

*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

CONCORD ACADEMY BOYNE
(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 Mr. Randy Pingatore 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 January 27, 2017, the University Board issued to **Concord Boyne 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 seven (7) years and ends not later than June 30, 2029; 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: _____

Laurie



LAKE SUPERIOR STATE UNIVERSITY

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

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

Method of Selection and Appointment

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

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

Length of Term

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

Number of Directors

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

Prerequisite Qualifications of Members

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

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

Oath of Public Office

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

Board Training

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

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

LSSU Board Approval:

Signed: Jenny 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

**CONCORD ACADEMY - BOYNE
(A PUBLIC SCHOOL ACADEMY)**

CONFIRMING THE STATUS OF

CONCORD ACADEMY - BOYNE

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 Concord Academy - Boyne 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 Concord Academy - Boyne Confirming the Status of Concord Academy - Boyne 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: Concord Academy - Boyne
401 E Dietz
Boyne City, MI 49712

If to Academy Counsel: Kevin G. Klevorn
Klevorn and Klevorn
215 South Lake Street
Boyne City, Michigan 49712

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 7 years until June 30, 2029, 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.

CONCORD ACADEMY - BOYNE

By: _____
Jeffrey Derenzy, 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

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.

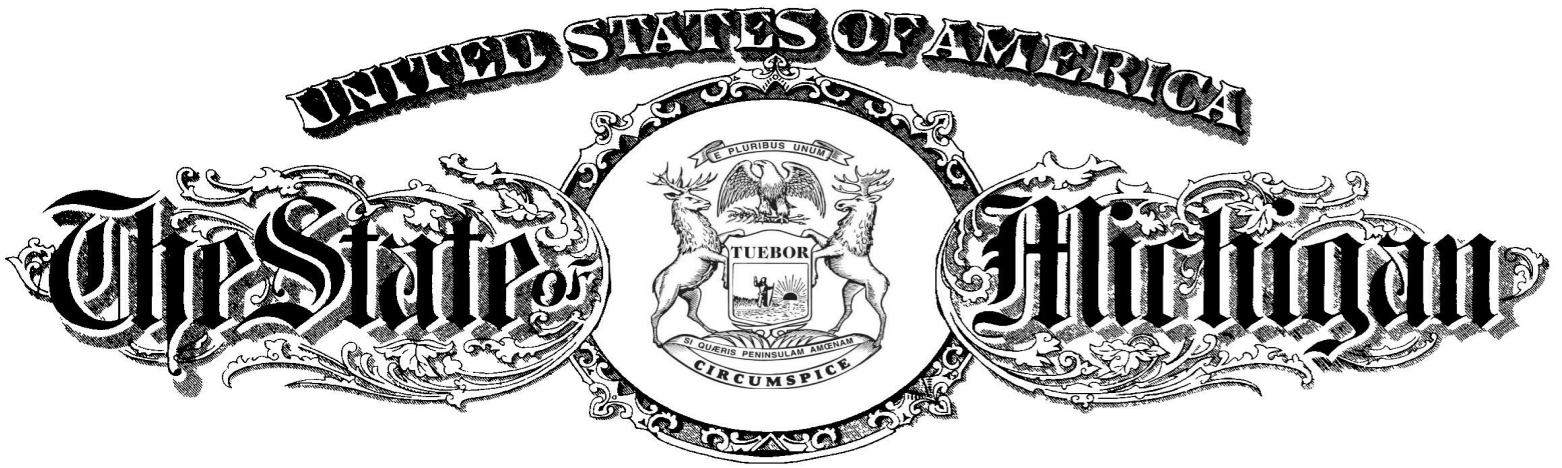
CONCORD ACADEMY - BOYNE

By:  _____
Jeffrey Derenzy, Academy Board President

Date: July 1, 2022

CONTRACT SCHEDULE 1

ARTICLES OF INCORPORATION



Lansing, Michigan

This is to Certify That

CONCORD ACADEMY-BOYNE

was validly Incorporated on September 1 , 1995 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: 22060518107

*In testimony whereof, I have hereunto set my hand,
in the City of Lansing, this 22nd day of June , 2022.*

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau

510

RECEIVED

\$10 paid

AUG 24 2005

FILED

MI DEPT. OF LABOR AND ECONOMIC GROWTH
BUREAU OF COMMERCIAL SERVICES

RESTATED ARTICLES OF INCORPORATION SEP 15 2005
OF
CONCORD ACADEMY - BOYNE

Administrator
BUREAU OF COMMERCIAL SERVICES

1. The present name of the corporation is: Concord Academy — Boyne.
2. The identification number assigned by the Bureau is: 736-853.
3. There are no former names of the corporation.
4. The incorporation date of the company is September 1, 1995.
5. These Restated Articles of Incorporation shall take effect July 1, 2005, or when endorsed by the State of Michigan, Department of Labor & Economic Growth.

The following Restated Articles of Incorporation supersede the Articles of Incorporation as amended and shall be the Articles of Incorporation for the corporation:

ARTICLE I

The name of the corporation is Concord Academy — Boyne.

The authorizing body for the corporation was originally Central Michigan University Board of Trustees and, as of July 1, 2000, has been changed to Lake Superior State University Board of Trustees (the University).

ARTICLE II

1. The purposes for which the corporation is organized are as follows:
 - (a) To operate a public school academy in the State of Michigan under the provisions of Part 6A of the Revised School Code, Act No. 451, Michigan Public Acts of 1976, as amended (MCL #380.501 to 380.507 of the Michigan Compiled Laws (the Revised School Code).
 - (b) To operate and act exclusively as a governmental entity as permitted by the Revised School Code.
 - (c) To improve pupil achievement for all pupils, including, but not limited to, educationally disadvantaged pupils, by improving the learning environment;
 - (d) To stimulate innovative teaching methods;
 - (e) To provide parents and pupils with greater choices among public schools, both within and outside their existing school districts.
2. Notwithstanding any other provision of these Articles, the corporation shall not carry on any activity not permitted to be carried on (i) by a public school academy as described in Part 6A of the Revised School Code, or (ii) by a governmental entity, as that term is understood under Michigan law and federal law.

as

ARTICLE III

1. The corporation is organized upon a non-stock basis.
2. The assets that the corporation possesses are:
 - a. Real Property - Building and land situated at 00401 E. Dietz Road, Boyne City, MI 49712 with a net value of \$2,502,820.
 - b. Personal Property - Assorted furniture, office equipment, and instructional materials valued at \$76,877.
3. The corporation is to be financed by State school aid payments received pursuant to the State School Aid Act of 1979, as amended, or any successor law, and Federal or state grants or gifts, grants and contributions, and other funds lawfully received.
4. The corporation is organized on a directorship basis.

ARTICLE IV

1. The address and the mailing address of the registered office is:
00401 E. Dietz Road
Boyne City, MI 49712
2. The name of the resident agent at the registered office is:
Barry Dwight Cole

ARTICLE V

The corporation is a governmental entity.

ARTICLE VI

Board of Directors:

1. Method of Selection The initial Board of Directors was comprised of the individuals named in the resolution approved by the Central Michigan University Board of Trustees. Subsequently, the Board of Directors of the corporation shall nominate a list of potential members of the Board of Directors equaling not more than twice the number of vacancies on the Board and shall submit the list to the University or its designee. The University Board shall select members from the list of nominees at its next regular meeting taking place at least twenty (20) days following notification to the University Board of the nominees; provided, however, that the University Board may reject any or all of the proposed nominees on the initial list or any subsequent list submitted by the Board of Directors and, in such event, the Board of Directors shall continue to submit additional nominees, no more than two for each remaining vacancy, until such time as the University Board has approved members to fill all vacancies. When the nominations are forwarded to the University Board, they shall be

accompanied by the nominees' resume and each nominee shall be available for interview by the University Board or its designees. A member appointed to fill a vacancy created other than by expiration of a term shall be appointed for the unexpired term of the vacating member in the same manner as the original appointment.

2. 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 years, 1/3 shall be appointed for a term of two years, and the remainder shall be appointed for a term of one year.

3. Number of Directors. The number of members shall never be fewer than five (5) or more than nine (9), as determined from time to time by the University Board.

4. Qualifications. The members of the Board of Directors shall include (i) a representative of the parents attending the school; and (ii) at least one professional educator, preferably a person with school administrative experience. The Board shall not include (i) members appointed or controlled by another profit or non-profit corporation; (ii) employees of Concord Academy - Boyne; or (iii) Lake Superior State University officials, as representatives of Lake Superior State University.

5. Oath. All members of the Board of Directors shall file an acceptance of office with the University. All members of the Board of Directors shall take the oath of office required by Article XI, §1 of the Michigan Constitution of 1963, as amended.

ARTICLE VII

1. No part of the net earnings of the corporation shall be distributed to, or inure to the benefit of, any director or officer of the corporation, contributor or individual, nor to any organization organized and operated for profit (except as compensation for services rendered). Notwithstanding any other provision of these Articles, the corporation shall not carry on any activities other than the essential governmental function of public education.

2. To the extent permitted by law, in the event of the dissolution of the corporation, and after making provision for the payment of all liabilities of the corporation, all of the corporation's assets, real and personal, shall be distributed to the authorizing body 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. At no time during such a dissolution shall the University be liable for any of the liabilities of the corporation.

ARTICLE VIII

The corporation and its incorporator, directors, officers, employees, and volunteers have governmental immunity as provided in the Governmental Liability for Negligence Act and in Part 6A of the Revised School Code.

ARTICLE IX

These Articles of Incorporation may only be amended 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 and submit the proposed changes to the authorizing body for approval.

The authorizing body may, at any time, propose specific changes to these Articles of Incorporation.

No amendments to these Articles of Incorporation shall take effect unless they have been approved by the corporation's Board of Directors and the Board of Trustees of the authorizing body, and have been filed with the appropriate department of the State of Michigan, together with the resolution of the Board of Trustees of the University approving the amendment.

