or legal guardian has obtained a participation card issued by the department of the attorney general under the address confidentiality program act and the parent or legal guardian provides notice of the issuance of the participation card, in a form and manner prescribed by the Michigan Department of Education.

(b) The term “confidential address” shall have the meaning as defined in MCL 380.1136.

Section 12.24. Partnership Agreement. If the Department and State Reform Office impose a partnership agreement on the Academy, the Academy shall work collaboratively with the Department, the State Reform Office and other partners to implement the partnership agreement. In the event that a provision in the partnership agreement is inconsistent with a provision in this Contract, this Contract shall control.

Section 12.25. Statewide Safety Information Policy. The Academy shall adopt and adhere to the statewide school safety information policy required under section 1308 of the Code, MCL 380.1308. The statewide school safety information policy may also address Academy procedures for reporting incidents involving possession of a dangerous weapon as required under section 1313 of the Code, MCL 380.1313.

Section 12.26. Criminal Incident Reporting Obligation. Within twenty-four (24) hours after an incident occurs, the Academy shall provide a report to the Michigan State Police, in a form and manner prescribed by State Police, either of the following: (i) an incident involving a crime that must be reported under section 1310a(2) of the Code, MCL 380.1310a(2); or (ii) an incident, if known to the Academy, involving the attempted commission of a crime that must be reported under section 1310a(2) of the Code, MCL 380.1310a(2). Failure to comply may result

in the Academy being ineligible to receive any school safety grants from the Michigan State Police for the fiscal year in which the noncompliance is discovered by State Police.

Section 12.27. Academy Emergency Operations Plan.

(a) Beginning in the 2019-2020 school year, and at least biennially thereafter, the Academy shall, in conjunction with at least 1 law enforcement agency having jurisdiction over the Academy, conduct either (i) a review of the Academy's emergency operations plan, including a review of the vulnerability assessment; or (ii) a review of the Academy's statewide school safety information policy, as applicable.

(b) Not later than January 1, 2020, the Academy shall either (i) develop an emergency operations plan for each school building, including recreational structure or athletic field, operated by the Academy with input from the public; or (ii) adopt a statewide school safety information policy under section 1308 of the Code, MCL 380.1308. The emergency operations plan or statewide school safety information policy shall comply with section 1308b(3) of the Code, MCL 380.1308b(3). Within thirty (30) days, the Academy shall provide to the Department, in a form and manner determined by the Department, notice of the adoption of an emergency operations plan or the completion of an emergency operations plan review, as applicable.

Section 12.28. School Safety Liaison. The Academy Board shall designate a liaison to work with the School Safety Commission created under Section 5 of the Comprehensive School Safety Plan Act created under Public Act 548 of 2018, MCL 28.805 and the Office of School Safety created under MCL 28.681. The Liaison shall be an individual employed or assigned to regularly and continuously work under contract in the school operated by the Academy. The Liaison shall work with the School Safety Commission and the Office of School Safety to identify mode practices for determining school safety measures.

Section 12.29. New Building Construction or Renovations. The Academy shall not commence construction on a new school building or the major renovation of an existing school building unless the Academy consults on the plans of the construction or major renovation regarding school safety issues with the law enforcement agency that is or will be the first responder for that school building. School building includes either a building intended to be used to provide pupil instruction or a recreational or athletic structure or field used by pupils.

Section 12.30. Annual Expulsion Report and Website Report on Criminal Incidents. On an annual basis, the Academy Board shall do the following:

(a) prepare and submit to the Superintendent, in a form and manner prescribed by the Superintendent, a report stating the number of pupils expelled from the Academy during the immediately preceding school year, with a brief description of the incident causing each expulsion;

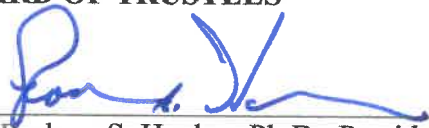
(b) post on its website, in a form and manner prescribed by the Superintendent, a report on the incidents of crime occurring at schools operated by the Academy. Each school

building shall collect and keep current on a weekly basis the information required for the website report, and must provide that information, within seven (7) days upon request; and

(c) make a copy of the report on the incidents of crime, disaggregated by school building, available to the parent or legal guardian of each pupil enrolled in the Academy.

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

**LAKE SUPERIOR STATE UNIVERSITY
BOARD OF TRUSTEES**

By:  _____
Rodney S. Hanley, Ph.D., President

Date: July 1, 2022

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

CHARLTON HESTON ACADEMY

By: _____
Veronica Bridson, Academy Board President

Date: July 1, 2022

building shall collect and keep current on a weekly basis the information required for the website report, and must provide that information, within seven (7) days upon request; and

(c) make a copy of the report on the incidents of crime, disaggregated by school building, available to the parent or legal guardian of each pupil enrolled in the Academy.

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

**LAKE SUPERIOR STATE UNIVERSITY
BOARD OF TRUSTEES**

By: _____
Rodney S. Hanley, Ph.D., President

Date: July 1, 2022

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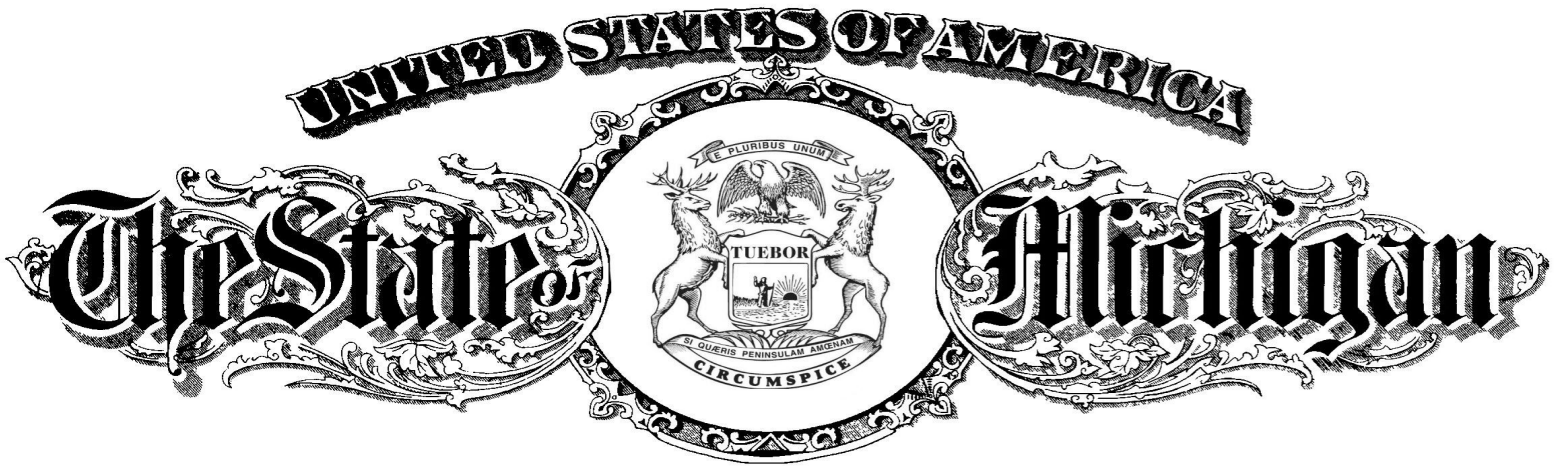
CHARLTON HESTON ACADEMY

By:  _____
Veronica Bridson, Academy Board President

Date: July 1, 2022

CONTRACT SCHEDULE 1

ARTICLES OF INCORPORATION



Lansing, Michigan

This is to Certify That

CHARLTON HESTON ACADEMY

was validly Incorporated on May 14 , 2012 as a Michigan nonprofit corporation, and said corporation is validly in existence under the laws of this state.

This certificate is issued pursuant to the provisions of 1982 PA 162 to attest to the fact that the corporation is in good standing in Michigan as of this date and is duly authorized to conduct affairs in Michigan and for no other purpose.

This certificate is in due form, made by me as the proper officer, and is entitled to have full faith and credit given it in every court and office within the United States.



Sent by electronic transmission

Certificate Number: 22060663902

*In testimony whereof, I have hereunto set my hand,
in the City of Lansing, this 28th day of June , 2022.*

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau

Michigan Department of Licensing and Regulatory Affairs

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

CHARLTON HESTON ACADEMY

ID NUMBER: 71238E

received by facsimile transmission on May 11, 2012 is hereby endorsed

Filed on May 14, 2012 by the Administrator.

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




In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 14TH day of May, 2012.

Director

Bureau of Commercial Services

BCS/CD-502 (Rev. 8/01)

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES BUREAU OF COMMERCIAL SERVICES												
Date Received		(FOR BUREAU USE ONLY)										
Joseph B. Urban 151 S. Old Woodward Avenue Suite 200 Birmingham, MI 48009		EFFECTIVE DATE:  Document will be returned to the name and address you enter above										
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**ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations**

OF

Charlton Heston Academy

Pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended (the "Act"), being MCL 450.2101 *et seq.*, and Part 6A of the Revised School Code (the "Code") as amended, being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the undersigned corporation executes the following Articles:

ARTICLE I

The name of the corporation is: Charlton Heston Academy.

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

ARTICLE II

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

1. The corporation is organized for the purpose of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.

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

ARTICLE III

The corporation is organized on a non-stock, directorship basis.

The value of assets which the corporation possesses is:

Real Property: none.

Personal Property: none.

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

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

ARTICLE IV

The address of the registered office is 151. S. Old Woodward Avenue, Suite 200, Birmingham, MI 48009.

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

The name of the resident agent at the registered office is Joseph B. Urban.

ARTICLE V

The name and address of the incorporator is as follows:

Joseph B. Urban
151 S. Old Woodward Avenue
Suite 200
Birmingham, MI 48009.

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

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

ARTICLE XI

The method of selection and appointment of members of the Board of Directors shall be as prescribed by applicable law and by resolution of the University Board. All members of the Board of Directors shall be citizens of the United States.

ARTICLE XII

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

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

ARTICLE XIII

These Articles of Incorporation shall not be amended except by the process provided in Article IX of the Contract executed by the corporation and the University Board. This process is as follows:

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

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

Amendments to these Articles of Incorporation take effect only after they have been approved by the corporation's Board of Directors and by the University Board or its designee and filed with the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services. In addition, the corporation shall file with the amendment a copy of the University Board's or its designee's approval of the amendment.

ADOPTION OF ARTICLES

These Articles of Incorporation were duly adopted on this 13th day of April, 2012. These Articles of Incorporation shall become effective upon filing. However, the corporation shall not carry out the purposes set forth in Article II unless the University Board issues to the corporation a contract to operate as a public school academy, and the contract is executed by both the corporation and the University Board.

By: _____



CONTRACT SCHEDULE 2

BYLAWS

BYLAWS
OF
CHARLTON HESTON ACADEMY

ARTICLE I NAME

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

ARTICLE II FORM OF CORPORATION

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

ARTICLE III OFFICES

Section 1. Principal Office. The principal office of the Corporation shall be located in St. Helen, County of Roscommon, State of Michigan.

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

ARTICLE IV BOARD OF DIRECTORS; MEETINGS; FISCAL YEAR

Section 1. General Powers. The business, property, and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or pursuant to Part 6A of the Michigan Revised School Code ("Code"), as amended, MCL 380.501 et seq. The Board of Directors may delegate such powers to the officers of the Board of Directors as it deems necessary and to the extent permitted by applicable law.

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

Section 3. Length of Term. The term of each member of the Board of Directors shall be three (3) years, except that of the members first appointed, 1/3 shall be appointed for a term of three (3) years, 1/3 shall be appointed for a term of two (2) years, and the remainder shall be appointed for a term of one (1) year. At the first meeting, the Board of Directors shall designate which members of the initial Board of Directors shall serve one (1), two (2), and three (3) year terms. The length of term of the members of the Board of Directors shall commence with the first meeting of the Board of Directors. The initial terms shall commence on the day of appointment and shall continue until June 30 of the respective term year. Subsequent terms shall be from July 1 through June 30 of the appropriate year.

Section 4. Number of Directors. The number of members of the initial Board of Directors shall be 5. The number of members of the Board of Directors shall never be fewer than five (5) nor more than nine (9), as determined from time to time by the University Board.

Section 5. Qualifications. Members of the Board of Directors shall be citizens of the United States. Members of the Board of Directors shall not include: (i) employees of the Academy; (ii) directors, officers, or employees of a management company that contracts with the Academy; (iii) members appointed or controlled by a profit or another non-profit corporation; or (iv) Lake Superior State University officials, as representatives of Lake Superior State University ("University").

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

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

Section 8. Removal. Any Director may be removed with cause by a two-thirds (2/3) vote of the Board of Directors of the Corporation or as directed by the University Board.

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

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

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix the place within the state of Michigan for holding any special meeting of the Board of Directors called by them, and, if no other place is fixed, the place of meeting shall be the principal business office of the Corporation in the state of Michigan. The Corporation shall provide notice of all special meetings as required by the Open Meetings Act.

Section 12. Notice; Waiver. In addition to the notice provisions of the Open Meetings Act, notice of any special meeting shall be given at least twenty four (24) hours prior to the special meeting by written notice, stating the time and place of the meeting, delivered personally or mailed or sent by facsimile to each Director at the Directors business address. If mailed, such notice shall be deemed to be delivered forty eight (48) hours after it is deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when the facsimile is sent. Any Director may waive notice of any meeting by written statement, or telecopy sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

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

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

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

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

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

Section 18. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the

adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

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

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

ARTICLE V OFFICERS OF THE BOARD

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

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

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

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

Section 5. President. The President shall be a member of the Board of Directors. The President of the Corporation shall preside at all meetings of the Board of Directors. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Board of Directors attending the meeting, shall preside. The President shall be an ex officio member of all standing committees and may be designated Chair of certain committees by the Board of Directors. The

President shall, in general, perform all duties incident to the office of the President of the Board as may be prescribed by the Board from time to time.

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

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

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

Section 9. Assistants and Acting Officers. The Assistants to the officers, if any, selected by the Board of Directors, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary, Treasurer, or President or by the Board of Directors. The Board of Directors shall have the power to appoint any person to perform the duties of an officer whenever for any reason it is impractical for such officer to act personally. Such acting officer so appointed shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Board of Directors may by resolution otherwise determine.

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

Section 11. Filling More Than One Office. Subject to the statute concerning the Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws any two offices of the Corporation except those of

President and Vice-President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

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

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Board of Directors authorizes the execution of a contract or of any other instrument in the name of and on behalf of the Corporation, without specifying the executing officers the President or Vice-President, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto.

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

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

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

Section 5. Voting of Securities Owned by this Corporation. Subject always to the specific directions of the Board of Directors, shares or other securities issued by any other corporation and owned or controlled by this Corporation may be voted at any meeting of security holders of such other corporation by the President of this Corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this Corporation or by proxy appointed by the Secretary or Treasurer. Such proxy or consent in respect to any shares or other securities issued by any other corporation and owned by this Corporation shall be executed in the name of this Corporation by the President, the Secretary or the Treasurer of this Corporation without necessity of any authorization by the Board of Directors, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this Corporation

shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation. This section shall in no way be interpreted to permit the Corporation to invest any of its surplus funds in any shares or other securities issued by any other corporation. This section is intended to apply, however, to all gifts, bequests or other transfers of shares or other securities issued by any other corporation which are received by the Corporation.

Section 6. Contracts Between Corporation and Related Persons. Any contract or other transaction between this Corporation and one or more of its Directors, or between this Corporation and any firm of which one or more of this Corporation's Directors are members or employees, or in which one or more of this Corporation's Directors are interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting at which the Board of Directors of the Corporation acts upon, or in reference to, such contract or transaction, and notwithstanding the participation of the Director or Directors in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the Directors present, such interested Director or Directors to be counted in determining whether a quorum is present, but not to be counted as voting upon the matter or in calculating the majority of such quorum necessary to carry such vote. This Section shall not be construed to invalidate any contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

Any director, officer or employee of the Academy, who enters into a contract with the Academy, that meets the definition of contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being section 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirements set forth in Section 3 of the statute. Public disclosure of the contract means as follows:

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

ARTICLE VII INDEMNIFICATION

Each person who is or was a trustee, Director, officer or member of a committee of the Corporation and each person who serves or has served at the request of the Corporation as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture or other enterprise, shall be indemnified by the Corporation to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The Corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the Corporation would have power to indemnify such person against such liability under the preceding sentence. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the Corporation to the extent provided under the laws of the State of Michigan as they may be in effect from time to time.

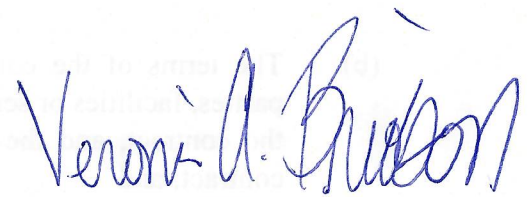
ARTICLE VIII SEAL

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

ARTICLE IX AMENDMENTS

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

These Bylaws were adopted as and for the Bylaws of the Charlton Heston Academy in an open and public meeting, by unanimous consent of the Board of Directors on the ____ day of ____, 2022.



Secretary

CONTRACT SCHEDULE 3
FISCAL AGENT AGREEMENT

SCHEDULE 3

FISCAL AGENT AGREEMENT

This Agreement is part of the Contract issued by the Lake Superior State University Board of Trustees (“University Board”), an authorizing body as defined by the Revised School Code, as amended (the “Code”), to the Charlton Heston Academy (the “Academy”), a public school academy.

Preliminary Recitals

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

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

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

“Agreement” means this Fiscal Agent Agreement.

“Fiscal Agent” means the University Board or an officer or employee of Lake Superior State University as designated by the University Board.

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

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

“State” means the State of Michigan.

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

ARTICLE II

FISCAL AGENT DUTIES

Section 2.01. Receipt of State School Aid Payments and Other Funds. The University Board is the Fiscal Agent for the Academy for the limited purpose of receiving State School Aid Payments. By separate agreement, the University Board and the Academy may also agree that the University Board will receive Other Funds for transfer to the Academy. The Fiscal Agent will receive State School Aid Payments from the State, as provided in Section 3.02.

Section 2.02. Transfer to Academy. Except as provided in Article X of the Terms and Conditions and in the Oversight Agreement, the Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within ten (10) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable State Board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the Academy Board and by a method of transfer acceptable to the Fiscal Agent.

Section 2.03. Limitation of Duties. The Fiscal Agent has no responsibilities or duties to verify the Academy's pupil membership count, as defined in the State School Aid Act of 1979, as amended, or to authorize, to approve or to determine the accuracy of the State Aid School Payments received on behalf of the Academy from the State Treasurer. The duties of the Fiscal Agent are limited to the receipt and transfer to the Academy of State School Aid Payments and Other Funds received by the Academy. The Fiscal Agent shall have no duty to monitor or approve expenditures made by the Academy Board.

Section 2.04. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board directs that a portion of the Academy's State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit to the Charter Schools Office: (i) a copy of the Academy Board's resolution authorizing the direct intercept of State School Aid Payments; and (ii) a copy of a State School Aid Payment Agreement and Direction document that is in a form and manner acceptable to the Fiscal Agent.

ARTICLE III

STATE DUTIES

Section 3.01. Eligibility for State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the eligibility of the Academy to receive State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the amount of State School Aid Payments, if any, the Academy shall be entitled to receive.

Section 3.02. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent by electronic funds transfer into an account specified by the Fiscal Agent, or by such other means deemed acceptable to the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

ARTICLE IV

ACADEMY DUTIES

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

Section 4.02. Expenditure of Funds. The Academy may expend funds that it receives from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy Board to be consistent with the purposes for which the funds were appropriated.

Section 4.03. Mid-Year Transfers. Funding for students transferring into or out of the Academy during the school year shall be in accordance with the State School Aid Act of 1979 or applicable State Board rules.

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

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

ARTICLE V

RECORDS AND REPORTS

Section 5.01. Records. The Fiscal Agent shall keep books of record and account of all transactions relating to the receipts, disbursements, allocations and application of the State School Aid Payments and Other Funds received, deposited or transferred for the benefit of the Academy, and these books shall be available for inspection at reasonable hours and under reasonable conditions by the Academy and the State.

Section 5.02. Reports. The Fiscal Agent shall prepare and send to the Academy within thirty (30) days of September 1, 2022, and annually thereafter, a written report dated as of August 31 summarizing all receipts, deposits and transfers made on behalf or for the benefit of the Academy during the period beginning on the latter of the date hereof or the date of the last such written report and ending on the date of the report, including without limitation, State School Aid Payments received on behalf of the Academy from the State Treasurer and any Other Funds which the University Board receives under this Agreement.

ARTICLE VI

CONCERNING THE FISCAL AGENT

Section 6.01. Representations. The Fiscal Agent represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it in this Agreement and that it will carry out all of its obligations under this Agreement.

Section 6.02. Limitation of Liability. The liability of the Fiscal Agent to transfer funds to the Academy shall be limited to the amount of State School Aid Payments as are from time to time delivered by the State and the amount of Other Funds as delivered by the source of those funds.

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

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

Acknowledgment of Receipt

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

BY: Alyson Hayden
Alyson Hayden
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: July 6, 2022

076439.000036 4871-7635-0993.1

CONTRACT SCHEDULE 4
OVERSIGHT AGREEMENT

SCHEDULE 4

OVERSIGHT AGREEMENT

This Agreement is part of the Contract issued by the Lake Superior State University Board of Trustees (“University Board”), an authorizing body as defined by the Revised School Code, as amended (the “Code”), to Charlton Heston Academy (the “Academy”), a public school academy.

Preliminary Recitals

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Agreement" means this Oversight Agreement.

"Compliance Certification Duties" means the Academy's duties set forth in Section 2.02 of this Agreement.

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

"Oversight Responsibilities" means the University Board's oversight responsibilities set forth in Section 2.01 of this Agreement.

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

ARTICLE II

OVERSIGHT AND COMPLIANCE CERTIFICATION RESPONSIBILITIES

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

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

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

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

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

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

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

n. Prior to December 31 of each year and whenever necessary thereafter, the Academy Board shall approve and submit a revised operating school budget that includes, without limitation, the following: (i) the total projected amount of state school aid revenues based on the Academy's September pupil membership count; (ii) revised personnel costs; (iii) any start-up expenses incurred by the Academy; and (iv) the total amount of short-term cash flow loans obtained by the Academy. The Academy will make budget revisions in a manner prescribed by law. Within thirty (30) days of the Academy Board approving the budget (original and amended, if applicable), the Academy shall place a copy of that budget on the Academy's website within a section of the website that is accessible to the public.

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

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

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

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

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

ARTICLE III

RECORDS AND REPORTS

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

ARTICLE IV

MISCELLANEOUS

Section 4.01. Administrative Fee. The Academy agrees to pay to the University Board an administrative fee of 3% of the State School Aid Payments received by the Academy. This fee shall be retained by the University Board from each State School Aid Payment received by the University Board for forwarding to the Academy. This fee shall compensate the University Board for overseeing the Academy's compliance with the Contract and all Applicable Law and other related activities for which compensation is permissible. If the Academy elects to enter into a contract for an administrative review with the Charter Schools Office, the costs of performing an administrative review shall not be part of the administrative fee under this section but shall be an added service provided by the Charter Schools Office to the Academy on a fee for service basis, as authorized under the Code.

Section 4.02. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Academy and the University Board by this Agreement.

Section 4.03. Audit and Evaluation. The Academy:

a. hereby authorizes the Charter Schools Office to perform audit and evaluation studies using Academy data including, but not limited to, personally identifiable information about the Academy's students and staff submitted by the Academy to agencies including, but not limited to, Center for Educational Performance and Information ("CEPI"), Office of Educational Assessment and Accountability ("OEAA") and the Michigan Department of Education ("MDE"). Pursuant to this authorization, the Charter Schools Office shall abide by the regulations that govern the use of student data within the Family Educational Rights and Privacy Act (FERPA - 34 CFR Part 99), the Michigan Identity Theft Protection Act of 2004, and the Privacy Act of 1974.

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

Section 4.04. Fiscal Stress Notification from State Treasurer. If the State Treasurer notifies the Academy that the State Treasurer has declared the potential for Academy financial stress exists, the Academy shall provide a copy of the notice to the Charter Schools Office. Within fifteen (15) days of receipt of the notification from the Academy, the Charter Schools Office Director shall notify the Academy whether the Charter Schools Office is interested in entering into a contract to perform an administrative review for the Academy. The parties shall consult with the Department of Treasury on the development of the contract and the contract for administrative review shall comply with the Code. If the University is not interested in performing an administrative review or the parties are unable to reach agreement on an administrative review, the Academy shall consider entering into a contract for an administrative review with an intermediate school district. Nothing in this section shall prohibit the Academy from electing to enter into a contract for an administrative review with an intermediate school district. Nothing in this section shall require the Academy from electing to enter or not enter into a contract for an administrative review with the University or an intermediate school district.

ARTICLE V

TRANSPARENCY PROVISION

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

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

1. Copy of the Contract
2. Copies of the executed Constitutional Oath of public office form for each serving Director
3. List of currently serving Directors with name, address, and term of office
4. Copy of the Academy Board's meeting calendar
5. Copy of public notice for all Academy Board meetings
6. Copy of Academy Board meeting agendas
7. Copy of Academy Board meeting minutes
8. Copy of Academy Board approved budget and amendments to the budget
9. Copies of bills paid for amounts of \$10,000.00 or more as submitted to the Academy Board
10. Copy of the quarterly financial reports submitted to the Charter Schools Office
11. Copy of curriculum and other educational materials given to the Charter Schools Office

12. Copy of school improvement plan (if required)
13. Copies of facility leases, mortgages, modular leases and/or deeds
14. Copies of equipment leases
15. Proof of ownership for Academy owned vehicles and portable buildings
16. Copy of Academy Board approved ESP Agreement(s)
17. Copy of Academy Board approved services contract(s)
18. Office of Fire Safety certificate of occupancy for all Academy facilities
19. MDE letter of continuous use (if required)
20. Local County Health Department food service permit (if required)
21. Asbestos inspection report and Asbestos management plan (if required)
22. Boiler inspection certificate and lead based paint survey (if required)
23. Phase 1 environmental report (if required)
24. List of current Academy teachers and school administrators with names and addresses and their individual salaries as submitted to the Registry of Educational Personnel
25. Copies of administrator and teacher certificates or permits for all current administrative and teaching staff
26. Evidence of fingerprinting, criminal background and record checks and unprofessional conduct check required by the Code for all Academy teachers and administrators
27. Academy Board approved policies
28. Copy of the annual financial audit and any management letters issued to the Academy Board
29. Proof of insurance as required by the Contract
30. Any other information specifically required under the Code

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

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

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

Schedule 5

Description of Staff Responsibilities

The following job descriptions are intended to provide a broad overview of the primary responsibilities of the individual holding the position. Specific responsibilities may change from year to year depending on the needs of the Academy and its students. Further, the responsibilities of more than one position may be combined and fulfilled by a single individual.