ARTICLE X

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 XI

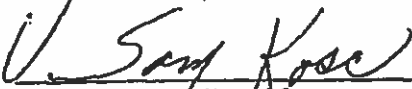
The Board of Directors shall adopt bylaws for its governance, subject to the following requirements:

1. Meetings of the Board of Directors shall be held in accordance with the provisions of the Open Meetings Act, Act No. 267, Public Acts of Michigan of 1976, as amended.
2. The Directors shall select such officers and committees of the Board as they shall determine are necessary for the operation of the Board, provided that the officers shall include at least a President, a Secretary and a Treasurer, whose duties shall be described in the Bylaws.

These Restated Articles of Incorporation were duly adopted on the 17th day of January, 2005 in accordance with the provisions of Section 642 of Act 162, Public Acts of 1982, as amended (the "Act"). These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation and were duly adopted by the written consent of all the directors pursuant to Section 525 of the Act, as the corporation is organized on a directorship basis.

Signed this 17th day of January, 2005

By:


V. Sam Kosc, President

CONTRACT SCHEDULE 2

BYLAWS

CONCORD ACADEMY - BOYNE

BYLAWS

(Restated February 7, 2022)

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ARTICLE I

OFFICES

Section 1. Principal Office. The principal office of the corporation shall be located at 00401 Dietz Rd. E., Boyne City, County of Charlevoix, 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.

ARTICLE II

GOVERNANCE STRUCTURE

The corporation shall be governed by a Board of Directors, the initial members of which were appointed by the Central Michigan University Board of Trustees pursuant to the School Code of 1976 (the "Code"), and as provided by contract executed by the Central Michigan University Board of Trustees on October 2, 1995. Subsequent members shall be appointed by the Board of Trustees of the Academy's authorizing body, in accordance with Article III, Section 2, of these Bylaws.

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. The Board of Directors shall manage the business, property and affairs of the corporation. The Board may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or the Michigan School Code.

Section 2. Method of Selection. The initial Board of Directors consisted of the individuals named in the contract executed by the Central Michigan University Board on October 2, 1995. As of July 1, 2000, the authorizing body is Lake Superior State University (henceforth, "the University"). From and after that date, the Board of Directors of the corporation shall nominate a list of potential members of the Board of Directors equaling not more than twice the number of vacancies on the Board and shall submit the list to the University or its designee. The University Board shall select members from the list of nominees at its next regular meeting taking place at least twenty (20) days following the notification to the University Board of the nominees; provided, however, that University Board may reject any or all of the proposed nominees on the initial list or any subsequent list submitted by the Board of Directors

and, in such event, the Board of Directors shall continue to submit additional nominees, no more than two for each remaining vacancy, until such time as the University Board selects members to fill all vacancies. When the nominations are forwarded to the University Board, they shall be accompanied by the nominees' resumes and the nominees shall be available for interview by the authorizing body's Board or its designees. A member appointed to fill a vacancy created other than by expiration of a term shall be appointed for the unexpired term of the vacating member in the same manner as the original appointment.

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

Section 4. Number of Directors. The number of members shall never be fewer than five (5) or more than nine (9), as determined from time to time by the University Board.

Section 5. Qualifications. The Board members of the corporation must include (i) a representative of the parents of children attending the school; and (ii) at least one professional educator, preferably a person with school administrative experience. The Board shall not include (i) members appointed or controlled by another profit or non-profit corporation; (ii) employees of Concord Academy; or (iii) officials of the authorizing body as representatives of the authorizing body; or (iv) any educational management company that provides staffing for the corporation.

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 Article XI, Section 1 of the Michigan Constitution of 1963, as amended.

Section 7. Tenure. Each 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 without cause as directed by the authorizing body's Board of Trustees.

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 may 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 August 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.

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 or without 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 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 telegram to each Director at the Director's business address. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. 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 constitutes a quorum for the transaction of business at any meeting of the Board of Directors.

Section 14. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board of Directors.

Section 15. Meeting by Telephone or Similar Equipment. A Director may participate in a meeting by conference telephone or any similar communications equipment through which all persons participating in the meeting, including members of the public, can hear each other. Participation in a meeting pursuant to this Section constitutes presence in person at the meeting.

Section 16. Board Vacancies. Any vacancy shall be filled as provided in Section 2 of this Article.

Section 17. Compensation. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at each meeting of the Board of Directors, subject to the statutes regarding Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being Sections 15.321 to 15.330 of the Michigan Compiled Laws and the Standards of Conduct for Public Officers and Employees, Act No. 196 of the Public Acts of

1973, being Sections 15.341 to 15.348 of the Michigan Compiled Laws, and the statute concerning Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws.

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 to the extent provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, shall have and may exercise, when the Board of Directors is not in session, the powers of the Board of Directors in the management of the business and affairs of the corporation, except action in respect to the fixing of compensation for or the filling of vacancies in the Board of Directors or committees created pursuant to this Section, or amendments to the Articles of Incorporation or Bylaws. 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, 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.

ARTICLE IV

OFFICERS

Section 1. Number. The officers of the corporation shall be a President, School Administrator, 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 December 1, 1995. Thereafter, the Board of Directors shall elect annually the officers of the corporation at the October annual meeting of the Board of Directors, or as soon thereafter as may be convenient. Each officer shall serve a one year term unless 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 because of death, resignation, removal, disqualification or otherwise, shall be filled by appointment for the unexpired term of the vacating member, in the same manner as the original appointment.

Section 5. President. The President of the corporation shall be a Director of the corporation. At all meetings of the Board, the President shall preside. 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 Board members, shall preside. The President shall be an ex officio member of all standing committees and may be designated Chairperson of certain committees by the Board of Directors. The President shall, in general, perform all duties incident to the office of President of the corporation as may be prescribed by the Board from time to time.

Section 6. School Administrator. The School Administrator shall be the Chief Executive Officer of the corporation and shall be hired by the Board of Directors. Subject to the control of the Board of Directors, the School Administrator shall, in general, supervise and control all of the daily regular business and affairs of the corporation. The School Administrator shall have authority, subject to such rules as may be prescribed by the Board of Directors, to appoint such agents and employees of the corporation as deemed necessary, to prescribe their powers, duties and compensation, and to delegate authority to them. The School Administrator shall have authority to sign, execute and acknowledge, on behalf of the corporation, all documents or instruments necessary or proper to be executed in the course of the corporation's regular business, or which shall be authorized by resolution of the Board of Directors. The School Administrator shall serve as the FOIA officer for the corporation. The School Administrator shall complete all required filings with the State Board of Education, State Department of Education, and the authorizing body. In general, the School Administrator shall perform all duties incident to the office of School Administrator and such other duties as may be prescribed by the President and the Board of Directors from time to time.

Section 7. Vice-President. 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 8. Secretary. The Secretary shall be responsible for the following: (a) keep the minutes of the Board of Directors meetings 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. The Secretary may delegate the duties enumerated herein to the School Administrator for day-to-day administrative purposes.

Section 9. Treasurer. The Treasurer shall be responsible for the following: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation in such banks, trust companies or other depositories as shall be selected by the Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent of the corporation are properly carried out; and (f) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Board of Directors. The duties enumerated herein may be delegated by the Treasurer to the School Administrator for day-to-day administrative purposes.

Section 10. Assistants and Acting Officers. The Board of Directors shall be responsible for provided staffing, including for example, but not by way of limitation, engaging an educational management company and shall have approval of the educational management company selected to employ staffing at the academy. The educational management company will comply with Incompatible Public Offices, Public Act 566 of 1978, found at MCL 15.181-15.185. No member of the Board of Directors may receive compensation for his or her services as a board member except to be reimbursed for actual expenses occurred in the performance of his or her duties as a Board Member.

Section 11. Salaries. The Board of Directors shall fix the salary of the School Administrator and approve salaries for all Academy employees from time to time, 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. No member of the Board of Directors may receive compensation for his/her service as a Board member, except to be reimbursed for actual expenses incurred in the performance of his/her duties as a Board member.

Section 12. 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 V

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 or advance to or overdraft or withdrawal by an 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. The corporation may not enter into any loan or evidence of indebtedness in which the interest on the loan or evidence of indebtedness is described as excluded from gross income for federal income tax purposes, nor may execute and deliver an IRS Form 8038, without the prior written consent of the University.

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 being sections 21.145 and 21.146 of the Michigan Compiled Laws.

Section 5. Contracts Between Corporation and Related Persons. Subject to the provisions of the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being Sections 15.321 to 15.330 of the Michigan Compiled Laws, 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.

ARTICLE VI

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, trust 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 potential liability asserted against or 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 fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

ARTICLE VII

SEAL

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

ARTICLE VIII

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 President of the University or his/her delegated representative. In the event that a proposed change is not accepted by the President of the University, the Board of Trustees of the University 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 and by the President of the University or his/her delegated representative.

ARTICLE IX

MISSION STATEMENT

Concord Academy - Boyne inspires, prepares, and empowers students in Academics and the Arts.

ARTICLE X

STAFF RESPONSIBILITIES

All Staff Responsibilities are outlined in the current version of the Staff Handbook for Concord Academy - Boyne. All Administrative Responsibilities are outlined in the current version of the Administrative Handbook.

Employee Status: The employees of Concord Academy - Boyne will be contracted through an independent Education Service Provider (ESP), such as Lakeshore Educational Management, Inc., a Michigan corporation. From time to time, additional staff positions may be considered and approved by the Board of Directors as necessary and affordable.

ARTICLE XI

ADMISSIONS POLICY

Every child, regardless of race, creed, color, sex, national origin, cultural or economic background, or handicap, is entitled to equal opportunity for educational development. No student will be excluded from participating in, denied the benefits of, or subjected to discrimination under any educational program or activity conducted by the corporation. The Board shall treat its students without discrimination as this pertains to course offerings, athletics, counseling, employment assistance, and extracurricular activities.