Superintendent	1
Chief Academic Officer	2
Instructional Deans.....	3
Teachers	4
Director of Physical Plant Operations.....	5
Assistant Director of Physical Plant Operations.....	6
Director of Food Services	7
Food Service Assistants.....	8
Athletic Director	9
Coaches	10
Office Managers	11
Paraprofessionals	12
Special Education Coordinator	13
Director of Transportation	14
Bus Drivers	15
Behavior Interventionist	16
Early Childhood Director	17
Lead Early Childhood Teachers.....	18
Early Childhood Caregivers.....	19
Accountant/Pupil Accountant.....	20
Educational Service Provider Agreement.....	21

Employed by: MM1, Inc.

Superintendent

The Superintendent serves as the chief school official and is responsible for the day-to-day management of the school organization. The Superintendent works closely with the Academy Board to ensure that the Academy meets the goals contained in its charter, remains financial stable and viable and ensures compliance with all state, federal and local laws, rules and regulations. The Superintendent also oversees all contracts that the Academy and Academy Board enters into.

Employed by: MMI, Inc.

Chief Academic Officer

The Chief Academic Officer serves as the school's instructional leader. As such, the Chief Academic Officer oversees the development and refinement of all academic programs and ensures that students succeed at high levels and the school meets its academic achievement and growth goals. The Chief Academic Officer also provides leadership and oversight of the responsibilities of the Instructional Deans, ensures that human resources are effectively allocated by the development of annual and daily instructional schedules and oversees the school's teacher evaluation and professional development systems.

Employed by: MM1, Inc.

Instructional Deans

Instructional Deans serve as the primary leader within a set of grades at the school. In this role, Instructional Deans supervise, coach and develop teachers within their designated grade levels. They provide oversight of the academic programs and student discipline and serve as the primary administrative contact for parents. Deans are also responsible for additional duties as deemed necessary by the Chief Academic Officer, such as but not limited to Athletic Director, Assessment Coordinator, Substitute Teacher Coordinator and Title I Coordinator.

Employed by: MM1, Inc.

Teachers

Teachers are responsible for effectively delivering the Academy's curriculum through the development and execution of high quality lessons. Teachers complete their teaching assignment with fidelity, collaborate with grade level and/or content area teammates, provide a safe and nurturing learning environment for their students and proactively and reactively communicate with parents. Teachers are also responsible for maintaining appropriate teacher certification through the Michigan Department of Education in order to continue to fulfill their instructional responsibilities.

Employed by: MMI, Inc.

Director of Physical Plant Operations

The Director of Physical Plant Operations ensures that the Academy's facilities are safe, clean and in compliance with all applicable laws, rules and regulations. The Director provides leadership and oversight of the school's facility staff, ensures that departmental budgets are managed, appropriate supplies are ordered and maintained and provides oversight of contracted vendors relative to facility operations.

Employed by: MMI, Inc.

Assistant Director of Physical Plant Operations

The Assistant Director of Physical Plant Operations works closely with the Director of Physical Plant Operations to ensure that the Academy's facility is clean, safe and well maintained. The Assistant Director completes tasks and projects, including regular maintenance and repairs to the facility as needed. The Assistant Director also provides leadership and oversight of the school's Facilities Assistants, particularly involved in the daily cleaning of the school facility. Facilities Assistants provide detailed cleaning services for the school facility. They clean assigned areas of the school building with fidelity and report maintenance or safety concerns to the Assistant Director or Director.

Employed by: MM1, Inc.

Director of Food Service

The Director of Food Service manages the Academy's food service program, including making breakfast, lunch and afternoon snack available to all students. This includes ensuring compliance with all applicable laws, rules and regulations relative to food service and communicating with the parents of students to inform them of food service offerings. In addition, the Director provides leadership and oversight of the Academy's Food Service Assistants. The Director also works closely with the Superintendent to develop the school's annual Food Service Budget and to remain in compliance with that budget at all times. The Director also ensures that all Food Service Assistants are properly trained to fulfill their roles, including any required certifications necessary for serving food in a school setting.

Employed by: MMI, Inc.

Food Service Assistants

Food Service Assistants are the primarily individuals responsible for serving the Academy's breakfast, lunch and afternoon snack. In this capacity, Food Service Assistants are responsible for specific tasks assigned to them by the Director of Food Service, maintaining compliance with all applicable health and safety requirements, remaining positive and supportive of students and working collaboratively with other staff.

Employed by: MM1, Inc.

Athletic Director

The Athletic Director provides leadership and oversight of the Academy's athletic and extra-curricular opportunities. The Director oversees and evaluates the performance of coaches, ensures that the Academy's remains a member of the Michigan High School Athletic Association in good standing, effectively schedules events and ensures supervision and management of those events. In addition, the Director works closely with the Director of Physical Plant Operations to ensure that the Academy's facility is clean, safe and conducive to positive experiences for students while participating in activities and events. Through oversight and leadership, the Director ensures that the Academy's athletic and extra-curricular opportunities are positive experiences for students. The Director also ensures that parents are aware of relative opportunities and schedules and works closely with the Director of Transportation to ensure that travel is organized and planned properly for applicable events.

Employed by: MM1, Inc.

Coaches

Coaches are responsible for leading an athletic team or Academy club. They effectively plan a schedule of practices to ensure that student athletes are properly prepared for competition, maintain the highest levels of safety at all times and communicate with parents both proactively and reactively regarding the participation of students. Coaches maintain accurate inventories of supplies, uniforms and other equipment necessary for the proper operation of their teams. Coaches communicate with the Athletic Director regarding any student disciplinary or other concerns in order to collectively resolve any associated challenges.

Employed by: MMI, Inc.

Office Managers

Office Managers provide clerical and administrative support to the Academy administration. They greet and communicate with parents and other guests of the Academy in a professional and client-centered way. Office Manager are responsible for ordering necessary supplies, ensuring that the main offices of the Academy are inviting, professional and positive places for students and their parents.

Employed by: MM1, Inc.

Paraprofessionals

Paraprofessionals work closely with Teachers and Instructional Deans to provide supplemental instructional support to identified students. They execute lesson plans for small groups of students as directed by Teachers and Instructional Deans. Paraprofessionals properly document and log their activities and communicate with Teachers regarding any challenges they may have in working with identified students.

Employed by: MMI, Inc.

Special Education Coordinator

The Special Education Coordinator provides leadership and coordination in order to effectively support students with disabilities enrolled at the Academy. The Coordinator ensures that the Academy remains in compliance with the Individuals with Disabilities in Education Act and all other federal, state and local laws, rules and regulations as it relates to the needs of students with disabilities. The Coordinator collaborates and communicates with Teachers regarding the needs of these students and ensures that Teachers. The Coordinator also provides leadership, direction and oversight of the Academy's applicable paraprofessionals and Teachers that serve students with disabilities.

Employed by: MMI, Inc.

Director of Transportation

The Director of Transportation ensures that the Academy's transportation services are provided in a safe and effective manner. This includes training and overseeing the work of Bus Drivers, working closely with the Director of Physical Plan Operations regarding necessary maintenance and working closely with Instructional Deans in the case of student discipline challenges. The Director proactively communicates with parents regarding the details of the Academy's transportation program. The Director ensures that the Academy complies with all federal, state and local laws, rules and regulations regarding the transportation of pupils.

Employed by: MMI, Inc.

Bus Drivers

Bus Drivers complete assigned routes as directed by the Director of Transportation and ensure that all applicable students are safely transported to school and appropriate events. Drivers maintain appropriate levels of licensure for the operation of a school bus with pupils. Drivers complete disciplinary referrals appropriately and as trained and submit them promptly to the Director of Transportation.

Employed by: MMI, Inc.

Behavior Interventionist

The Behavior Interventionist works closely with Instructional Deans to ensure that student behavior challenges are addressed in a positive and proactive manner. The Interventionist ensures that appropriate parental communication takes place when behavior challenges are present, provides small group and/or individual instruction when it is necessary for students to be removed from classroom instruction and continually communicates with Teachers regarding the status of a student that interventions are being provided for.

Employed by: MMI, Inc.

Early Childhood Director

The Early Childhood Director provides leadership and oversight of the Academy's Great Start Readiness and Child Care programs. Usually combined with the role of an Instructional Dean, the Director provides training, support and supervision of Lead Early Childhood Teachers and Caregivers. The Director maintains appropriate licensure for Early Childhood Programs and works closely with other members of the administrative team to effectively manage relevant budgets. The Director ensure that students are ready for Kindergarten by establishing and maintaining an curriculum-based early childhood program for enrolled students and that parents are engaged in the learning process and regularly updated regarding the progress of their child.

Employed by: MMI, Inc.

Lead Early Childhood Teachers

Lead Early Childhood Teachers are responsible for the planning, developing, delivery and outcomes of developmental learning for all students. Classrooms are expected to be a positive atmosphere. All teachers will be "Primary Caregivers" for a subset of children and responsible for the regular and routine care for such. Lead Teachers are responsible for following all established policies, practices, and procedures in terms of duties and responsibilities of the position as delegated by the Michigan Bureau of Childcare Licensing, Early Childhood Director and Academy administration.

Employed by: MMI, Inc.

Early Childhood Caregivers

Alongside Lead Early Childhood Teachers, Early Childhood Caregivers are jointly responsible for the planning, developing, delivery and outcomes of learning for all students. Caregivers are expected to contribute to a positive educational atmosphere, with school wide collaboration. Caregivers will assist in lesson plan preparation and formative/ summative assessment results. Follow all established policies, practices, and procedures in terms of duties and responsibilities of the position as delegated by the Early Childhood Coordinator and Academy administration. Share a commitment to the success of the mission, goals, and objectives of the Academy and GSRP.

Employed by: MMI, Inc.

Accountant/Pupil Accountant

The Accountant/Pupil Accountant provides support in ensuring the Academy maintains fidelity toward Academy Board approved budgets. The Accountant provides regular reports to school leadership regarding actual to budget expenditures and prepared monthly standard budget reports for the Academy Board. In addition, the Accountant serves as the Academy's Pupil Account and works closely with the local Intermediate School District and Michigan Department of Education to ensure compliance with the Michigan Pupil Accounting Handbook.

EDUCATIONAL AND PERSONNEL SERVICES AGREEMENT

THIS EDUCATIONAL AND PERSONNEL SERVICES AGREEMENT is made as of this 1st day of July 2022, by and between **CHARLTON HESTON ACADEMY**, a Michigan public school academy established under Part 6A of the Michigan Revised School Code (“the Academy”), with offices located at 1350 N. St. Helen Rd., St. Helen, Michigan, 48656, and **MM1, INC.**, a Michigan for-profit corporation (“MM1”), with offices located at 27655 Middlebelt Rd., Farmington Hills, Michigan, 48334.

WITNESSETH:

WHEREAS, the Academy is organized and operated under the Michigan Revised School Code and pursuant to a contract (the “Contract”) issued by the Lake Superior State University (“LSSU”) Board of Trustees (the “LSSU Board”) and has the powers, authority and duties established therein, specifically including the authority to enter into binding legal agreements with persons or entities as necessary for the operation, management, financing, and maintenance of the Academy; and

WHEREAS, MM1 offers business, administrative, education support, and human resource services relative to the operations of public school academies and has the expertise, training, capacity and qualifications to perform the services contemplated under this Agreement; and

WHEREAS, the Academy's Board of Directors (“Academy Board”) desires to contract with MM1, for MM1 to provide Services to the Academy on the terms and conditions contained herein; and

WHEREAS, MM1 desires to provide such Services to the Academy on the terms and conditions contained herein.

NOW, THEREFORE, IN CONSIDERATION OF THE MUTUAL PROMISES AND BENEFITS CONTAINED HEREIN, IT IS AGREED AS FOLLOWS:

SECTION 1 **SERVICES AND RELATIONSHIP OF PARTIES**

A. Subject to the terms and conditions of this Agreement, and as permitted by applicable law, the Academy hereby contracts with MM1 for the provision of educational, business, administrative, facility, and management services concerning operation and management of the Academy, including without limitation, all labor, equipment, and materials necessary for the provision of the same, as set forth herein (collectively, the “Services”). MM1 agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.

B. PERSONNEL SERVICES

1.1 Personnel Services. MM1 shall provide highly qualified personnel as necessary for MM1 to perform the Services contemplated by this Agreement in accordance with the Academy's requirements and budget ("Personnel Services"), including personnel to perform the Business Services described in subsection 1.C. of this Agreement.

1.2 Personnel Requirements. Personnel assigned by MM1 to perform Services under this Agreement for the Academy shall be fully certified, licensed, approved and otherwise qualified to perform the functions assigned pursuant to and in conformance with the provisions of the Michigan Revised School Code, and other applicable statutes or regulations, pertinent to the work performed under this Agreement. MM1 will not furnish any personnel to the Academy who would be ineligible for employment by the Academy if such person(s) were instead employed directly by the Academy under applicable statutory and regulatory provisions.

1.3 Background Checks. Pursuant to the requirements of Sections 1230 and 1230a of the Michigan Revised School Code, the Academy shall perform a criminal history check through the Michigan State Police ("MSP"), as well as a criminal records check through the Federal Bureau of Investigation ("FBI"), with regard to all persons assigned by MM1 under this Agreement to regularly and continuously work in any of the Academy's facilities or at any other sites where the Academy delivers educational programs and services. To the extent authorized by law to access Criminal History Record Information ("CHRI"), the Board President is the Chief Administrative Officer, and with the assistance of the Superintendent assigned by MM1, shall act on behalf of the Academy Board, with the COOR ISD, to comply with Sections 1230 and 1230a and shall comply with security, training, and other applicable provisions of the FBI's *Criminal Justice Information Services Security Policy* pertaining to noncriminal justice agencies. For purposes of this subsection, "security" includes: (a) maintaining CHRI in a physically secure location at the Academy (or encrypted if stored electronically) accessible only by authorized and trained individuals; and (b) maintaining a log of any dissemination of CHRI for an allowed purpose. For purposes of anticipated audit(s) by the MSP Criminal Justice Information Center and/or FBI, the Board President, or Board designee, shall securely maintain the following for each individual employed or assigned by MM1 for whom the Academy is required to perform a criminal background check: (i) Position Description (or at least the title of the position as identified on the "Affidavit for Assignment"); (ii) Affidavit for Assignment (a/k/a MSP-approved Red Light/Green Light letter); (iii) Live Scan Finger Print Consent Form; and (iv) Dissemination Log (if any authorized dissemination of CHRI has occurred).

MM1 agrees that it shall not assign any of its employees, agents or other individuals to perform any Services under this Agreement where such individuals would regularly and continuously work in the Academy's facilities or other sites where the Academy delivers educational programs and services if such person has been convicted of any of the following offenses:

- (A). Any "listed offense" as defined under Section 2 of the Sex Offenders Registration Act, MCL 28.722; or

- (B). Any offense enumerated in Sections MCL 380.1535a or 380.1539b of the Revised School Code, MCL 380.1535a; 380.1539b; or
- (C). Any felony. Provided, that with prior written approval of the Superintendent of the Academy and of Academy Board an individual who has been convicted of a felony (other than a “listed offense” as defined above) and who is regularly and continuously providing Services under this Agreement at the Academy facilities or other sites where the Academy delivers educational programs and services may be permitted to perform such Services when, in the judgment of the Superintendent and Academy Board, that individual’s presence will not pose a danger to the safety or security of the Academy students or employees; or
- (D). Any misdemeanor conviction involving sexual or physical abuse as those terms are defined in Sections 1230(10) and 1230a(8) of the Revised School Code.
- (E). Any offense of a substantially similar enactment (to those enumerated in A-D, above) of the United States or another State; or
- (F). Any other offense that would, in the judgment of the Academy, create a potential risk to the safety and security of students serviced by the Academy or employees (if any) of the Academy.

Before hiring or engaging an applicant for assignment at the Academy under this Agreement, MM1 shall conduct an unprofessional conduct in a manner that mirrors the requirements of section 1230b of the Revised School Code that would apply in the event the Academy were hiring the individual, MCL 380.1230b. MM1 further acknowledges and agrees that all persons employed, contracted or assigned to fulfill the job positions as set forth in the Contract or any other individuals set forth herein shall not be assigned to work at the Academy until the requirements of the applicable state and federal laws, rules, and regulations have been satisfied. The Academy reserves the right to refuse MM1’S assignment of any individual, agent or employee of MM1 to render services under this Agreement where the criminal record history of that individual (including any pending criminal charges) indicate, in the Academy’s judgment, unfitness to perform services under this Agreement.

1.4 Independent Contractors. In the performance of Services under this Agreement, MM1 (its agents, contractors and employees) shall be regarded at all times as performing Services as independent contractors of the Academy. Consistent with that status, MM1 reserves to itself the right to solely determine the means and methods of performing services under this Agreement. Notwithstanding the foregoing, during the term of this Agreement, the Academy may disclose Confidential Data and Information (as defined in Section 4 of this Agreement) to MM1 (its employees or agents) to the extent permitted by applicable law, including without limitation, the Family Educational Rights and Privacy Act (FERPA), 20 USC §1232(g), 34 CFR Part 99; Section 1136 of the Michigan Revised School Code, MCL 380.1136; the Individuals with Disabilities Education Act (IDEA), 20 USC §1401 *et seq*, 34 CFR 300.610 – 300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 *et seq*; the Americans with Disabilities Act, 42 USC §12101 *et seq*; and the Health Insurance Portability and Accountability Act (HIPAA), 42 USC 1320d – 13200d-8; 45 CFR 160, 162 and 164. The Academy designates MM1 and its employees as agents

of the Academy for purposes of this Agreement having legitimate educational interest such that they are entitled to access to educational records under 20 U.S.C. Section 1232g, the Family Educational Rights and Privacy Act ("FERPA"). MM1 and its employees agree to comply with FERPA, and its corresponding regulations, applicable to school officials and agree to comply as required with MCL 380.1136.

1.5 MM1 as Employer. All individuals whom MM1 may select and assign to provide Services at the Academy under this Agreement will be employed by MM1. The Academy will not under any circumstances be regarded or considered to be the employer of any such individuals. MM1 shall be exclusively and solely responsible for compensating, hiring, retaining, evaluating, disciplining, dismissing and otherwise regulating the employment conditions, employment rights, compensation and other similar matters relative to all individuals whom MM1 utilizes in connection with providing Services under this Agreement. MM1 shall adopt, implement and maintain a performance evaluation system for all required personnel as required by applicable law. At the Academy's request, MM1 will remove any of the employees assigned to provide Services under this Agreement; provided, that this provision will in no way affect the right of MM1, in its sole discretion as employer, to hire, assign, reassign, discipline and/or terminate its own employees. MM1 shall not include non-compete agreements or any no-hire or any similar provision in any contract that it executes with staff assigned in any capacity to perform services for the Academy pursuant to this Agreement.

MM1 shall pay all salaries, wages, benefits, payroll and other taxes to or on account of its employees or agents arising out of or resulting from Services performed under the terms of this Agreement. The Academy shall not be liable for the payment of any such salaries, wages, benefits, payroll or taxes thereon for or on behalf of any MM1 employee or agent. MM1 employees and agents are not entitled to receive any compensation, benefits or other amenities in any form from the Academy, including, but not limited to, mileage, conference fees and other expenses. This provision does not limit or otherwise affect the Academy's responsibility to make payments for the Services in accordance with Section 2 of this Agreement.

MM1 acknowledges and agrees that it is solely and exclusively responsible for making the requisite tax filings, deductions and payments to the appropriate federal, state and local tax authorities for and on behalf of all persons assigned by MM1 to provide Services under this Agreement. No part of MM1 invoiced fees shall be subject to withholding by the Academy for payment of social security, unemployment or disability insurance or any other similar state or federal tax obligations. MM1 shall be solely and exclusively responsible for any taxation consequences to it or its agents or employees as a result of MM1'S engagement under this Agreement. MM1 agrees to defend, indemnify and hold harmless the Academy from any and all such claims.

1.6 Claims Relating to MM1'S Employees/Subcontractors/Agents. MM1 shall be responsible for answering, defending and/or resolving any and all claims arising out of the assignment and performance of the employees or agents it provides to carry out the Services under this Agreement.

These claims shall include, but shall not be limited to: proceedings before the Michigan Employment Relations Commission; the National Labor Relations Board; proceedings for unemployment compensation benefits; claims for workers' compensation disability benefits; claims of unlawful discrimination brought before any state or federal agency or court; claims or grievances for breach of contract; and any other claims of whatsoever kind or character arising from or which are attributable to the performance of Services by employees or agents of MM1 in connection with this Service Agreement.

All costs (including legal fees) incurred in connection with the defense of the foregoing matters and any judgments resulting therefrom shall be the sole and exclusive responsibility of MM1.

1.7 Academy's Policies. MM1 agrees that the individuals it assigns to the Academy under this Agreement will abide by those policies of the Academy which are applicable to performance of Services under this Agreement including, but not limited to, policies pertinent to:

- (A) Corporal punishment/physical contact/seclusion & restraint with/of students;
- (B) Non-discrimination;
- (C) Child abuse and neglect reporting;
- (D) Sexual harassment;
- (E) Confidentiality of student records and student record information;
- (F) Blood borne pathogens exposure control;
- (G) Administration of medication to pupils;
- (H) Communicable diseases;
- (I) Alcohol/controlled substance possession and use;
- (J) Copyright; and
- (K) Emergency Procedures (Fire Drills, lock downs or evacuations).

A copy of the above policies has been provided to MM1 by the Academy. MM1 and the Academy will cooperate in orientation of MM1'S employees to the above policies and in the conduct of Academy-specific orientation and training applicable to performance of Services under this Agreement.

1.8 Professional Standards. MM1 agrees that the individuals it assigns to the Academy under this Agreement will adhere to professional standards and will perform all Services required under this Agreement in a manner consistent with generally accepted proficiency and competency for the type and nature of Services rendered. MM1 represents that it has secured or will secure the necessary licenses, approvals, permits and regulatory authorizations to provide the Services contemplated in this Agreement.

1.9 Records Checking/Volunteers. MM1 will provide a policy and registration form, and implement procedures, for records checking of school volunteers through at least the Internet Criminal History Access Tool ("ICHAT") and Michigan's Sex Offender Registry ("SOR"). MM1 shall ensure that all individuals approved to serve as volunteers at the Academy have undergone an ICHAT and SOR records check at least once per school year.

C. **BUSINESS SERVICES**

1.10 Business Services. Subject to the terms and conditions contained herein, MM1 will provide the following business services (the "Business Services") to the Academy during the Term, as hereinafter defined:

- (A) MM1 will prepare the Academy's financial statements, annual and amended budgets, and other similar documents required for financial compliance and oversight purposes; provided, however that only the Academy Board has the authority to approve operating budgets and expenditures. The Academy is responsible for designating the Chief Administrative Officer of the Academy pursuant to the Uniform Budgeting and Accounting Act (2 PA 1968), MCL 141.422b. No officer, director, owner, agent, or employee of MM1 shall be designated as the Chief Administrative Officer of the Academy within the meaning of the Uniform Budgeting and Accounting Act (2 PA 1968), MCL 141.422b(3).
- (B) MM1 will provide bookkeeping and accounting services, as required by law and/or contract.
- (C) MM1 will provide accounts payable management; provided, however, that only Academy Board members properly designated annually by Academy Board resolution shall be signatories on Academy Board accounts. No provision of this Agreement shall alter the Academy Board treasurer's legal obligation to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required by law. Interest earned on Academy accounts shall accrue to the Academy. At no time will Academy funds be commingled or in any way subject to the dominion and/or control of MM1 in connection with the performance of MM1'S accounting services.
- (D) MM1 will provide qualified personnel to assure the Academy's compliance with fiscal and other regulatory schemes and in meeting all associated reporting requirements.
- (E) MM1 will provide qualified personnel to prepare appropriate and necessary federal and state program applications.
- (F) MM1 will provide transportation consulting and transportation support services including, but not limited to, assisting in such matters as leasing buses, contracting for busing services, evaluating and assisting in potential bus purchases, ensuring that drivers are properly licensed and that vehicles are properly tested and registered.
- (G) MM1 will assist the Academy in preparing applications for state aid anticipation loans and/or state aid bridge loans.

1.11 Recruitment of Students. The Academy will be responsible for marketing the Academy and for the recruitment of students. All marketing and development costs incurred by the Academy will be paid directly by the Academy, and MM1 will not be required to pay for any costs or fees relating to the Academy's marketing or recruitment efforts. Marketing and

development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program and shall not include any costs for the marketing and development of MM1.

1.12 Grant of Authority. The Academy's Board of Directors will grant to MM1 all required authority and power necessary to undertake its responsibilities as described in this Agreement, except where such delegation of authority and power is prohibited by law. No provision of this 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 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.

1.13 Recordkeeping and Reporting Requirements.

- (A) MM1 will keep accurate financial records and provide monthly financial reports associated with the Services performed on behalf of the Academy (including a balance sheet, an object-level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information and an explanation of variances). Financial reports will be in a format mutually agreed upon between the Academy Board and MM1 unless otherwise required by the Contract or applicable law. MM1 will also be responsible for retaining all financial records according to applicable state and federal requirements.
- (B) MM1 shall provide to the Academy Board at least annually all of the information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618(2), for the most recent school fiscal year for which that information is available. Within 30 days after receiving the information described in this subsection, the Academy Board shall make all of the information it receives from MM1 under this subsection available through a link on the Academy's website homepage, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c, MCL 380.503c, shall have the same meaning in this Agreement.
- (C) MM1 shall make information concerning its operation and management of the Academy, including without limitation the information described in the Contract, available to the Academy Board as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligation under the Contract.
- (D) MM1 shall collect, maintain, and make available to Academy Board all of the information required under subsection 503(6)(m) of the Code for the Academy Board to fulfill its obligation to make specifically delineated information concerning operation and management of the Academy available to the public and to the Academy's authorizing body.

- (E) MM1 will maintain the proper confidentiality of personnel, students and other records as required by applicable law and this Agreement.
- (F) All financial records will be made physically or electronically available to the Academy Board or its agents or employees (if any) for inspection and/or copying, at the Academy Board's discretion.
- (G) MM1 will, upon request of the Academy Board, but not less than quarterly, provide the Academy Board detailed statements at object level for ratification of all expenditures with an explanation of variances for Services rendered to or on behalf of the Academy. All finance and other records related to the Academy that are in the possession or control of MM1 will be made available to the Academy, Academy's independent auditor, or the Charter School Office of the Authorizer upon request. MM1 shall cooperate with the Academy's independent auditor. The Academy Board is solely responsible for selecting, retaining, evaluating, replacing, and compensating the independent auditor for the Academy. The Academy Board also shall be responsible: (a) for determining the budget reserve included in the Academy's annual budget and any budget amendments; and (b) for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount(s).
- (H) In addition to financial records, MM1 will provide information to the Academy and its Board of Directors periodically, as requested by the Academy Board, sufficient in form and substance to enable the Academy to monitor MM1'S performance and the efficiency of its performance of the Services.
- (I) All financial, educational, and student records pertaining to the Academy are Academy property and such records are subject to Michigan's Freedom of Information Act. All such records must be stored, in physical form, on-site at the Academy's facility or directly accessible at the Academy facility. Except as permitted under the Contract and applicable law, nothing in this Agreement shall be construed to restrict the Authorizer's or the public's access to the Academy's records. All records pertaining to teacher and administrator certification, as well as a copy of MM1'S employee handbook, shall be maintained physically onsite or directly accessible at the Academy facility.