LEGAL REF: Civil Rights Act of 1964, as amended 1972, Title VI, Title VII. Executive Order 11246, 1965, as amended by Executive Order 11375, Equal Employment Opportunity Act of 1972, Title IX 45CFR, Parts 81, 86 (Federal Register, June 4, 1975, August 11, 1975). Act No. 453 of the Public-Acts of 1976 (Michigan Civil Rights Act).

Section 1. Student Admission Criteria.

A. Re-enrolling students shall receive first preference for admission over new students.

B. Siblings of current students shall receive second preference for admission over new students.

C. All other new students are admitted by random selection, up to class-size limit of 22 (K-5), or 25 in grades 6-12.

Section 2. Student Enrollment Procedures.

A. Re-enrollment Period. In April of each year, the corporation shall announce to the families of its current students a 2 week period during which they can re-enroll for the upcoming school year.

B. Open Enrollment Period. After the re-enrollment period, the corporation shall announce through the local newspapers its Kindergarten Round Up and its Open Enrollment Period, during which time it shall accept applications from new students. At the end of this period, the corporation shall announce and conduct a random selection of students if there are any classes with more than 22/25 applicants.

C. Waiting List. Those students not selected in this random drawing shall be placed on a waiting list. If openings occur during the school year, they are filled according to the above criteria.

ARTICLE XII

GRADE RANGE OF PUPILS TO BE ENROLLED

The corporation will enroll students from Kindergarten through grade 12.

ARTICLE XIII

SCHOOL CALENDAR

A school year calendar shall be adopted annually by the Board of Directors. Generally, this calendar will correlate with that of other schools proximate, and will always comply with requirements for number of pupil instruction days and hours as established by the State of Michigan.

ARTICLE XIV

EDUCATIONAL GOALS

(See Charter Contract with LSSU)

ARTICLE XV

CURRICULUM

The corporation's core curriculum defines the outcomes to be achieved by all students. The outcomes are based on State of Michigan Standards and Benchmarks and Board-approved curricula. Educational outcomes shall be written in the following areas for each grade level: Mathematics, Science, Language Arts, Social Studies, Fine Arts, and Technology. A complete copy of the curriculum shall be maintained and available to the public in the school office.

ARTICLE XVI

METHODS OF ASSESSMENT

The corporation shall use a combination of standardized tests and local, individual assessments. For standardized tests, the corporation shall administer all state required assessments (currently M-Step, PSAT, SAT), a computer-adaptive assessment (currently NWEA), and screeners (currently DIBELS/DRA). For local, individualized assessments, the corporation shall use rubrics, quizzes, oral and written reports, performances, and exams.

ARTICLE XVII

FISCAL YEAR

The fiscal year of the corporation shall begin on the 1st day of July in each year.

These Bylaws were restated and adopted to be effective on the date above as and for the Bylaws of a Michigan corporation, by unanimous vote of the Board of Directors at its regular meeting on the 7th day of February, 2022.



Jeff Derenzy, Board of Directors
President
Concord Academy - Boyne

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 Concord Academy - Boyne (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 Concord Academy - Boyne.

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

Date: July 6, 2022

076439.000036 4870-6041-8065.1

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 Concord Academy - Boyne (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

Administrative Handbook..... 5-1

Administrative Positions and Job Descriptions 5-2

Management Agreement..... 5-23

Administrative Handbook

CONCORD ACADEMY BOYNE

Revised 2020-21

Administrative Positions and Job Descriptions

As a small school, Concord Academy Boyne has a limited administrative staff, and the expectation is that everyone works together to achieve more, and create the most supportive environment for students and staff.

While a changing budget may change things, ideally, there are four full-time, administrative positions:

- Administrator
- Assistant Administrator
- Business Manager
- Office Manager

Each of these positions encompasses multiple titles, and fulfills many duties. While there is a segregation of duties, administrative staff may lean on one another to accomplish their goals and tasks, and to ensure that all tasks are completed. All administrative staff is hands-on during the school day, and assists with discipline, custodial services, and emergencies as needed.

An Overview:

The school's Administrator holds the positions of Chief Administrative Officer, Superintendent, and K-12 Principal.

The school's Assistant Administrator holds the positions or functions of K-12 Assistant Principal, HS Guidance Counselor, K-12 Testing Coordinator, Homeless Liaison, and Foster Care Liaison.

The school's Business Manager holds the positions of Business Manager and Chief Financial Officer, Building Maintenance Supervisor, Human Resources Director, and Athletic Director.

The school's Office Manager holds the positions of Building Secretary, PowerSchool Director, Communications Manager, and Pupil Accounting Specialist.

First and foremost, it is the duty of all Administrative Staff to:

- *Carry out and model the Mission/Vision, Creed, and Full Value Agreement (FVA) in all they do.
- *Be a positive support to all students, staff, parents, and community members.
- *Support the short and long-term goals of the school.

These duties can and should be prioritized in the following order:

Administrator	Business Manager
Support all stakeholders and model the Mission/Vision, Creed, and FVA.	Support long-term goals by ensuring financial security.
Support long term goals with the School Board.	Support long term goals with the School Board.
Define and evaluate curriculum.	Keep our school compliant with authorizer.
Improve quality of instruction (coaching and evaluating teachers).	Keep our building safe and running soundly through regular building maintenance.
Connect school to parents and community.	Perform all Human Resources functions for staff and ESP.
Assistant Administrator	Office Manager
Support all stakeholders and model the Mission/Vision, Creed, and FVA.	To make a good first impression as the positive face of our school.
Support all students in the role of Guidance Counselor (college visits, EDPs, field trips, etc).	Support all stakeholders and model the Mission/Vision, Creed, and FVA.
Support teachers and students with disciplinary issues (Discipline Support, Teacher/Parent Communication, Behavior Plans, Reporting)	Support students, parents, and staff in office matters.
Support school as Testing Coordinator (Updates to Staff, Schedule, Accommodations, 504s)	Support long-term goals and school community through good and regular communication with all stakeholders (Compass, website, staff newsletter, social media).
Guide and facilitate SST as a vital force in the school.	To ensure school compliance through good record-keeping (PowerSchool Master, Scheduling, Reporting).

Attached, you will find a calendar of job duties. If revisions are made to any job descriptions, changes will need to be made in the “Person Responsible” column.

Administrative Calendar and Delegation of Responsibilities

Month	Job to be Completed	Person Responsible
July	Submit Title I School Selection (TISS) and Consolidated Application on or before July 1.	Administrator Business Manager
	Hiring of Teachers/Staff (if needed)	Administrator
	At Risk 31a report due to MDE by July 15	Business Manager Administrator
	Post upcoming school budget on website (transparency), within 30 days of adoption	Business Manager
	Advertise for new students	Office Manager
	DS 4168 Days/Clock Hours Report	Office Manager
	Create “Important Dates” postcard—mail & email	Office Manager
	Regular Meeting of the School Board (3rd Monday of the Month)	Administrator Business Manager
	Agenda Items: *Hiring Updates (if needed) *Review Strategic Plan/Revise if needed *Student Handbook Review/Updates	
	***Create Agenda and type up minutes for each meeting ***Send minutes/financials to Board one week in advance of meeting (email)	Business Manager
	Schedule any Building Maintenance, Painting, etc. (Accept bids if needed.) Oversee any projects in progress.	Business Manager
	EPS Security Schedule Yearly Maintenance	Business Manager
	Compliance Items in Epicenter for LSSU (see Epicenter calendar)	Business Manager

Month	Job to be Completed	Person Responsible
	<p>PowerSchool Duties:</p> <ul style="list-style-type: none"> *Add any new staff/archive former staff *Commit the Schedule—make sure the year term for the new school year is created on the Live Side FIRST *Prepare for End of Year Process—back up!! *Run School Enrollment Audit *Run Section Enrollment Audit *Print & Archive all the following: object reports, report cards, form letters, state reports, attendance reports, transcripts *All students need: next year grade, next school *Decide if you will carry over activities or clear them *Verify a default FTE for each grade level *Export the Historical Grades Table *Complete the End of Year Process, then check the following setups: year and terms, periods, cycle days, attendance codes, attendance code categories, attendance conversions, FTEs, attendance preferences, bell schedules, calendar, reporting segments, final grade setup, current grade display, GPA student screens, GPA calculators, honor roll methods, activities. *Validate the Data—PS tune up time article 56424 *Create courses & sections as needed (current schedule) *Create current schedule *Schedule Students (Asst. Admin) *Update transcripts of new HS students (Asst. Admin) 	Office Manager
August	<p>Administrative Meeting:</p> <ul style="list-style-type: none"> *Review Schedule prior to entry into PS *Review Duties for August and September *Set Safety Drill Schedule (see below) *Schedule Pledge/Creed Assemblies *Plan Meet & Greet event *Set Goals as a Team for the 1st Quarter 	Administrative Team
	<p>Safety Drill Schedule:</p> <ul style="list-style-type: none"> *5 Fire Drills (at least 3 by Dec. 1st; 2 in the Spring) *2 Tornado Drills (at least 1 in March) *3 LockDown Drills (at least 1 by Dec. 1st and at least 1 after Jan. 1st, students restricted to interior of building, 1 during unstructured time—lunch, recess) *No interference with testing schedules 	
	<p>Annual Education Report due August 15* —Cover Letter/Report posted on website no later than 15 days prior to new school year</p>	Asst. Administrator w/ Admin. approval *Office manager posts to website
	Compose “Welcome Back” letter to staff—include opening week info	Administrator
	New Teacher Orientation	Administrator
	Prepare Opening Day Assemblies/Schedule —Communicate with Staff	Administrator Asst. Administrator