1.14 Unusual Events. Each Party agrees to notify the other immediately of any known health, safety or other violations of law, regulation, or the Contract, and of any anticipated labor, employee or funding problems, or of any other problems or issues that could adversely affect the Academy or MM1 in complying with its responsibilities hereunder.

SECTION 2

FEES AND REIMBURSEMENT

2.1 Service Fees and Reimbursement. The Academy shall pay MM1 the following fees as reasonable compensation for the Services MM1 will provide to the Academy during the term of this Agreement. No portion of the compensation paid by the Academy to MM1 under this Agreement is based on a share of the net profits of the Academy. If the provisions of this Agreement regarding service fees and reimbursement are determined to result in private business use of the Academy's facilities under Rev. Proc. 97-13 as amended by Rev. Proc. 2001-39, Rev. Proc. 2016-44, 2016-36 IRB 316, and Rev. Proc. 2017-13 (and as may be further amended), the Parties agree to renegotiate the service fees and reimbursement provisions of this Agreement as necessary to maintain the qualified use and tax-exempt nature of any Academy bond funded property. However, MM1 may terminate this Agreement in accordance with Section 6 hereof if the Academy requests or demands a reduction in MM1'S net service fees and reimbursement under this section without a corresponding reduction in Services to the Academy.

The Academy will pay to MM1 an annual ESP Services Fee, not to exceed budgeted amounts approved by the Academy Board, in the amount of nine percent (9%) of the total aid received from the State of Michigan, pursuant to the State School Aid Act of 1979, as amended,, as adjusted and/or pro-rated in compliance with the State School Aid Act. No corporate costs or "central office" personnel costs of MM1 shall be charged to, or reimbursed by, the Academy, and such corporate costs or "central office" personnel costs shall be paid out of the fee paid by the Academy. The Academy also agrees to pay MM1 a fee of four percent (4%) of any ESSER funds received by the Academy and managed by MM1. Instructional coaching personnel assigned to the Academy is by offered MM1 at \$900 per day.

The Academy acknowledges and agrees that MM1 will under no circumstances be required to provide personnel or Services if the cost of same exceeds Academy Board-approved budget limits.

2.2 Additional Services. MM1 may, at the request of the Academy, provide additional services that the Academy Board deems appropriate or necessary. Should MM1 be requested to provide such additional services, the Parties will negotiate a reasonable fee/compensation prior to the time that such services are rendered and will execute a written amendment to this Agreement describing both the nature and extent of such services and the compensation to be provided to MM1, subject to Section 8.5 herein.

2.3 Reimbursement of Expenses. MM1 may, with prior Academy Board of Directors' approval, purchase equipment, materials, and supplies for the benefit of the Academy, the cost of which will be reimbursed by the Academy Board in accordance with this paragraph. Such equipment, materials, and supplies shall be and remain the property of the Academy. Should MM1 procure equipment, materials, or supplies at the request of or on behalf of the Academy, MM1 will not include any added fees or charges with the cost of the equipment, materials, and supplies

purchased from a third party supplier. MM1 will at all times comply with the Revised School Code (including MCL 380.1274 and 380.1267) and all Board policies as if such purchases were being made directly by the Academy. All supplies, materials and equipment procured by MM1 for the Academy shall be inventoried by an acceptable method of inventory and an inventory of Academy equipment shall be maintained so that it can be clearly established which property belongs to the Academy.

The Academy Board may approve the reimbursement of reasonable expenses incurred by MM1. Reimbursement will only be permitted under this Agreement for actual and direct expenses that are pre-approved by the Academy Board and paid by MM1 to unrelated Parties, provided MM1 submits an itemized accounting of all such expenses to the Academy's Board, along with any relevant documentation.

SECTION 3 **CONFIDENTIALITY and DATA SECURITY**

3.1 Preservation of Covered Data and Information. MM1 agrees that it shall observe the policies and directives of the Academy to preserve the confidentiality of Covered Data and Information (defined in Subsection 3.2 below) to the extent that MM1 (its employees, subcontractors and agents) are permitted to access Covered Data and Information in the course of performing Services under this Agreement.

3.2 Definition of Covered Data and Information. Covered Data and Information (CDI) includes paper and electronic student education and/or medical record information supplied by the Academy and/or its students or parents/guardians to MM1 and includes, without limitation, "education records" and "education record information" as defined under FERPA and IDEA, and as incorporated into MCL 380.1136; "protected health information" as defined under HIPAA; "relevant records" as defined under Section 504; and social security numbers. CDI also includes any new records created and maintained by MM1 under this Agreement using CDI.

3.3 Acknowledgment of Access to CDI. MM1 acknowledges that this Agreement allows MM1 (its employees, subcontractors and agents) access to CDI, for which the Academy may have the ultimate legal responsibility to maintain in a confidential and secure fashion. Accordingly, MM1 (its employees, subcontractors and agents) shall provide the Academy with control over the CDI sufficient to satisfy all applicable legal and regulatory standards. In any event, MM1 (its employees, subcontractors and agents) shall at all times make CDI available to the Academy within a reasonable time of receiving a request for same.

3.4 Prohibition on Unauthorized Use or Disclosure of CDI. MM1 (its employees, subcontractors and agents) agrees to hold CDI in strict confidence. MM1 (its employees, subcontractors and agents) shall not use or disclose CDI received from or on behalf of the Academy except as permitted or required by this Agreement, as required or authorized by law, or as otherwise authorized in writing by the Academy, a parent/guardian, or eligible student. MM1 agrees that it will protect the CDI it receives from or on behalf of the Academy according to commercially acceptable standards and no less rigorously than it protects its own confidential information. MM1 shall ensure that any employee or agent, including a subcontractor or

Business Associate (as defined in HIPAA), to whom it provides CDI under this Agreement, understands and agrees to the same restrictions and conditions pertaining to use and disclosure of CDI that apply to MM1 under this Agreement.

3.5 Return or Destruction of CDI. Upon termination, cancellation, expiration or other conclusion of this Agreement (or as required by applicable law), MM1 (its employees, subcontractors and agents) shall return all CDI to the Academy.

3.6 Maintenance of the Security of Electronic Information. MM1 (its employees, subcontractors and agents) shall develop, implement, maintain and use appropriate administrative, technical and physical security measures to preserve the confidentiality, integrity and availability of all CDI received from, or on behalf of, the Academy or its students. These measures will be extended by contract to all agents, including subcontractors or Business Associates, used by MM1.

3.7 Reporting of Unauthorized Disclosures or Misuse of Covered Data and Information. MM1, within one day of discovery, shall report to the Academy any use or disclosure of CDI not authorized by this Agreement or in writing by the Academy. MM1'S report shall identify: (i) the nature of the unauthorized use or disclosure, (ii) the CDI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what MM1 has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action MM1 has taken or shall take to prevent future similar unauthorized use or disclosure. MM1 shall provide such other information, including a written report, as reasonably requested by the Academy. MM1 shall take appropriate action, in accordance with MCL 445.72, to notify affected individuals whose CDI may have been compromised.

3.8 Remedies.

- (A) If the Academy reasonably determines in good faith that MM1 has materially breached any of its obligations under the data security provisions of this Agreement, the Academy, in its sole discretion, shall have the right to require MM1 to submit to a plan of monitoring and reporting; provide MM1 with a thirty (30) day period to cure the breach; or terminate the Agreement immediately if cure is not possible. Before exercising any of these options, the Academy shall provide written notice to MM1 describing the violation and the action it intends to take.
- (B) In addition, the Parties understand and agree that MM1 is subject to any penalties for unauthorized disclosures or misuse of CDI that are or may be imposed, from time to time, under applicable law including, without limitation, that MM1 may be prohibited by law from accessing CDI for defined periods of time following any unauthorized disclosure or misuse of CDI, which shall constitute a material breach of this Agreement.

3.9 Copyright. MM1 shall advise the Academy of any and all materials that are subject to any copyright restrictions or requirements that MM1 recommends or requires for use by MM1'S employees, agents or subcontractors, or the Academy, to achieve project goals. If MM1 fails to so advise the Academy and as a result of MM1'S and/or the Academy's use of any such programs or materials under this Agreement, the Academy is found to be in violation of any copyright restrictions or requirements, or if the Academy is alleged to be in violation of any such copyright restriction or requirements, MM1 agrees to indemnify, defend and hold harmless the Academy against any such actions or claims brought by the copyright holder. However, this provision shall not apply to materials that the Academy, rather than MM1, recommends or requires to be used by personnel assigned to the Academy by MM1.

3.10 Indemnity. MM1 shall defend, indemnify, and hold the Academy harmless from all claims, liabilities, damages, or judgments involving a third Party, including the Academy's costs and attorney fees, which arise as a result of MM1'S failure to meet any of its obligations under the data security provisions of this Agreement. MM1 further agrees to indemnify the Academy to the extent stated above for all alleged violations of copyright, trademark, or patent rights which may be asserted against the Academy arising from or out of the Academy's use of MM1-provided products and Services under this Agreement.

3.11 Amendment for Compliance. If the Academy believes in good faith that any data security provision of this Agreement fails to comply with applicable laws or regulations, the Academy shall notify MM1 in writing. Within thirty (30) business days of receipt of such notice by MM1, the Parties shall address in good faith the expressed concern(s) and shall amend the terms of this Agreement, if the Academy deems necessary to bring the Agreement into compliance. If after such thirty (30) business day period this Agreement remains non-compliant with applicable laws or regulations with respect to the concern(s) raised under this Section, the Academy shall have the right to terminate this Agreement for cause in accordance with Section 6 hereof.

SECTION 4 **INTELLECTUAL PROPERTY**

4.1 The Academy Board hereby agrees and acknowledges that in the course of the performance of this Agreement, the Academy may be exposed to certain confidential information or trade secrets of MM1 including, but not limited to, know-how, technical information, computer software, training materials, training methods and practices, courseware and related information, all of which shall be considered to be confidential in nature (the "Intellectual Property"). The Academy agrees, subject to the limitations of MCL 380.505(3), the Freedom of Information Act, any other law, and the Academy's Contract with its authorizer, that any Intellectual Property communicated to or received or observed by the Academy shall be held in confidence and not disclosed to others without MM1'S prior written consent. All Intellectual Property disclosed to or observed or received by the Academy shall at all times remain the property of MM1 and all documents together with any copies or excerpts thereof shall be promptly returned to MM1 upon request. The provisions of this Section 4 shall not apply to curriculum or other materials developed and paid for by the Academy or developed by MM1 at the direction of the Academy or its Board with Academy funds or to any information subject to disclosure under the law. The

Academy shall own all proprietary rights to curriculum or educational materials that (1) are both directly developed and paid for by the Academy; or (2) were developed by MM1 at the direction of the Academy Board with Academy funds dedicated for the specific purpose of developing such curriculum or materials. MM1 recognizes that any educational materials and teaching techniques used by the Academy are subject to disclosure under the Code and the Michigan Freedom of Information Act.

4.2 Marks. MM1 owns the title and all related rights regarding the names, logos, and trademarks for "MM1, Inc." The Academy owns the title and all related rights regarding the names, logos, and trademarks for "Charlton Heston Charter Academy" and each of the Academy's school buildings. Each Party agrees it shall not use the names, logos, trademarks, mascots, emblems, and/or plaques of the other Party without that entity's prior written approval.

SECTION 5 **LIABILITY, INSURANCE AND INDEMNITY**

5.1 Indemnity. MM1 shall indemnify and hold the Academy (and its respective officers, directors, representatives, trustees and agents) harmless from and against all liabilities, damages, fines, penalties, demands, forfeitures, claims, suits, causes of action or any other liabilities or losses, including all costs of defense, settlement and prosecution, along with attorney, expert and other professional fees, arising out of or related to any act, omission, negligence, wrongful act, misconduct or breach or noncompliance with any agreement, representation, warranty or covenant on the part of MM1, its agents or employees contained in this Agreement or the provision of any of the services contained in or made pursuant to this Agreement..

MM1 shall be solely and entirely responsible for its acts and omissions and for the acts and omissions of MM1'S agents, employees and subcontractors in connection with the performance of Services under this Agreement and agrees to defend and indemnify the Academy from any and all such claims and/or judgments resulting from such acts or omissions.

The above promise of indemnity and defense shall not apply to liability which results from the sole negligence, wrongful act or breach of this Agreement by the Academy, its board members, officers, or employees (if any).

5.2 Workers' Compensation Insurance. MM1 agrees to procure and maintain in full force and effect Workers' Compensation Insurance covering its employees, and to ensure that its subcontractors similarly maintain such insurance for any employees assigned by MM1 to the Academy, while those persons are engaged in performing Services under this Agreement. If a claim is filed under the provisions of the Michigan Workers' Compensation Disability Act against the Academy by an employee of MM1 or any of its subcontractors relating to performance of Services under this Agreement, MM1 agrees to defend and hold harmless the Academy from such claims(s). MM1 agrees to provide the Academy, upon request of the Academy, with certifications evidencing the required coverage.

5.3 General Insurance. MM1 shall procure and maintain such policies of insurance as required by law, the Contract and/or the Michigan Universities Self Insurance Corporation (MUSIC) that, in any event, shall provide no less protection than comprehensive general liability

and employment practices liability insurance, including specific coverage for acts of sexual molestation and abuse by its employees and agents, with limits of not less than One Million Dollars (\$1,000,000) per occurrence, and Two Million Dollars (\$2,000,000) combined single limit for bodily injury and property damage, in a form acceptable to both Parties, to protect MM1 and the Academy against liability or claims of liability which may arise out of MM1'S (including MM1'S employees, subcontractors and agents) performance under this Agreement. MM1'S insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract. In addition, MM1 agrees that such policy shall provide an endorsement stating that such insurance shall be primary and that insurance carried by the Academy shall be excess and non-contributory and that the policy shall not be changed, revoked or modified absent thirty (30) days' prior written notice to the Academy Board and the LSSU Board of Trustees. Not later than ten (10) days from the date both Parties have executed this Service Agreement, MM1 shall provide the Academy with certificates of insurance evidencing all coverages and endorsements required hereunder. MM1 agrees to name the Academy and Lake Superior State University, and their respective officers, agents and employees, as additional insureds under said policy. MM1 agrees that, in the event the LSSU Board of Trustees modifies the level, type, scope or other aspects of required coverage, MM1 shall undertake like and similar modifications within thirty (30) days of being notified of such change. MM1's cost of procuring insurance coverage is a corporate cost to be paid by MM1.

5.4 Responsibility of Academy. The Academy shall be solely and entirely responsible for its acts and omissions and for the acts and omissions of the Academy's Board members and employees (if any) in connection with the performance of the Academy's responsibilities under this Agreement; provided, however, that nothing in this Agreement is intended, nor shall be construed, as a waiver of the governmental immunity provided to the Academy and its incorporators, board members, officers, employees, and volunteers under section 7 of 1964 PA 170, MCL 691.1407. If MM1 is made a Party to any litigation involving claims arising out of the acts and/or omissions of the Academy's Board members or employees (if any), the Academy will provide any reasonable assistance requested by MM1 in the defense against such claims.

5.5 Indemnification of Lake Superior State University. The parties acknowledge and agree that the Lake Superior State University Board of Trustees, Lake Superior State University and its members, officers, employees, agents or representatives (collectively referred to as "the University" for this section) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, MM1 hereby promises to indemnify, defend, and hold harmless the University from and against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines penalties, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses imposed upon or incurred by the University, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the Lake Superior State University Board of Trustees' approval of the Academy's application, the University Board's consideration of or issuance of a Contract, MM1's preparation for and operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by MM1, or which arise out of the failure of MM1 to perform its obligations under the Contract, the Agreement, or applicable law, as applicable. The parties expressly acknowledge and agree that the Lake Superior State

University, Lake Superior State University Board of Trustees and its members and their respective officers, employees, agents or representatives, or any of them, may commence legal action against MM1 to enforce its rights as set forth in this Agreement.

SECTION 6
TERM OF AGREEMENT AND TERMINATION DURING TERM

6.1. Term and Termination.

- (A) The duration of the Agreement will be for five years, beginning on July 1, 2022 through June 30, 2027 subject to earlier termination under this Agreement, if warranted. The maximum term of this Agreement shall not, in any event, exceed the length of the Contract.
- (B) MM1 represents and warrants, as of the date of execution of this Agreement, that there are no known, asserted or unasserted, liabilities, damages, fines, penalties, demands, forfeitures, claims, suits, causes of action or any other liabilities or losses, including any costs of defense, settlement and prosecution along with attorney, expert and other professional fees, arising out of or related to any negligence, wrongful act or breach of this Agreement or the obligation of MM1, or any of its employees or others for whom it is responsible, in connection with the performance of the Agreement from July 1, 2022 through the date of execution.

6.2 Reclamation of Property. Upon the conclusion of the Term or upon termination, and subject to Section 2.3. and 1.13(G), MM1 shall have the right to reclaim any property or equipment it provided to the Academy, or receive payment for the depreciated cost of such equipment if same was purchased by MM1.

6.3 Termination for Cause. Either Party may terminate this Agreement for cause prior to the conclusion of the Term if the other Party fails to remedy a material breach of this Agreement within thirty (30) days after receipt of a written notice of breach from the other Party.

- (A) A material breach on the part of the Academy includes, but is not limited to, failure to make payments to MM1 as required by this Agreement.
- (B) A material breach on the part of MM1 includes, but is not limited to, failure to account for its expenditures or to pay operating costs (provided funds are available to do so), and inadequate performance of its obligations under the Agreement. Any action or inaction by MM1 that is not cured within 30 days of notice thereof which causes the Contract to be revoked, terminated, suspended, or reconstituted, or which causes the Contract to be put in jeopardy of revocation termination, reconstitution, or suspension by the LSSU Board is a material breach.

6.4 Termination Due to Insolvency. Notwithstanding any provision in this Agreement to the contrary, this Agreement may be terminated by either Party immediately in the event the other Party is declared bankrupt or insolvent, or if a receiver is appointed or any proceedings are commenced, voluntary or involuntary, by or against such Party under any bankruptcy or similar law and such status is not cured within sixty (60) days from its occurrence. MM1 attests that none of the following has filed for bankruptcy protection within the five (5) years, or any applicable preference period, whichever is longer, and shall notify the Academy Board in writing within 10 business days of any of the following filing for bankruptcy protection: (a) any principal or officer of MM1; or (b) MM1 as a corporate entity, including any related organization(s) in which a principal or officer of MM1 served as a principal or officer.

6.5 Condition Precedent.

- (A) If the Academy's Contract is suspended, revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically be suspended or terminated, as the case may be, on the same date as the Academy's Contract is suspended, revoked, terminated or expires without further action of the parties.
- (B) In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507 and the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and MM1 shall have no recourse against the Academy or the LSSU Board for implementing such site closure or reconstitution.

6.6 Dispute Resolution. The Academy and MM1 agree to act immediately and in good faith to mutually resolve any disputes that may arise concerning any alleged breach of this Agreement, or arising out of or relating to the interpretation of this Agreement or the Parties' performance of their respective obligations under this Agreement. Any disputes that the Parties are not able to resolve within thirty (30) days after one Party provides the other Party with a written notice of default may be submitted to binding arbitration, which will be the sole and exclusive remedy for such matters. This provision does not restrict any Party's ability to terminate this Agreement in accordance with any applicable provision hereof. The arbitration shall be conducted in accordance with the Uniform Arbitration Act, 2012 PA 371, MCL 691.1681 – 691.1713, and rules of the American Arbitration Association by an impartial arbitrator knowledgeable and expert in Michigan and federal education law, seated in Kent, Ionia, or Montcalm Counties, Michigan, with such variations as the parties and arbitrators may unanimously accept. The final decision shall be a cause decision (written explanation). The Authorizer shall be notified of said decision, and upon the Authorizer's request, the cause opinion shall be made available. The arbitrators' award shall be final and binding. A judgment

on the award rendered by the arbitrator may be entered in any court having appropriate jurisdiction, by any party, without the consent of the other party. The losing party shall pay the cost of arbitration, not including attorney fees. It shall be within the discretion and purview of the arbitrator to award reasonable attorney fees to the prevailing party and to make the determination as to which, if any, party qualifies as a “prevailing party.”

6.7 In the event of termination of this Agreement for any reason by either Party prior to the end of the Agreement’s term other than as provided for in Section 6.5(A), such termination will not become effective until the earlier of (i) an approved agreement by the Academy with another educational service provider (or self-management) or (ii) the end of the then-current school year in which termination is invoked. However, the Academy will use its best efforts to limit the scope of any such post-termination assistance, which will be focused on ensuring a smooth transition between service providers or to a self-management model. Upon termination or expiration of this Agreement, or if this Agreement is terminated due to a contract revocation, reconstitution, termination or non-renewal, MM1 shall, without charge: (i) close the books on the then-current school fiscal year; (ii) ensure that the Academy's organizational and financial records are organized and prepared for transition to the new ESP, for self-management, or dissolution; (iii) provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy to MM1, if any); (v) the amount owed by MM1 to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the cause of a school closure, transfer to a student’s new school as designated by the student’s parent / legal guardian or to a person or entity authorized to hold such records; (vii) ensure the closeout of existing grants and the transfer of grant funded property to Academy, if applicable; and (viii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by MM1 to the Academy.

SECTION 7 **NON-DISCRIMINATION**

The Parties to this Agreement agree not to discriminate against any employee or applicant for employment with respect to hire, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, due to race, color, religion, sex, national origin, pregnancy, age, height, weight, disability, marital status or veteran status.

The Parties further agree not to discriminate against any student or other recipient of Services under this Agreement due to race, color, religion, sex, national origin, or disability in the delivery of programs and Services rendered under this Agreement. Breach of covenants recited in this Section shall be regarded as a material breach of this Agreement.

SECTION 8
MISCELLANEOUS

8.1 Counterparts. This Agreement may be executed in one or more counterparts, all of which taken together will constitute one single agreement between the Parties.

8.2 Section Headings. The section headings used herein are for reference and convenience only and shall not enter into the interpretation hereof.

8.3 No Waiver. No delay or omission by either Party hereto to exercise any right or power occurring upon any noncompliance, violation or default by the other Party with respect to any of the terms of this Agreement shall impair any such right or power or be construed to be a waiver thereof. A waiver by either of the Parties hereto of any of the covenants, conditions or agreements to be performed by the other shall not be construed to be a waiver of any succeeding breach thereof or of any covenant, condition, or agreement herein contained.

8.4 Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Michigan.

8.5 Entire Agreement. This Agreement constitutes the entire agreement between the Parties and contains the entire understanding of the Parties with respect to its subject matter, and supersedes all prior and contemporaneous agreements, understandings and negotiations. No amendment, change, waiver, modification or discharge hereof shall be valid unless: (a) it is in writing; (b) is executed by the Party against whom such change, waiver, modification or discharge is sought to be enforced; (c) complies with the Contract, specifically including Section 11.10 (Required Provisions for ESP Agreements); and (d) is submitted to the Authorizer for review, along with any required opinions or documents, and approval in accordance with the Contract and any Authorizer policy related to such agreements.

8.6 Notices. Under this Agreement, if one Party is required to give notice to the other, such notice shall be deemed given if hand delivered or mailed by U. S. registered mail, return receipt requested, first-class, postage pre-paid and addressed as follows:

If to MM1: President

MM1, Inc.
27655 Middle belt Rd.
Farmington Hills, MI 48334

With a copy to:

David Steinberg, Of Counsel
Jaffe, Raitt, Heuer & Weiss, P.C.,
27777 American Way
Southfield, MI 48083

If to the Academy:

Board President
Charlton Heston Academy
1350 N. St. Helen Rd.

St. Helen, MI 48656

With a copy to:

James M. Crowley
Miller Canfield, Paddock and Stone P.C.
150 W. Jefferson Ave.
Detroit, MI 48226

If to the Authorizer:

Lake Superior State University
Charter Schools Office
650 Easterday Ave.
Sault St. Marie, MI 49783

8.7 No Assignment. Neither Party may assign or transfer either this Agreement or any obligation incurred hereunder. Any attempt to do so in contravention of this Paragraph shall be void and of no force and effect.

8.8 Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable in any manner, the remaining provisions of this Agreement shall nonetheless continue in full force and effect without being impaired or invalidated in any way. In addition, if a court of competent jurisdiction may modify any provision of this Agreement such that it may be fully enforced, then that provision shall be so modified and fully enforced as modified.

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

8.10 Force Majeure. Any delay or failure of any Party (the "affected Party") in the performance of its required obligations hereunder shall be excused if and to the extent caused by war, rebellion or insurrection; an act of God; fire; government statute, order or regulation prohibiting the performance of this Agreement; riots; strikes, labor stoppages, lockouts or labor disputes to the extent such occurrences are not caused by the actions of the Party seeking relief under this Section, provided that (i) written notice of such delay or suspension is given by the affected Party to the other Party within 72 hours of such event, which notice shall set forth in detail the nature of each delay; (ii) the affected Party shall use all commercially reasonable efforts to minimize the extent of such force majeure delay; and (iii) additional expense or other adverse financial conditions, including the Academy's inability to make any required payments under this Agreement for reasons other than an act of government, shall not be deemed force majeure. Upon receipt of a notice of force majeure, the time for the affected Party's performance shall be extended for a period of time reasonably necessary to overcome the effect of such delays and the other Party's sole remedy shall be reimbursement for the additional cost of such delays; provided, further, that if such delay by MM1 would materially impair the value of the services to be provided under this Agreement, the Academy may terminate this Agreement by written notice to MM1 within fifteen (15) calendar days of receiving MM1'S notice of force majeure, in which event the Academy shall receive a refund of all monies paid hereunder for Services which MM1 has failed to deliver.

8.11 No Third Party Rights. Except as provided in Section 5.5 of this Agreement, nothing in this Agreement shall be intended to confer third Party beneficiary status or rights, pursuant to MCL 600.1405 or under the common law, to any person or entity that is not a Party to this Agreement.

8.12 No Agency. Each of the respective Parties is entering into this Agreement and acting hereunder solely as an independent contractor and not as an agent or representative of the other Party.

8.13 Review by Independent Counsel. Each Party agrees that it has reviewed, or had the opportunity to review, this Agreement with its own independent legal counsel prior to the execution of this Agreement.

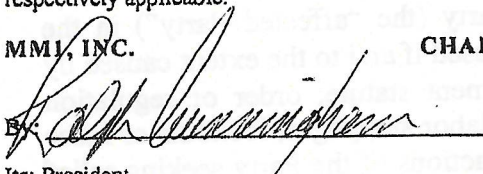
8.14 Governmental Immunity. Nothing in this Agreement shall be construed to restrict the Academy Board from waiving its governmental immunity or require the Board to assert, waive, or not waive its governmental immunity.