Month	Job to be Completed	Person Responsible
	After School Program/Tutoring; Write Parent Letter; Enter info in Compass; Hire Staff	Asst. Administrator
	*Plan HS Registration *Audit HS Students *Enter Course/Class K-12 in PS *Dual Enrollment/Online Enrollment *Update 6-12 Career Cruising Roster *BIPs—Check/Plan Revisions; Staff Debrief	Asst. Administrator (Guidance Counselor)
	*Update/Load NWEA student roster *Create Testing Sessions (LSSU provides dates for windows) *Add/Update Staff (NWEA) *Set Testing Schedule & Distribute to Staff at PD *Update Illuminate Staff Roster *Coordinate Computer Updates w/ Drew *Create Computer Lab Sign Up Sheets	Asst. Administrator (Testing Coordinator)
	*Attend Homeless Liaison Meeting *Send Staff email about homeless students	Asst. Administrator (Homeless Liason)
	*HS Registration & Credit Checks for students *Assign lockers	Asst. Administrator
	Send Safety Drill Schedule to Emergency Mgmt. Center and Police Liason by Sept. 1	Business Manager
	*Plan DPPD hours *Create agendas and sign in/out sheets *Upload to Google Drive Shared Staff File.	Administrator
	Renew Non-Profit Corporation Documents annually	Business Manager
	Building Maintenance: *Water Testing *Spraying for Bees *Pump Septic Tanks	Business Manager
	Notices to Publish in Compass (Annually) *Notification of Asbestos Management Plan *Notice of Integrated Pest Management Plan *Notification of Rights under FERPA *Certification of Constitutionally Protected Prayer *Certification of Eye Protective Devices *ISD Special Education Guide to Curriculum & Instruction *Pest Control Program	Business Manager
	—Use & regular maintenance of automated external defibrillators —Training Plan for the use of AED —Annual review & evaluation of the cardiac emergency response plan —Bloodborne Pathogen Training for All Staff	Business Manager
	Prepare Teacher Contracts, Insurance Documents, Obtain fingerprints, background checks, and UPCs for New Hires	Business Manager

Month	Job to be Completed	Person Responsible
	<p>*Review Documentation of Fulfilling Requirement: Completed Safety Drill posted on District Website within 30 days of completion of drill. Include</p> <ul style="list-style-type: none"> *Name of School *School Year of Drill *Date & Time of Drill *Type of Drill *Number of Completed Drills for that school year for each type of drill required *Signature of Principal/Designee acknowledging the completion of the drill *Name of individual in charge of conducting the drill (if other than principal) 	<p>Business Manager</p> <p>(This is to be done every time there is a scheduled drill.)</p>
	<p>Regular Meeting of the School Board (3rd Monday of the Month)</p>	
	<p>Agenda Items:</p> <ul style="list-style-type: none"> *Hiring Updates (if needed) *Review Strategic Plan/Revise if needed *Student Handbook Review/Updates *Present Spring Data for Review *Annual Report *District/Building Report Cards 	
	Set meeting with Police Liaison to review interrogation of students policy	Business Manager
	<p>Human Resources:</p> <ul style="list-style-type: none"> *Obtain bids for Health Insurance/Pick Plan *Inform Employees of Plan and get those using it signed up *AFLAC forms/FSA *Get all appropriate info from New Hires—state and federal forms, teacher certificates, fingerprints, and UPC *Maintain info on all substitutes 	Business Manager
	Prepare PD forms for Teachers/Assign Mentor Teachers	Business Manager Administrator
	Prepare Observation Schedule: Timeline, Format for IDP	Administrator
	Pivot Updates: Enter new teachers, update Growth Plan handouts,	Administrator
	Update Staff Directory & prepare handouts	Office Manager
	Print labels for K-5 classes, and distribute to teachers (with envelopes) for Welcome Letter	Office Manager
	Finalize calendar for soccer	Business Manager

Month	Job to be Completed	Person Responsible
	Prepare Packets/Make Copies to give to teachers for distribution: —Welcome Letter —Emergency Cards —Photo Release —Prescription Meds/Over the Counter Permission —Eligibility Letters for Free/Reduced Lunch	Office Manager
	Financial Audit of School (with Auditor)	Business Manager Administrator
	SE-4096 Special Education Actual Cost Report for the previous school year (due to ISD)—due Sept. 16th	
	SE-4094 Transportation Expenditure Report for the previous school year (due to ISD)—due Sept. 23rd	
	Create CA60s for incoming Kindergarteners	Office Manager
	Update Substitute Teacher Contact List and distribute to Admin. Team	Office Manager
	MCIR: Create roster and update throughout summer of any Kindergarten students, 7th grade students, and new enrollees. Verify immunization status is up to date or have waivers here before first day of school.	Office Manager
	PowerSchool Duties: *Add new users w/ proper security *Verify student FTEs, tracks and membership share *Calendar days—cycle day, bell schedule, tracks, in-session, membership value *Check Bell Schedules—times, counts for ADA, bridge period *Verify periods and cycle days *Verify attendance conversion *Review all grading setups *Verify final grade setup dates *Review grade scales for additions or changes *Review enrollment procedures *Enter student schedules *Update transcripts w/ new HS students	Office Manager Asst. Administrator
	School Success Team Meeting (2nd Monday of month) *See agenda in SST section	
September	Carry out DPPD days	All Admin. Staff
	Send SIP to JL to post on website by Sept. 1st	Administrator

Month	Job to be Completed	Person Responsible
	Opening Day of School!	
	Administrative Meeting: *Review Schedules/PS *Testing Schedule *Prepare Docs for 3rd Gr Reading Proficiency	
	Collect emergency/required paperwork	Office Manager
	Meet w/ Teachers to develop Growth Plans/Areas of Focus— All plans approved in Pivot no later than Sept. 30	Administrator Teachers
	Update PS info & contacts w/ emergency card information	Office Manager
	Sept. 17th—CONSTITUTION DAY	Administrator Teachers
	Print PS Parent Login Info to send home (Grades 4-12)	Office Manager
		Administrator
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Hiring Updates (if needed) *Review Strategic Plan/Revise if needed *Student Handbook Review/Updates	
	GAD/Graduation and Drop Out Report Review	Administrator
	PSAT Registration	Asst. Administrator
	Schedule Revisions/Credit Checks	Asst. Administrator
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Finish HR/Staff documentation	Business Manager
	31a and Title I Identification; set up Title I and Academic Support Teachers' Schedules	Administrator Title I/AS Teachers
	Review IEPs, Behavior Plans, and 504s—communicate all to staff	Administrator Asst. Administrator SE Teacher
	Attend Homeless Liaison Meeting	Asst. Administrator (Homeless Liason)
	Handle and Document any discipline referrals/issues K-12 (ongoing)—Track suspensions separately (Gen. Ed/504/Sp. Ed separate)	Asst. Administrator
	Communicate w/ Parents re: PSAT dates, study guides, accommodations	Asst. Administrator (Guidance Counselor)

Month	Job to be Completed	Person Responsible
	<ul style="list-style-type: none"> *Make schedule changes as needed *Check/Audit students *Attend counselor meetings—monthly *Plan/Set Up opportunities for students *Seniors: Volunteer Hours, FAFSA help, college planning 	Asst. Administrator (Guidance Counselor)
	<ul style="list-style-type: none"> *Make Sept/Oct lab schedule—NWEA *Monitor testing/make-ups *Close testing window *Give Comp. Report to Business Manager for LSSU (copies to Admin.) *Plan for PSAT/11th grade 	Asst. Administrator (Testing Coordinator)
	<p>Set up and participate in Fall Personnel Audit w/ Sue Szott (LSSU)</p> <ul style="list-style-type: none"> *Teacher Certification, Schedule, Courses Taught, Fingerprints, UPC, Calendar 	Business Manager Administrator
	<p>PowerSchool Duties:</p> <ul style="list-style-type: none"> *Current Grade Display—quick lookup, current GPA *Honor Roll GPA Settings *Export/Import Data between systems *Prepare/Open Parent Portal *Enter SAT scores into PS *Email weekly attendance summaries to teachers for review during 6 week count period 	Office Manager
	<p>School Success Team Meeting (2nd Monday of month)</p> <ul style="list-style-type: none"> *See agenda in SST section *Plan Auction (Asst. Admin heads) 	
October	<p>Administrative Meeting:</p> <ul style="list-style-type: none"> *Review Duties for October *Evaluate Fall Sept. data & prepare report for SST/Board/Child Study *Prepare to set up IRIPs for qualifying students in Elementary meeting, Take Home Activities 	
	Round 1 Observations—Teaching Staff	Administrator
	Oct. 1— REP data entry recommended due date	Administrator
	1st Wed— Student Count Day	Office Manager
	*Print out Alpha List in PS, Enrollment Summary and Student Locator (Must be done <u>on</u> student count day)	
	Verify immunization status of students in MCIR	Office Manager
	Update Staff Remind list (Used primarily for snow days/cancellations)	Asst. Administrator
	Oct. 15— CIMS Workbook	Administrator

Month	Job to be Completed	Person Responsible
	<p>1st Child Study Meeting—1st Tuesday of Month *Determine Title I/31a eligibility *Review Fall Data—program issues? *Follow Up on Spring students</p> <p>**Keep minutes electronically—Google Drive</p>	Administrator Asst. Administrator SE Teacher Title I Teacher
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Administer PSAT	Asst. Administrator
	Set up Accommodations for Spring Testing	Asst. Administrator
	LSSU Compliance Grant Due	Administrator
	Regular Meeting of the School Board (3rd Monday of the Month)	
	<p>Agenda Items: *Fall Data Review—Admin. *Student Count & Movement—Admin. *Review Mission/Vision/Guiding Principles/Beliefs *Review Yearly Calendar for SST meetings *Review timelines for strategies and action steps for SIP *Review implementation, monitoring, and evaluation plan</p>	
	<p>PowerSchool Duties: *Review grading time lines with teachers *Check for student failures *Create Administrative Reports *Review any new course/section settings and grade scales *Review GPA calculations if displayed quarterly *Troubleshoot grading *Import new student photos when CD is received from Photographer (usually in Dec.) *Count Day (see above)</p>	Office Manager
November	<p>Administrative Meeting: *Review Assessment Plan—are we collecting what we need? *Review Duties for November/December</p>	
	Nov. 1— Financial Statement Audit Report —Due to ISD	Business Manager
	Nov. 1— Immunization Report due to Dept. of Community Health	Office Manager
	Fall MSDS data file —Due to CEPI	Office Manager
	5th Wed. after Count Day: File with ISD the number of pupils enrolled on count day (Fall Membership Count MSDS data file and Reports) and Certification Deadline	Office Manager
	Nov. 15—Submit financial/pupil membership/single audits to MDE	Business Manager