SECTION 9
AUTHORIZATION

9.1 This Agreement is not final and valid unless first reviewed by the Academy's Authorizing Body, which may disapprove this Agreement if contrary to the Contract or applicable law.

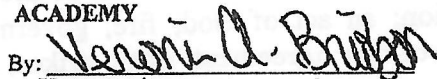
9.2 This Agreement has been duly authorized, executed and delivered by the Parties and constitutes a legal, valid and binding obligation upon each of them, enforceable in accordance with its terms. Each person placing his/her signature below represents and warrants that he/she is the signatory duly authorized to execute this Agreement on behalf of the Academy or MM1, as is respectively applicable.

MM1, INC.



Its: President
Dated: March 1, 2022

CHARLTON HESTON PUBLIC SCHOOL
ACADEMY

By: 
Veronica A. Bridson

Its: Board President
Dated: March 1, 2022

CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

CHARLTON HESTON ACADEMY
Physical Plant

Physical Plant Description -----6-1
Floor Plan-----6-3
Occupancy Approval -----6-4
Purchase Agreement ----- 6-11

SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

1. Applicable Law requires that a public school academy application and contract must contain a description of and the address for the proposed physical plant in which the public school academy will be located. See, MCL 380.502(3)(j); 380.503(5)(d).

2. The address and a description of the proposed physical plant (the “Proposed Site”) of Charlton Heston Academy (“Academy”) is as follows:

Address: 1350 N. St. Helen Road
St Helen, MI 48656

Description: In 2012 the CHA Board purchased the former St. Helen Elementary School located at 1350 N. St. Helen Road, St. Helen, Michigan. The initial purchase of approximately a 30,000 square foot building on approximately 23 acres has undergone facility expansions since. The site contains a single building. The building initial building contained 17 classrooms and administrative space, a paved parking lot, and a playground.

Due to enrollment growth, CHA has completed an approximately 8,000 square foot facility expansion in 2015 that includes 5 classrooms, two restrooms, and a cafeteria.

The Academy also is undergoing approximately a 40,000 square foot addition that includes a new gymnasium, 18 classrooms, locker rooms, four bathrooms, administrative space, and a cafeteria.

The school facility is very conducive to supporting CHA's educational program. The building is structured to support two different types of classroom environments with smaller classrooms at the front of the building and larger classrooms closer to the back.

Term of Use: Term of Contract.

Configuration of Grade Levels: Pre-K through 12

Name of School District and Intermediate School District:

Local: Roscommon Area Public Schools

ISD: C.O.O.R. ISD

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

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

4. In addition, the Academy and the College Board hereby acknowledge and agree that this Contract is being issued to the Academy with the understanding that the Academy cannot conduct classes as a public school academy in this state until it has obtained the necessary fire, health and safety approvals for the above-described proposed physical facility. These approvals must be provided and be acceptable to the College Board or its designee prior to the Academy operating as a public school. In cases of disagreement, the Academy may not begin operations without the consent of the College Board.

5. If the Proposed Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the College Board must be amended pursuant to Article IX of the Terms and Conditions of Contract, to designate, describe, and agree upon the Academy's physical facilities. The Academy must submit to the College Board or its designee complete information about the new site to be actually used. This information includes that described in paragraphs 2, 3 and 4 of this Schedule 6. It is acknowledged and agreed that the public school academy cannot conduct classes as a public school in this state until it has submitted all the information described above, to the satisfaction of the College, and the amendment regarding the new site has been executed.

6. The Academy agrees to comply with the single site restrictions contained in this Schedule 6 for the configuration of grade levels identified at the site. Any change in the configuration of grade levels at the site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions of Contract set forth above.

CERTIFICATE OF USE AND OCCUPANCY
PERMANENT

Michigan Department of Licensing and Regulatory Affairs

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG15-00258

1350 N ST HELEN RD

St Helen, MI 48656

COUNTY: Roscommon

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

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

Print Date: 08/31/2017

**CERTIFICATE OF OCCUPANCY
RICHFIELD TOWNSHIP
ROSCOMMON COUNTY
STATE OF MICHIGAN**

This is to certify that the occupant of the structure under the Certificate of Occupancy application,

OF18-0012

Issued by the Inspection Division, and having complied with the requirements of the ordinance, permission is hereby granted to occupy the said premises as set forth in the corresponding application under which the permits were granted, so far as completed.

Building Code in Effect: **2015 MI BUILDING CODE** Zoning:

Use Group: **E** Occupancy Load: **90** Construction Type: **5B**

Sprinkler System Information

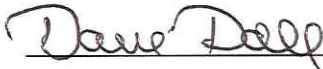
Sprinkler System Required? **N** Installed? **N**

Demand at Base of Riser: **0 GPM** **0 PSI**

**FULTZ DAVID W & NANCY E
1495 N ST HELEN RD
SAINT HELEN MI 48656**

Signed in Richfield Twp, Michigan
10/16/2018

NON-TRANSFERABLE



Dave Doll, Building Official

CERTIFICATE OF OCCUPANCY
RICHFIELD TOWNSHIP
ROSCOMMON COUNTY
STATE OF MICHIGAN

This is to certify that the occupant of the structure under the Certificate of Occupancy application,

OF21-0003

issued by the Inspection Division, and having complied with the requirements of the ordinance, permission is hereby granted to occupy the said premises as set forth in the corresponding application under which the permits were granted, so far as completed.

Building Code in Effect: 2015 MI BUILDING CODE		
Use Group: E	Occupancy Load: 61	Construction Type: 5B
<u>Sprinkler System Information</u>		
Sprinkler System Required? N	Installed? N	
Demand at Base of Riser: 0 GPM	0 PSI	
LSSU COSMETOLOGY BUILDING		
FULTZ DAVID W		
1250 N SAINT HELEN RD		
ST. HELEN	MI	48656

Signed in Richfield Twp, Michigan
10/20/21

NON-TRANSFERABLE

Robert Amor, Building Official

**CERTIFICATE OF OCCUPANCY
RICHFIELD TOWNSHIP
ROSCOMMON COUNTY
STATE OF MICHIGAN**

This is to certify that the occupant of the structure under the Certificate of Occupancy application,

OF20-0001

Issued by the Inspection Division, and having complied with the requirements of the ordinance, permission is hereby granted to occupy the said premises as set forth in the corresponding application under which the permits were granted, so far as completed.

Building Code in Effect: 2015 MI BUILDING CODE	Zoning:
Use Group: E	Occupancy Load: 61 Construction Type: 5B
<u>Sprinkler System Information</u>	
Sprinkler System Required? N	Installed? N
Demand at Base of Riser: 0 GPM	0 PSI
FULTZ DAVID W 1350 N ST HELEN RD SAINT HELEN MI 48656	

Signed in Richfield Twp, Michigan
12/03/2020

NON-TRANSFERABLE

David Doll

Dave Doll, Building Official

2019-2020

*Class Room
MID*

CERTIFICATE OF OCCUPANCY
RICHFIELD TOWNSHIP
ROSCOMMON COUNTY
STATE OF MICHIGAN

This is to certify that the occupant of the structure under the Certificate of Occupancy application,

OF21-0003

issued by the Inspection Division, and having complied with the requirements of the ordinance, permission is hereby granted to occupy the said premises as set forth in the corresponding application under which the permits were granted, so far as completed.

Building Code in Effect: 2015 MI BUILDING CODE			
Use Group: E	Occupancy Load: 61	Construction Type: 5B	
<u>Sprinkler System Information</u>			
Sprinkler System Required? N		Installed? N	
Demand at Base of Riser: 0 GPM		0 PSI	
LSSU COSMETOLOGY BUILDING			
FULTZ DAVID W			
1250 N SAINT HELEN RD			
ST. HELEN		MI	48656

Signed in Richfield Twp, Michigan
11/12/21

NON-TRANSFERABLE



Robert Amor, Building Official

CERTIFICATE OF OCCUPANCY
RICHFIELD TOWNSHIP
ROSCOMMON COUNTY
STATE OF MICHIGAN

This is to certify that the occupant of the structure under the Certificate of Occupancy application,

OF21-0006

Issued by the Inspection Division, and having complied with the requirements of the ordinance, permission is hereby granted to occupy the said premises as set forth in the corresponding application under which the permits were granted, so far as completed.

Building Code in Effect: 2015 MI BUILDING CODE	Zoning:
Use Group: E	Occupancy Load: 234 Construction Type: 5B
<u>Sprinkler System Information</u>	
Sprinkler System Required? N	Installed? N
Demand at Base of Riser:	0 GPM 0 PSI
FULTZ, DAVID 1200 N ST HELEN RD SAINT HELEN MI 48656	

PB21-0010 Building 11/18/21 Commercial, New Building

THIS IS THE MAIN BUILDING PERMIT FOR THE CONSTRUCTION TRADES BUILDING.

NON-TRANSFERABLE

Signed in Richfield Twp, Michigan
11/22/2021



Robert Amor, Building Official

**CERTIFICATE OF OCCUPANCY
RICHFIELD TOWNSHIP
ROSCOMMON COUNTY
STATE OF MICHIGAN**

This is to certify that the occupant of the structure under the Certificate of Occupancy application,

OF21-0007

Issued by the Inspection Division, and having complied with the requirements of the ordinance, permission is hereby granted to occupy the said premises as set forth in the corresponding application under which the permits were granted, so far as completed.

Building Code in Effect: 2015 MI BUILDING CODE	Zoning:
Use Group: E	Occupancy Load: 212 Construction Type: 2B
<u>Sprinkler System Information</u>	
Sprinkler System Required? N	Installed? N
Demand at Base of Riser: 0 GPM	0 PSI
FULTZ, DAVID 1200 N ST HELEN RD SAINT HELEN MI 48656	

PB21-0011 Building 11/18/21 Commercial, New Building
THIS IS THE MAIN BUILDING PERMIT FOR THE LSSU AUTO AND WELDING BLDG.

Signed in Richfield Twp, Michigan
11/22/2021

NON-TRANSFERABLE



Robert Amor, Building Official

**BUILDING PURCHASE
DOCUMENTS TO BE
INCLUDED UPON
COMPLETION**

CONTRACT SCHEDULE 7
REQUIRED INFORMATION FOR
PUBLIC SCHOOL ACADEMY

SCHEDULE 7

REQUIRED INFORMATION FOR PUBLIC SCHOOL ACADEMY

Required Information for Public School Academy. This Schedule contains information required by Part 6A of the Revised School Code (“Code”). The required information for the Academy is contained in this Schedule 7.

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

SECTION A
GOVERNANCE STRUCTURE

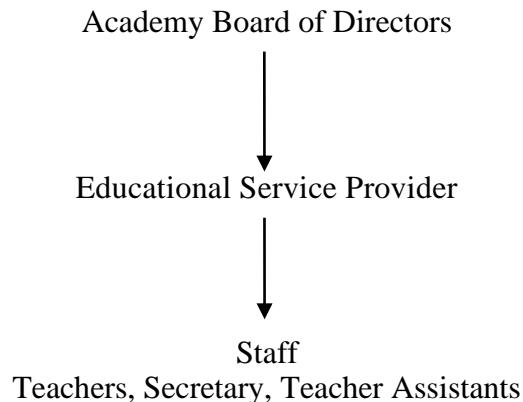
Schedule 7a

Governance Structure

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

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

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



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

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

Name	Term Expiration
Lynn M. Boc	6/30/2025
Veronica Bridson	6/30/2023
Troy L. Romancky	6/30/2024
Michael Hodnett	6/30/2024

SECTION B
EDUCATIONAL GOALS

Educational Goals

At Charlton Heston Academy, we promise families a school with a challenging academic program and a culture that values integrity, academic excellence, civic responsibility, and accountability that centers on college and career readiness.

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

It is expected that the academy will meet the state of Michigan's accountability standards and any improvement targets required to be achieved pursuant to state and federal law. Upon request, the Academy Board shall provide the CSO with a written report, along with supporting data, assessing the Academy's progress toward achieving these goals. The Academy Board shall demonstrate improved academic achievement for all groups of pupils.

Measures for Determining Educational Goal Achievement

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

Measure 1: Student Growth

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

Grade(s)	Metric	Target
2 nd -8 th	The median Student Conditional Growth Percentile as measured by Measures of Academic Progress® by NWEA.	The median Student Conditional Growth Percentile will be at or above the 50 th percentile

Measure 2: Student Achievement

The academic achievement of all students who have been enrolled for three or more consecutive academic years at the Academy, will be assessed using the following metrics and achievement targets.

Grade(s)	Metric	Target
2 nd -8 th	The percentage of cohort students achieving math and reading scaled scores that meet or exceed targets based on the most current NWEA MAP® national norms	Cohort students ¹ will achieve scores equal to or greater than the grade-level reading and math targets identified in this schedule
2 nd -8 th 8 th , 9 th , 10 th 11 th	The median subject scores in math and reading as measured by performance on NWEA's MAP® The median subject scores as measured by performance on the PSAT® The median subject scores as measured by performance on the SAT®	Cohort students will achieve subject scores greater than that of non-cohort students ²

¹Cohort students are those students who have attended an academy for three or more consecutive academic years. ²Non-cohort students are those students who have attended an academy for less than three consecutive academic years.

Measures of Academic Progress Norm Targets

Grade	Spring Reading Target	Spring Math Target
2 nd	185.87	189.42
3 rd	197.12	201.08
4 th	204.83	210.51
5 th	210.98	218.75
6 th	215.36	222.88
7 th	218.36	226.73
8 th	221.66	230.03

NOTE: The targets are based on NWEA MAP's 2020 spring targets set at the 50th percentile. These targets do not necessarily denote college and career readiness. Targets will be adjusted each time NWEA updates its norm study.