Month	Job to be Completed	Person Responsible
	Nov. 16—FID Data File—Due to CEPI via MEIS	Business Manager Financial Auditor
	Nov. 30—Final Expenditures Report	Business Manager
	Nov. 30—Final allocations loaded into MEGS w/ carryover	Business Manager Administrator
	Nov. 30—Amendment to Consolidated App	Business Manager Administrator
	Semester 2 schedule K-12 *Enter into PS *Dual enrollment/Online enrollment *Meet w/ students	Asst. Administrator (Guidance Counselor)
	Plan for Spring Testing—keep up on updates from the state, plan for accommodations (IEP/504s)	Asst. Administrator (Testing Coordinator)
	Plan K-12 movie trip (for December)	Asst. Administrator
	PowerSchool Duties: *Prepare for End of Term—storing grades *Search for blank grades *Review override w/ teachers *Permanently store grades—map the process—rules in place to exclude/include dropped classes? Award partial credit now or withhold until finished? Withhold grades because of attendance? *Enter health screenings *Review discipline records (Asst. Administrator)	Office Manager Asst. Administrator
	Start submission of Section 25 students after Fall Count data certification deadline	Office Manager
	Title I: Instruction by HQ Staff (Nov. 30)	Administrator
	SIP: Intro & Executive Summary Review	Administrator SST
	Round 2 Observations—Teaching Staff	Administrator
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Fall NWEA Data Report (due by Board meeting)	Asst. Administrator
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Fall Data Review—Admin. *Review Assessment Plan and Data	

Month	Job to be Completed	Person Responsible
December	Administrative Meeting: *Review P/T Conference data—report #s attending *Review items for December/January *Determine Progress for Administrative Goals; Revise/Set New	Asst. Administrator w/ Admin. approval
	Review MCIR status for February compliance	Office Manager
	Dec. 1—Final date for REP submission	Administrator
	Upload REP to Epicenter; Epicenter Compliance (see calendar)	Business Manager
	Dec. 15—Final due date to apply for current year Consolidated Application funds	Business Manager Administrator
	Dec. 15— Financial Audit Review Letter	Administrator
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Round 3 Observations—Teaching Staff	Administrator
	Plan K-12 ski trips	Asst. Administrator
	RECON Site Management Visit	Business Manager
	PowerSchool Duties: *	
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Fall Data Review—Admin. *Financial Report *Budget Timeline and Amendment *Review Assessment Plan and Data *School Board Appreciation Month *Fall Board Policy Updates?	
	SST Meeting: *Review success of Annual Auction/communicate results and purpose for funds *Begin progress review of School Process Rubrics (Due March)	
January	Administrative Meeting: *Review Duties for Jan & Feb *Plan Spring Events—Open House, Kdg Round Up	
	Start Kindergarten Round Up Ad Design/set dates	Office Manager
	*Plan for 6-12 students to complete Career Cruising—work w/ English teacher *Talk to Seniors—scholarships *Audit senior credits/volunteer hours	Asst. Administrator (Guidance Counselor)
	*Upload NWEA roster/test sessions *Make schedule, monitor testing, makeups (into Feb.)	Asst. Administrator (Testing Coordinator)

Month	Job to be Completed	Person Responsible
	Begin Budget Process for Next Year	Business Manager Administrator
	Meet w/ Teachers to Review Growth Plans/Make Revisions	Administrator
	Title I Semi-Annual Certification	Administrator Title I Teacher
	PowerSchool Duties: *Prepare for End of Term: consider extra storage codes, like S1 or Y—issue credit for any? *Prepare for Junior/Senior GPAs and transcripts *Email weekly attendance summaries to teachers for review during 6 week count period	Office Manager
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Begin Comprehensive Needs Assessment *Financial Report *Budget Timeline and Amendment	
	Jan. 31st—1099s due to employees	ESP/Business Manager
February	Administrative Meeting: *Evaluate Q2 Data, Goals, and Problems *Set Q3 Goals	
	Feb. 1—Updated Immunization Report due to Dept. of Community Health	Office Manager
	Supplemental Count Day —Make sure all Section 25s are complete	Office Manager
	Feb. 15—Begin SIP Revision for new school year	Administrator Business Manager Asst. Administrator SST
	Feb. 19—Graduation & Drop Out (GAD) Change Requests Due to CEPI	Administrator
	Prepare Winter NWEA Report—copies to Business Manager and Administrator	Asst. Administrator
	Set up and participate in Winter Personnel Audit w/ Sue Szott (LSSU) *Highly qualified forms *Substitute Permits *Teacher Growth Plans *New Staff since Fall	Business Manager Administrator

Month	Job to be Completed	Person Responsible
	Title I: Strategies for Parental Involvement, Parental Involvement Plan, and Parent/Student Compact (Feb. 15) SIP: School Data Analysis and Single Bldg. Add'l Req. Diagnostic	Administrator
	Observations—Round 1	Administrator
	Plan for Spring Testing—keep up on updates from the state, plan for accommodations (IEP/504s) *Staffing, rooms, schedule	Asst. Administrator (Testing Coordinator)
	CIMS Workbook (Feb. 15)	Administrator
	PowerSchool Duties: *Permanently store Q2, S1 grades. Award credit.	Office Manager
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Comprehensive Needs Assessment Updates *Financial Report *Budget Timeline and Amendment *District Technology Plan—every 3 years *Principals Week	
March	Administrative Meeting: *Review P/T Conference data—report #s attending *Review items for Month *Determine Progress for Administrative Goals; Revise/Set New *Compile Comprehensive Needs Assessment Data & Prepare Report to communicate to stakeholders	
	SAT—Plan & Schedule MStep—Plan & Schedule, Oversee all aspects *Work w/ SE Teacher for accommodations	Asst. Administrator (Testing Coordinator)
	March 1—Provide notice to students in grades 8-12 of postsecondary enrollment options and notice to students in grades 11 and 12 of dual enrollment eligibility	Asst. Administrator
	March 15— School Systems Review due in ASSIST	Administrator
	Title I: Services for Eligible Services, Incorp. into Existing SIP, Instructional Strategies, and Title I and Reg. Ed Coordination (Mar. 30)	Administrator
	Observations—Round 2	Administrator
	Send Staff Perception Surveys via email	Administrator
	MSDS Early Childhood Submission due to CEPI	Office Manager

Month	Job to be Completed	Person Responsible
	March 15—Complete Comprehensive Needs Assessment	Administrator Staff SST
	March 17— Spring MSDS data file and paperwork due to CEPI	Office Manager
	March 17—Spring Count Pupil Membership Reports due to ISD—File with ISD the number of pupils enrolled on supplemental count day	Office Manager
	March 30—Written Notice to Administrators and Teachers if non-renewal is a possibility	Administrator ESP
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Begin Comprehensive Needs Assessment *Financial Report *Budget Timeline and Amendment *Preliminary Graduation Numbers	
	Finalize Kindergarten Round Up Flyers/Ads	Office Manager
	Contact News Review and Boyne Gazette for April Ads (Round Up and Open House)	Office Manager
April	April 1st—TISS and Consolidated App available in MEGS	Administrator
	Begin Title I, II, IV, and V applications	Administrator Business Manager SST
	Administrative Meeting: *Review P/T Conference data—report #s attending *Review items for April/May *Determine Progress for Administrative Goals; Revise/Set New *Plan Teacher Appreciation Week (discuss @ Board meeting also) *Recognition of 5-10-15-20 year employees during TAW	
	See through SAT/MStep schedule—proctor; schedule, make ups	Asst. Administrator
	PowerSchool Duties: *Permanently store Q3 grades	Office Manager
	Prepare Registration Packets for Round Up	Office Manager
	Send Title I Surveys to Elem. Staff	Administrator

Month	Job to be Completed	Person Responsible
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Budget Timeline (for next year) *Proposed Budget for next year *Teacher Appreciation Week (usually 1st week of May)	
	Title I: HQ and Ongoing PD, Ongoing Review of Student Progress (April 15)	Administrator
	CIMS Workbook (April 15) *Strand B Report	Administrator
	SIP Goals, Objectives, Strategies, Activities, Resources (After Staff Feedback Survey)	Administrator SST
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Send Letters of Intent to staff; collect and report to Admin.	Business Manager
	Prepare Budget Recommendations for Board	Business Manager Administrator
	Observations—Round 3	Administrator
May	Administrative Meeting: *Set dates for August—Meet & Greet, DPPD, begin looking at calendar dates *Set Summer Hours/Schedule	
	*Finish any outstanding Observations—Begin Final Evaluations; Begin Teacher meetings if ready	Administrator
	Create School Calendar (Next Year)	Administrator
	Work with Senior Advisor to Finalize Graduation Ceremony details	Administrator
	CIMS Workbook: Review w/ ISD (May 15) *B4 Report Review—transition IEPs	Administrator SE Teacher ISD Staff
	Set up and participate in Spring Personnel Audit w/ Sue Szott (LSSU) *DPPD Logs/Hours for all staff *HQ forms *New Staff since Fall	Business Manager Administrator
	Resolution expressing support/disapproval of ISD General Fund Budget sent to ISD	Business Manager
	5 Year Arbitrage Rebate Calculations (Every 5 years before June 30)	Business Manager

Month	Job to be Completed	Person Responsible
	Set up ESP and AFLAC meetings for August	Business Manager
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Meet w/ Neil Hartman (NCSI) re: Spring Board Updates	Administrator Business Manager
	Meet w/ students—schedule planner, CTE Course Sign Up	Asst. Administrator (Guidance Counselor)
	NWEA—update roster, schedule, monitor *Close out window, send report to Business Manager & Admin.	Asst. Administrator (Testing Coordinator)
	Send teachers/staff End of Year Checklists (revise if necessary)	Administrator
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Approve Preliminary Budget (Next Year) *Update on graduation rate/student status *Approval of School Calendar *Budget Amendment (Final—Previous Year)	
	PowerSchool Duties: *PowerScheduler preparation—ongoing *Prepare for End of Term *Import/Enter April SAT scores *Calculate Honor Roll *Calculate Class Rank—Valedictorian & Salutatorian *End enrollment in special programs if required by the state *Run all end of year state reports and child accounting reports	Office Manager
June	Administrative Meeting: *Evaluate Q4 Data, Goals, and Problems *Consider Areas of Focus for next year	
	TSDL & SID —due to CEPI (June 30) Make sure data matches w/ these two reports!!	Asst. Administrator
	End of Year Teacher Evaluation Meetings	Administrator
	School Improvement Plan (SIP) due in ASSIST June 30	Administrator
	Program Evaluation Tool (PET) due in ASSIST June 30	Administrator
	Title I Semi-Annual Certification	Administrator Title I Teacher

Month	Job to be Completed	Person Responsible
	Epicenter Compliance (see Epicenter calendar)	Business Manager
	Coordinate summer schedule w/ janitor and what needs to be done.	Business Manager
	Type up Administrative Contracts for following year; distribute and collect	Business Manager
	Obtain bid on insurance for school	Business Manager
	Building Maintenance: *Obtain bids and meet w/ contractors for any major construction projects, get Board approval, and over see project to completion *Obtain bids for snow plowing and “hire” appropriate companies throughout the year (when they are scheduled) *Cut grass—summer	Business Manager
	31a Report (due July 15)	Business Manager Administrator
	PowerSchool Duties: *Graduate and Exit Seniors *Store Q4 & S2 grades *Calculate honor roll & class rank *Run report cards and transcripts *Import/Enter SAT scores *End enrollment in special programs if required by the state	Office Manager
	MSDS End of Year Submission to CEPI (due June 30)	Office Manager
	Update Immunization Letter to parents of students in 7th grade	Office Manager
	Print K-12 mailing labels and distribute to teachers (with envelopes) for EOY Report Cards	Office Manager
	Mail 6-12 Report Cards by designated date	Office Manager
	Set Summer Hours/schedule	Business Manager
	Submit REP to CEPI (due June 30)	Administrator
	Regular Meeting of the School Board (3rd Monday of the Month)	
	Agenda Items: *Spring Board Updates *Approve Final Next Year Budget *Approve Revised Budget (current year) *ESP Evaluation *Board Self-Evaluation *ESP Contract for following year *ESP goes over Administrator Evaluation *Oaths of Office (if needed) *Annual Conflict of Interest Disclosure *Staff Changes/Notifications	

Month	Job to be Completed	Person Responsible
	Other Duties:	
	Weekly: Prepare weekly newsletter to email/print (Fridays) on Friday—email to JL for website	Office Manager
	Weekly: Export weekly attendance to email to all teachers for accuracy verification	Office Manager
	Prepare items for ISD route mail if necessary (Tues & Fri)	Office Manager
	Attend Homeless Liaison Meetings/Guidance Counselor Meetings	Asst. Administrator
	Attend ISD Administrator Meetings (bi-monthly)	Administrator
	Attend Business Manager Meetings	Business Manager
	Wells Fargo Compliance (as needed, usually quarterly)	Business Manager
	Char-Em Compliance (as needed)	Business Manager
	Water Testing Compliance (quarterly)	Business Manager
	Building Maintenance: *Fix things as needed and as we can *Call and get appropriate personnel here to fix things we can't. *Oversee Janitor *Order Supplies from KSS *Process and perform duties related to insurance claims w/ building damage	Business Manager
	*Pay bills and prepare payroll/Send time sheets to Denise *Garnishments as needed	Business Manager
	*Maintain info re: State Police and Fingerprinting Info *Maintain info on substitutes	Business Manager
	Send items to JL for website as needed	All Administrative Staff
	Approve fundraisers	Administrator

OTHER SUPPORTIVE BODIES:

School Board: The School Board consists of parents and community members who have been nominated by current Board members. Once nominated, all nominees undergo extensive

background checks and interviews before being approved for Board membership by the schools authorizer's Board (LSSU). All Board members serve a 3-year term.

ESP: currently Lakeshore Educational Management

Contact: Denise Sandison

The ESP is our employer, and has a contract with the School Board to staff the school, as well as perform various functions. Please see ESP contract for specifics.

Authorizer: currently LSSU

Contact: Chris Oshelski

Our charter contract with LSSU is renewable every 5 years, based on performance. See Charter contract for specifics.

School Success Team (SST): The SST consists of teachers (team representatives, as well as volunteers), administration, parents, board members, and community members who want to be involved in helping the school be a success. The SST meets a minimum of 5 times per year, and is involved in:

- *Goal Setting for the School
- *Supporting the Board's Mission and Strategic Plan
- *Fundraising and School Community Events
- *Curriculum and Federal Programs Review (Title I, Title II, 31a)
- *Promoting Parental Involvement
- *Welcoming New Families to the School Community
- *The School Improvement Process

Because this group serves many purposes, the SST will break into committees for various tasks, such as the School Improvement Committee. Each committee consists of volunteers from the SST who feels they can make an impact in that area to benefit the school.

**LAKESHORE EDUCATIONAL
MANAGEMENT**

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09025 N. Pointe Woods Dr., CHARLEVOIX, MI 49720 PHONE/FAX 231-547-4264

MANAGEMENT AGREEMENT

THIS MANAGEMENT AGREEMENT is made effective as of this 1st day of July, 2022 (the "Effective Date"), by and between Concord Academy Boyne, whose address is 401 E. Dietz Rd, Boyne City, Michigan, 49712 (hereinafter, the "Academy"), and Lakeshore Educational Management, Inc., a Michigan corporation, whose address is 9025 N. Pointe Woods Dr., Charlevoix, MI 49720 (hereinafter, "Lakeshore").

RECITALS:

1. The Academy is organized and operated under Part 6A of the Michigan Revised School Code ("Code") and pursuant to a charter contract ("Contract") issued by the Board of Trustees ("University Board" or "Authorizer") of Lake Superior State University ("LSSU" or "University") in response to an application ("Application") submitted to the Authorizing Body on behalf of the Academy. The Application, the Contract, and all amendments to those documents, are collectively referred to in this Agreement as the "Charter." This Agreement shall be subject to, and comply with, the terms and conditions of the Charter, all of which are incorporated by reference into this Agreement.
2. The Academy is organized and administered under the direction of a board of directors ("Academy Board") and has the power, authority, and duties established in the Code and the Charter, specifically including the authority: (1) to enter into binding legal agreements with persons or entities as necessary for the operation, management, financing, and maintenance of the Academy (MCL 380.504a(d)); and (2) to employ or contract with personnel as necessary for the operation of the Academy (MCL 380.506).
3. Lakeshore is in the business of providing comprehensive educational, administrative, management and instructional services to Michigan public school academies and schools of excellence.
4. Lakeshore has the expertise, training, capacity, and qualifications to perform the services contemplated under this Agreement.
5. The Academy desires to utilize, and Lakeshore desires to provide, such services upon the terms and conditions herein set forth. In consideration of the mutual promises and obligations contained herein, the parties agree as follows:

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AGREEMENT:

1. **Services.** Subject to the terms and conditions of this Agreement, the Academy contracts with Lakeshore, to the extent permitted by law, for all labor, materials, equipment, supplies, and supervision necessary for the provision of educational services to students enrolled in the Academy, and for the operation, management, and maintenance of the Academy as a going concern ("Services"); provided, however, that Lakeshore shall not be responsible to provide custodial and grounds maintenance services except as may be provided by separate agreement or amendment to this Agreement. The Services shall be provided in accordance with the educational goals (see Educational Goals), curriculum, methods of pupil assessment, methods to be used to monitor compliance with performance of targeted educational outcomes, admission policy and criteria, school calendar and school day schedule, and age and grade range of pupils to be enrolled, as adopted by the Academy Board and included in the Charter issued by the Authorizer to the Academy. The respective responsibilities of Lakeshore and the Academy under this Agreement are set forth with greater specificity in Sections 5 and 6 (inclusive of sub-parts), respectively, of this Agreement.

- 1.1. **Status of the Parties.** Lakeshore is a for-profit corporation formed under the Michigan Business Corporation Act (Act 284 of 1972, as amended) and is not a division or a part of the Academy. The Academy is a body corporate and a governmental agency authorized by the Code and is not a division or part of Lakeshore. Except as expressly provided in this Agreement, no agent or employee of Lakeshore shall be deemed to be the agent or employee of the Academy. Each party shall be solely responsible for its acts and omissions, and for the acts and omissions of its agents, employees and non-party contractors. The relationship between Lakeshore and the Academy is based solely on the terms of this Agreement, and the terms of any other written agreements between Lakeshore and the Academy.

In the performance of services under this Agreement, Lakeshore (its employees, agents, and contractors) shall be regarded at all times as performing services as independent contractors of the Academy. Consistent with this status, Lakeshore reserves to itself the right to designate the means and methods of accomplishing the objectives and purposes of this Agreement and the Academy shall not exercise (or have the right to exercise) control or direction over the means and methods utilized by Lakeshore in providing Services under this Agreement.