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

The academic achievement of Full Academic Year (FAY) Students will be assessed using the following metrics and achievement targets.

For Accountability purposes, the MDE defines FAY students are those who are enrolled in the school at Fall General Collection, the Spring General Collection, and at the enrollment snapshot for the given assessment.

Grade(s)	Metric	Target
3 rd -8 th , 11 th	State Assessment Michigan Student Test of Educational Progress (M-STEP) or successor test	The Academy will meet state/federal requirements
8 th , 9 th , 10 th	Pre-Scholastic Aptitude Test (PSAT) or successor test	
11 th	State Assessment Michigan Merit Exam (MME, SAT) or successor test	
All Grades	State Accountability	

Measure 4: Academy Specific Goals

The academic achievement of all students can be impacted through the retention of students.

Grade(s)	Metric	Target
K-11 th	School wide pupil lists on the last day of school in June will be compared against the school wide pupil lists on a given day in September.	90% of students in grades K-11 will be retained from one year to the next NOTE: Students who exit the Academy due to relocation will be excluded from this data.

SECTION C

EDUCATIONAL PROGRAMS

Educational Program

The Charlton Heston Academy curriculum is comprehensive, rigorous, dynamic and aligned to the appropriate Michigan learning standards. The Academy's curriculum reflects high standards and supports the attainment of the school's vision and mission. The Academy offers grades pre kindergarten through twelfth, and an early middle college option. Curriculum development will continue to focus on improvement, enhancement and reform, as necessary. The Academy will utilize an online platform to store, organize and further develop its written curriculum.

In the pre kindergarten program, both the curriculum and learning objectives are aligned to the State Standards reflected in Michigan's learning standards. Additionally, the Creative Curriculum used within the program, along with the Connect for Learning program, are designed to create a comprehensive curriculum for the students.

In the elementary grades (K-6), the Academy's literacy curriculum contains several components, all of which are aligned to the Common Core State Standards as reflected in Michigan's learning standards. Further, guided reading practices, use of leveled classroom libraries, [Foundations](#) Phonics Program (lower grades), and [Wilson Writing by Design](#) writing curriculum in grades k-8, working together to create a comprehensive literacy program for the Academy's students.

As students enter the middle (7, 8) and high school (9-12) grades a transition to greater focus on text analysis, sophisticated forms of student writing and greater levels of comprehension occur. While the Academy's curriculum in these grades continues to be aligned to appropriate standards, importantly to include the Michigan High School Content Expectations in applicable grades (English 9, 10, 11 and 12), there is a greater focus on integrating the MAISA (Michigan Association of Intermediate School Administrators) Units and the work of Nancy Atwell. Select students who demonstrate achievement and maturity needed for independent study across the upper grades also enroll in either concurrent or dual enrollment courses through partnerships with Lake Superior State University.

The Academy relies heavily upon the Everyday Math program as its primary instructional resources within its mathematics program for grades K-6. The program is aligned to the Common Core State Standards and provides a range of instructional and assessment tools to assist teachers in meeting student needs. Similar to the Academy's literacy program, a shift occurs as students enter the upper grades as the Academy has chosen the Prentice Hall, as well as other textbooks series, as its primary resources to deliver its mathematics curriculum.

Courses in Algebra I (also offered to qualifying grade 8 students), Geometry, Algebra II and Calculus are offered in the high school grades, which are aligned to the appropriate Course Content Expectations. Additional courses in Statistics and Trigonometry are offered as elective courses, primarily for students in grade twelve. Some students in the upper grades have also enrolled in and have successfully completed dual enrollment mathematics courses through the higher education partnerships identified above.

Social studies and science standards are partially met through non-fiction texts utilized within the literacy program in the lower grades. [The MAISA units](#), fully accessible through the Rubicon Atlas program and modified as needed, are also used to guide teacher's lessons. Adapted MAISA units and curriculum development done by departmental teams in the upper grades over the Academy's first 5

years of operation serve as the basis. The Academy has begun to revise the science curriculum to align with the Next Generation Science Standards following their recent approval and release by the State Education Department. Additionally, the Academy utilizes Rubicon Atlas [Oakland School Social Studies units](#) in grades K through 12 for Social Studies curriculum, while utilizing [Mystery science](#) to strategically target science standards. High school science courses include Biology, Earth Science, Space Science, Anatomy, Physiology, Chemistry and Physics, while social studies courses include United States History and Geography; World History and Geography; Government; Economics; and Practical Law.

Students in the lower grades are offered a full range of curriculum beyond the core described above, including physical education/health, visual arts and general music. Learning objectives and experiences in these courses are broadly aligned to the themes and standards available through the state of Michigan. Students in the middle grades (6, 7, 8) are provided rotating courses in physical education/health, general music, visual arts and introductory Spanish. These students also receive career and technical education opportunities. At the high school level, Art Appreciation, Advanced Art, Ceramics, Health, Physical Education, and up to four levels of Spanish are offered. Students are also offered opportunities to gain leadership skills by participating in the Academy's Peer to Peer Mentoring Program. This program pairs interested high school students with students in the lower grades that have a disability. Coordination takes place between the advising teacher of the high school student and the mentee's teacher to ensure that a range of support is provided depending on student needs, including academic tutoring and social/emotional support. Students in high school can also elect to participate in the career and technical education programs.

The culmination of the Academy's learning experience is graduation from the Academy's twelfth and final grade, or completing the fifth year via early college experience. The school's clear and high expectations for success in college, work and life are reflected in the school's graduation requirements, which are outlined below.

Charlton Heston Academy Graduation Requirements

Michigan Merritt Curriculum Requirements (18 Credits)

English Language Arts (4 Credits)

- English 9 - 1 Credit
- English 10 - 1 Credit
- English 11 - 1 Credit
- English 12 - 1 Credit

Mathematics¹ (4 Credits)

- Algebra I - 1 Credit
- Geometry - 1 Credit
- Algebra II - 1 Credit
- Math Elective - 1 Credit

Science (3 Credits)

- Biology - 1 Credit
- Chemistry, Physics, Agricultural Science, Anatomy or Computer Science - 1 Credit
- Science Elective² - 1 Credit

Social Studies (3 Credits)

- United States History and Geography - 1 Credit
- World History and Geography - 1 Credit
- Economics - .5 Credits
- United States Government - .5 Credits

Physical and Health Education (1 Credit)

- Health - .5 Credits
- Physical Education³ - .5 Credits

¹ One Mathematics credit must be earned in a student's final year enrolled at the school.

² Could include Earth Science, Zoology, Computer Science, Chemistry, Physics or Forensic Science, if offered ³ The .5 credit requirement in Physical Education can be waived if a student successfully participates in an extracurricular athletic program.

Visual, Performing and Applied Arts (**1 Credit**)

- Elective - 1 Credit

World Languages⁴ (**2 Credits**)

- Electives - 2 Credit

Online Experience

Students are also able to enroll in the following programs:

- Career and Technical Education (Cosmetology, Public Safety, Information Technology and Gaming, Construction Trades, Welding)**
- Workforce Development (students must qualify and have a complete work permit on file at the school)**
- Dual and concurrent enrollment courses through Lake Superior State University**
- Virtual Learning through edmentum**

SECTION D
CURRICULUM

**CURRICULUM
TO BE UPLOADED SEPARATELY**

SECTION E

METHODS OF PUPIL ASSESSMENT

Methods of Pupil Assessment

Ongoing and regular assessment is an integral part of the teaching and learning process at the Academy. The school is committed to the effective use of student assessments to measure progress toward school goals, identify areas for programmatic improvement, to hold professional educators accountable as appropriate and to provide teachers with actionable and specific data to inform instructional decisions. The Academy will comply with state and federal laws, rules and regulations with regard to the assessment of student learning.

As required by the State of Michigan, the Academy will assess students each spring with the Michigan Student Test of Educational Program (M-STEP) in all appropriate grade levels (3-8, 11) and subject areas (English language arts, mathematics, social studies and science). As part of the M-STEP program, the Academy will administer the Scholastic Aptitude Test (SAT) to students in grade 11 while students in grades 9 and 10 will take the PSAT. As the Michigan Department of Education's requirements for its testing program continues to evolve, the Academy will remain flexible and in compliance with all state requirements. Students with disabilities that qualify will be assessed using alternative testing programs, such as the MI-Access, if their Individual Education Program indicates so.

Further, the Academy will administer Northwest Evaluation Association's (NWEA) Measure of Academic Progress to students in grades K-8 for reading and mathematics. While not required, the Academy also administers the NWEA to students in grades K-8 in the science and English language arts. These assessments will be administered in the beginning (fall), middle (winter) and end (spring/summer) of each school year.

In addition, the Academy will employ the use of a variety of local assessment methods. These assessments may change from year-to-year as part of the school improvement process. For example, the Academy may use the Diagnostic Reading Assessment (DRA), Quick Phonics Screener, and Everyday Math Checkpoint Assessments in the lower grades. In the upper grades, student learning will be assessed by unit exams and other formative methods. The Focused Instructional Model (FIM) may also be used in grades K-12 to assess student learning in English language arts, mathematics and science. In recent years, the Academy has also implemented Renaissance Learning-STAR Reading and STAR Math.

Individual student assessments will be listed in each student's Educational Development Plan (EDP). Specifically, students who are enrolled in the career and technical education programs will be administered the respective assessments.

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

Application and Enrollment Requirements

Requirements

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

- Academy enrollment shall be open to all individuals who reside in Michigan. Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a Michigan resident.
- Academy admissions may be limited to pupils within a particular age range/grade level or on any other basis that would be legal if used by a Michigan public school district.
- The Academy Board may establish a policy providing enrollment priority to siblings of currently enrolled pupils. However, the Academy may not provide a preference to children of Board members or Academy employees.
- The Academy shall allow any pupil who was enrolled in the immediately preceding academic year to re-enroll in the appropriate age range/grade level unless that grade is not offered.
- No student may be denied participation in the application process due to lack of student records.
- If the Academy receives more applications for enrollment than there are spaces available, pupils shall be selected for enrollment through a random selection drawing.

Application and Enrollment Requirements

Application Process

- The application period shall be a minimum of two weeks in duration, with evening and/or weekend times available.
- The Academy shall accept applications all year. If openings occur during the academic year, students shall be enrolled. If openings do not exist, applicants shall be placed on the official waiting list. The waiting list shall cease to exist at the beginning of the next application period.
- In the event there are openings in the class for which students have applied, students shall be admitted according to the official waiting list. The position on the waiting list shall be determined by the random selection drawing. If there is no waiting list, students shall be admitted on a first-come, first-served basis.
- The Academy may neither close the application period nor hold a random selection drawing for unauthorized grades prior to receipt of approval from the Charter Schools Office.

Legal Notice

- The Academy shall provide legal notice of the application and enrollment process in a local newspaper of general circulation. A copy of the legal notice must be forwarded to the Charter Schools Office.
- At a minimum, the legal notice must include:
 - A. The process and/or location(s) for requesting and submitting applications.
 - B. The beginning date and the ending date of the application period.
 - C. The date, time, and place the random selection drawing(s) will be held, if needed.
- The legal notice of the application period shall be designed to inform individuals that are most likely to be interested in attending the Academy.
- The Academy, being an equal opportunity educational institution, shall be committed to good-faith affirmative action efforts to seek out, create and serve a diverse student body.

Application and Enrollment Requirements

Re-enrolling Students

- The Academy shall notify parents or guardians of all enrolled students of the deadline for notifying the Academy that they wish to re-enroll their child.
- If the Academy Board has a sibling preference policy, the re-enrollment notice must also request that the parent or guardian indicate whether a sibling(s) seeks to enroll for the upcoming academic year.
- An enrolled student who does not re-enroll by the specified date can only apply to the Academy during the application period for new students.
- An applicant on the waiting list at the time a new application period begins must reapply as a new student.
- After collecting the parent or guardian responses, the Academy must determine the following:
 - A. The number of students who have re-enrolled per grade or grouping level.
 - B. The number of siblings seeking admission for the upcoming academic year per grade.
 - C. If space is unavailable, the Academy must develop a waiting list for siblings of re-enrolled students.
 - D. The number of spaces remaining, per grade, after enrollment of current students and siblings.

Application and Enrollment Requirements

Random Selection Drawing

A random selection drawing is required if the number of applications exceeds the number of available spaces.

Prior to the application period, the Academy shall:

- Establish written procedures for conducting a random selection drawing.
- Establish the maximum number of spaces available per grade or grouping level.
- Establish the date, time, place and person to conduct the random selection drawing.
- Notify the Charter Schools Office of both the application period and the date of the random selection drawing, if needed. The Charter Schools Office may have a representative on-site to monitor the random selection drawing process.

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

- Conduct the random selection drawing at a public meeting where parents, community members and the public may observe the process.
- Use numbers, letters, or another system that guarantees fairness and does not give an advantage to any applicant.

The Academy shall notify applicants not chosen in the random selection drawing that they were not selected and that their name has been placed on the Academy’s official waiting list for openings that may occur during the academic year. Students shall appear on the official waiting list in the order they were selected in the random selection drawing.

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SECTION G

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

SECTION 7g: SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

School Calendar

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

School Day Schedule

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

SECTION H

AGE OR GRADE RANGE OF PUPILS

SECTION 7h: AGE OR GRADE RANGE OF PUPILS

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

Students of the Academy will be children who have reached the age of five (5) as set forth in MCL 380.1147. If a child is not 5 years of age on the specified enrollment eligibility date but will be 5 years of age not later than December 1 of a school year, the parent or legal guardian of that child may enroll the child in kindergarten for that school year if the parent or legal guardian notifies the school in a timely manner.