- 1.2 **No Related Parties.** Lakeshore will not have any role or relationship with the Academy that, in effect, substantially limits the Academy's ability to exercise its rights, including cancellation rights, under this Agreement. Nothing in 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 Michigan Open Meetings Act. The Academy Board shall not include individuals having a prohibited family relationship, as specifically identified in the Charter and applicable law, with individuals who have an ownership interest in, or who are officers or employees of, Lakeshore. None of the voting power of the Academy Board will be vested in Lakeshore or its directors, members, managers, officers, or employees, and none of the voting power of Lakeshore will be vested in the Academy or its directors, members, officers or employees (if any). The Academy and Lakeshore shall not be members of the same "Controlled Group" as defined in Section 1.150-1(1) of the Treasury Regulations, 26 CFR 1.150-1(1), or be related persons as defined in Section 144(a)(3) of the Internal Revenue Code of 1986, as amended, 26 USC 144(a)(3).

3. **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, the 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 LSSU in any way guarantee, are financially obligated for, or are in any way responsible for, any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy.

4. **Personnel Qualifications.** Personnel assigned by Lakeshore to perform services under this Agreement shall be fully certificated, licensed, approved and otherwise qualified to perform the functions assigned pursuant to and in conformance with the provisions of the Code, and other applicable statutes or regulations, pertinent to the work performed under this Agreement. Lakeshore will not assign any personnel to perform services under this Agreement who would be ineligible for employment by the Academy if such person(s) were instead employed directly by the Academy. Lakeshore shall maintain proof of certification, licensure or approval for each individual assigned to perform Services under this Agreement. No person assigned to the Academy by Lakeshore shall be deemed jointly employed by the parties. To enable the Academy to comply with its reporting obligations under the Michigan Public School Employees Retirement Act (the "MPSER Act"), 1980 PA 300, as amended, Lakeshore: (1) shall promptly notify the Academy in writing of the identity of any individual employed or assigned by Lakeshore to perform services under this Agreement who is a retirant from the Michigan Public School Employees Retirement System ("MPSERS"); (2) shall provide information on a pay period basis regarding any such individual's wages or amounts paid and hours of service under this Agreement, as necessary for the Academy to report on a schedule and in such manner as may be determined from time to time by the Office of Retirement Services (ORS), MCL 38.1342(6); and (3) shall report such information on behalf of the Academy on a schedule and in such manner as may be determined from time to time by the ORS. The Academy has no contractual or legal obligation to pay make MPSERS contributions to ORS for any Lakeshore employee assigned to the Academy.

5. **Criminal History Record and Unprofessional Conduct Checks.** Pursuant to Sections 1230 and 1230a of the Code, the Academy is required to request, receive, use to evaluate qualification for assignment under Sections 1230 and 1230a, retain, and where appropriate report to the Michigan Department of Education regarding, a criminal history check through the Michigan State Police, as well as a criminal records check through the Federal Bureau of Investigation, with regard to all persons assigned by Lakeshore under this Agreement to regularly and continuously work in any of the Academy's facilities or at program sites where the Academy delivers educational programs and services, MCL 380.1230 and 380.1230a.

The Academy shall request the required criminal history record and unprofessional conduct check with regard to all persons assigned by, or sought to be assigned by, Lakeshore under this Agreement to regularly and continuously work in any of the Academy's facilities or at a program site where the Academy delivers educational programs and services, and shall provide Lakeshore with a Determination of Assignment indicating whether the Academy accepts or does not accept the person for assignment. Lakeshore shall not assign a person to regularly and continuously work in any of the Academy's facilities or at a program site where the Academy delivers educational programs and services unless accepted by the Academy through a Determination for Assignment. Lakeshore shall obtain from each of its employees, agents or contractors assigned to, or proposed to be assigned to, regularly and continuously work in the Academy's facilities or at a program site where educational programs and services are delivered under this Agreement, written consent as necessary for the Academy to request the criminal history record and unprofessional conduct check pertaining to the consenting employee, agent, or contractor, pursuant to the authorization set forth in Sections 1230(10) and 1230a(8) of the Code. Lakeshore also shall require any subcontractor it engages to provide services under this Agreement to consent to a criminal history record and unprofessional conduct check regarding the subcontractor's employees that are assigned under contract to regularly and continuously work in the Academy's facilities or at sites where the Academy delivers educational programs or services.

The Academy reserves the right to refuse Lakeshore's assignment of any individual, agent, contractor, or employee of Lakeshore to render Services under this Agreement where the criminal record history of that individual (including any pending criminal charges) indicate, in the judgment of the Academy Board, unfitness to perform Services under this Agreement. In the event that, after assigning an individual, agent, contractor, or employee to perform Services under this Agreement, Lakeshore discovers previously unknown criminal record history or subsequently arising criminal charges or convictions regarding that individual, Lakeshore shall immediately disclose this criminal record history or development to the Academy Board to permit the Academy Board to determine, in its judgment, the continuing fitness of the individual to perform Services under this Agreement.

The parties agree that the Academy shall be responsible for the costs associated with the criminal history checks and criminal records checks required pursuant to the terms of this Agreement and which are accomplished in order to comply with Sections 1230 and 1230a of the Code with respect to Lakeshore's employees, agents, and contractors. The evidence of background and unprofessional conduct checks will be stored on site, in physical form, at the Academy or directly accessible at the Academy facility.

2. **Term.**

- A. This Agreement shall become effective as of the date set forth above and shall terminate June 30, 2023, unless terminated earlier by not less than sixty (60) days' written notice by either party or as provided in the Charter Contract including, without limitation, any suspension, non-renewal, termination, or reconstitution provisions of the Charter Contract.
- B. Any termination of this Agreement for cause or without cause shall not take effect until the earlier of (i) an approved agreement by the Academy with another ESP (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked.
- C. The parties understand that a change in ESP (or a decision to self-manage) in mid-school-year is strongly discouraged by LSSU and will be disapproved by the LSSU Charter Schools Office absent compelling circumstances and a clear demonstration that the new ESP (or transition to self-management) can seamlessly assume management and operations of the Academy without disrupting the Academy's operations.
- D. Upon termination or expiration of this Agreement, or if this Agreement is terminated due to a Contract revocation, reconstitution, termination, or non-renewal, Lakeshore shall, without charge: (i) close the books on the then-current school fiscal year; (ii) organize and prepare the Academy's records for transition to the new ESP, 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 to each (including the total outstanding owed by the Academy to Lakeshore, if any); (v) the amount owed by Lakeshore to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the case 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, if applicable, to a new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefits, and tax obligations related to services provided by

Lakeshore to the Academy.

3. **Fees.** In consideration of the services to be provided, the Academy shall pay to Lakeshore the following fees: An annual management fee of \$34,750.00, to be paid in installments of \$1448.00 with each semi-monthly payroll.
4. **Expenses.** The Academy shall reimburse Lakeshore the actual cost of expenses upon properly presented documentation and approval by the Academy Board. Such reimbursements shall be made to Lakeshore within fifteen (15) days of receipt by the Academy of such documentation. No corporate costs of Lakeshore shall be charged to or reimbursed by the Academy; such costs, if any, shall be paid out of the annual management fee identified in Section 3.
5. **Lakeshore's Duties.** Lakeshore agrees:
 - A. To employ and assign to the Academy, in accordance with the Charter, school calendar adopted by the Academy Board and in conformance with the State Board of Education and School State Aid Act requirements, such duly qualified and certified classroom teachers, instructors, support staff, and administrators (hereinafter, "Lakeshore Employee(s)") as necessary to provide the Services under this Agreement. Provided, however, that all decisions made by Lakeshore, and any discretion exercised by Lakeshore in its selection and assignment of personnel to perform Services under this Agreement shall be consistent with the parameters adopted and included in the annual budget approved by the Academy Board (Section 6.A.) and the Educational Goals and Programs detailed in the Charter. The final selection and assignment of Lakeshore Employees to the Academy shall be made by Lakeshore.
 - B. To provide direct administrative services to the Academy, which may include, without limitation: assisting with accountability reporting to the Michigan Department of Education and the Authorizer, project work, communications with stakeholders, assistance to the executive director, and other duties as may be requested by the executive director, with such services not exceeding 24 hours per week averaged over the term of this Agreement.
 - C. To conduct a performance evaluation, at least annually, of Lakeshore Employees assigned to the Academy in an administrative or teaching capacity in compliance with a system of performance evaluation that Lakeshore develops, implements and maintains as necessary for the Academy to be in compliance with Sections 1249 and 1249b of the Code. Lakeshore will require the employee assigned to the Academy as the executive director to perform such evaluations in a manner that conforms with the requirements set forth in the Code and other applicable laws. The executive director's evaluation shall be performed by Lakeshore as designee of the Academy Board pursuant to Section 1249b of the Code. Lakeshore agrees that it will not assign an individual to teach at the Academy if that individual has been rated as ineffective on his or her two most recent annual year-end evaluations under

Section 1249.

- A. To develop, implement and maintain a method of performance-based compensation as necessary for the Academy to be in compliance with Section 1250 of the Code and to pay Lakeshore Employees, on a semi-weekly basis (24 pays per contract year), a corresponding hourly or annual wage or salary and to provide such additional benefits and compensation, including, but not limited to, health care benefits and retirement benefits, as Lakeshore may deem appropriate; provided, however, that the Academy's obligation to reimburse Lakeshore for the costs incurred by Lakeshore in providing the Services under this Agreement shall not exceed the parameters adopted and included in the annual budget approved by the Academy Board (Section 6.A.). The terms and conditions of such employment shall be set forth in an employment contract between Lakeshore and each Lakeshore Employee in the form of an Employment Agreement, to be agreed upon by Lakeshore and the Employee. Lakeshore's employees, contractors, or agents are not entitled to receive any compensation, benefits or other amenities in any form from the Academy, and the Academy shall not be liable for the payment of salaries, wages, benefits, payroll or taxes *for or on behalf of any Lakeshore employee*; rather, the Academy's obligation is to reimburse Lakeshore for the approved costs incurred by Lakeshore in providing the Services under this Agreement. Lakeshore accepts full liability and its responsible for paying all salaries, wages, benefits, worker's compensation, unemployment compensation, payroll and other taxes to or on account of its employees, and liability insurance for its employees leased to the Academy or working on Academy operations.
- B. To deliver payroll checks by courier prior to the date of planned distribution or by direct deposit, with actual shipping costs and/or electronic transfer fees billed to the Academy. Lakeshore acknowledges and agrees that it is the sole and exclusive responsibility of Lakeshore to make the requisite tax filings, deductions, and payments to the appropriate federal, state and local tax authorities for and on behalf of all persons employed or engaged by Lakeshore to provide Services under this Agreement. No part of Lakeshore's fee (nor the fees of any subcontractors) 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. Lakeshore (its agents or subcontractors) shall be solely and exclusively responsible for any taxation consequences to it or its employees as a result of Lakeshore's engagement under this Agreement.
- C. To provide a retirement plan for Lakeshore Employees pursuant to IRC Section 401(K), 403(8), Simple IRA or SEP.
- D. To provide worker compensation insurance coverage of all Lakeshore Employees assigned to the Academy, and to hold the Academy harmless from liability and/or damages arising from issues of workers compensation.
- E. To provide, upon request of the Academy Board or its Authorizer, access to

employee records and financial records of Lakeshore as they pertain to the Academy, including financial records requested by accountants and/or auditors employed or engaged by the Academy in the course of their financial audit of the Academy. All financial and educational records pertaining to the Academy are Academy property. This obligation includes the obligations: (1) to provide to the Academy Board and to the Academy's Authorizer all information required by law and/or the Charter Contract; (2) to provide to the Academy Board at least annually all 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 that information is available; and (3) to require that the individual assigned by Lakeshore to serve as the Academy's Executive Director make all of the information described in this Section H(2) available through a link on the Academy's website homepage, in a form and manner prescribed by the MDE. Notwithstanding the foregoing, Lakeshore shall have no authority to select, retain, evaluate, or replace the Academy's independent auditor.

- D. To be responsible for answering, defending and/or resolving any and all claims arising from the assignment and performance of its employees or agents to carry out the Services under this Agreement. However, nothing in this Section is intended, nor shall be construed or implemented, to prohibit Lakeshore from including provisions in any subcontracted services agreement that it may execute with a subcontractor assigning responsibility to the subcontractor to answer, defend and/or resolve any and all claims arising from the assignment and performance of the subcontractor (or its employees or agents) to carry out Services for the Academy.

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 Lakeshore in connection with this Agreement.

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

- E. To indemnify, defend, and save and hold harmless the Academy and all of its employees (if any), officers, directors, subcontractors and agents, from and against any and all claims, demands, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other forms of liability or loss, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees), settlement and prosecution (collectively, "Damages") that may arise out of, or by reason of: (1) any noncompliance by Lakeshore (or by any of its employees or others for whom Lakeshore is responsible) with any

agreements, covenants, warranties or undertakings of Lakeshore contained in or made pursuant to this Agreement; (2) any misrepresentation or breach of the representations and warranties of Lakeshore (or any of its employees or others for whom Lakeshore is responsible) contained in or made pursuant to this Agreement; and (3) any negligent or intentional tortious act or omission of Lakeshore (or any of its employees or others for whom Lakeshore is responsible). Lakeshore agrees to acquire and maintain insurance coverages that comply with the Michigan Universities Self-Insurance Corporation (M.U .S.I.C.) Insurance Coverage Requirements for Public School Academy, as detailed in Appendix A to this Agreement, as may be amended from time to time, and further agrees that the employment practices liability insurance shall include specific coverage for acts of sexual molestation and abuse by its employees or agents (Compliant Insurance). The indemnification requirements of this paragraph may be met by the purchase and maintenance of Compliant Insurance. In addition, Lakeshore 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. Not later than ten (10) days from the date both parties have executed this Agreement, Lakeshore shall provide the Academy with certificates of insurance evidencing all coverages and endorsements required hereunder. Lakeshore agrees to name the Academy, and its board of directors, board members, officers, agents and employees, as additional insureds under said policy and the policy will include an agreement by the insurer not to cancel, or materially change, such insurance without at least fifteen (15) days' prior written notice to the Academy. Lakeshore's insurance under this Agreement is separate from and in addition to insurance the Academy Board is required to obtain under the Charter. To obtain indemnification, the Academy must promptly notify Lakeshore in the event of a claim not otherwise known by Lakeshore and cooperate in resolving the claim. In the event the Authorizer or M.U.S.I.C. requests any change in coverage by education service providers, Lakeshore will comply with any change in the type of or amount of coverage, as requested, within thirty (30) days of notice of the insurance coverage change.

- F. To provide for all covered Lakeshore Employees a comprehensive medical care insurance plan.
- G. To provide the Academy Board monthly financial statements that (at a minimum) include: 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. The foregoing presentations shall be in a form and format acceptable to the Academy Board and are to be provided to all Academy Board members not less than five (5) working days prior to the Academy Board meeting at which the information will be presented and discussed.
- H. To purchase equipment, materials and supplies on behalf of or as the agent of the Academy; to comply with Code Section 1274 as if the Academy were making the purchases directly from a third party supplier; to ensure that no added fees or 9

charges are included with the cost of equipment, materials and supplies purchased from third parties; and to ensure that all such equipment, materials and supplies shall be and remain the property of the Academy.

- I. To notify the Academy Board if any principal or officer of Lakeshore, or Lakeshore (including any related organizations or organizations in which a principal or officer of Lakeshore served as a principal or officer) as a corporate entity, files for bankruptcy protection or, at the time this Agreement is executed, has filed for bankruptcy protection within the last five (5) years.
- J. To ensure that its employment agreement with any Lakeshore employee assigned to the Academy does not include a non-compete, no-hire, or any similar provision prohibiting or restricting the Academy from hiring instructional staff that perform work at the Academy.

6. **The Academy Board's Duties.** The Academy agrees:

- A. To advise Lakeshore of the budgetary parameters approved by the Academy Board, as may be amended, specifically including the budget reserve amount, revenue allocated for the personnel costs of the Services to be provided under this Agreement, including the costs of teachers, instructors, staff and administrators. In addition, the Academy Board is responsible for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount.
- B. To provide information to Lakeshore relative to the performance of Services under this Agreement (including information pertinent to Lakeshore's compliance with Code Sections 1249 and 1249b and Section 5.C of this Agreement), student achievement data to the extent permitted by law, and such other information as Lakeshore may deem necessary or useful in completing the performance evaluations of its employees.
- C. To pay to Lakeshore, by electronic fund transfer, an amount equal to the gross amount of approved Service costs for each pay period, not less than forty-eight (48) hours in advance of each Lakeshore pay day, and to provide a faxed fund transfer acknowledgment prior to the actual Lakeshore pay date. For purposes of this section, the term "gross amount" shall include: (1) an amount equal to the gross salary or wages paid by Lakeshore to the individuals assigned by Lakeshore to provide Services under this Agreement for the current Lakeshore pay period; plus (2) an amount equal to the FICA and Medicare contributions required to be paid by Lakeshore as employer of the individuals assigned by Lakeshore to provide Services under this Agreement; plus (3) an amount equal to the contributions required to be paid by Lakeshore to the respective retirement plan of each individual assigned to perform Services under this Agreement; plus (4) such other approved sums as Lakeshore shall be obligated to pay or disburse to or on behalf of the Lakeshore Employees during the current Lakeshore pay period.

- D. To promptly reimburse and to pay to Lakeshore an amount equal to the approved fees for Services and approved costs and expenses as set forth herein.
- E. To include Lakeshore as an additional insured on the general and professional liability insurance policies maintained by the Academy and to provide Lakeshore with a certification from the insurance provider to that effect.
- F. To conduct criminal background checks in compliance with controlling law and Section 1.5 of this Agreement.
- G. To select, retain, evaluate or replace the independent auditor for the Academy.
- H. To the extent permitted by applicable law, to indemnify, defend, save and hold harmless Lakeshore and all of its employees, officers, directors, subcontractors and agents from and against any and all claims, demands, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other forms of liability or loss, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees), settlement and prosecution (collectively, "Damages") that may arise out of or by reason of: (1) any noncompliance by the Academy Board with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement; and (2) any grossly negligent or intentional tortious act or omission of the Academy. Provided, however, that nothing in this Agreement is intended, nor shall be construed, as a waiver of immunity from tort liability granted to the Academy (its officers, employees, volunteers and board members) under Michigan's Governmental Tort Liability Act, MCL 691.1401, *et seq.* The indemnification requirements of this paragraph are only binding upon the Academy to the extent (if any) permitted by law and shall be fully satisfied by the purchase of Compliant Insurance. Not later than ten (10) days from the date both parties have executed this Agreement, the Academy shall provide Lakeshore with certificates of insurance evidencing all coverages and endorsements required hereunder. The Academy agrees to name Lakeshore, its officers, agents and employees, as additional insureds under said policy and the policy will include an agreement by the insurer not to cancel, or materially change, such insurance without at least fifteen (15) days' prior written notice to Lakeshore. To obtain indemnification, Lakeshore must promptly notify the Academy in the event of a claim and cooperation resolving the claim.
- I. To provide Board Policy revisions to Lakeshore; new revisions, amended or revised policies will be effective upon adoption by the Academy Board or as otherwise designated by the Academy Board.
- J. To designate an Academy Board member as the Chief Administrative Officer (CAO) of the Academy pursuant to the Uniform Budgeting and Accounting Act, MCL 141.422b. The Academy Board will designate the CAO at its annual organizational meeting, or at such other time(s) as the Board deems appropriate. No employee,

owner, director, or agent of Lakeshore shall be designated as the Chief Administrative Officer of the Academy, although a Lakeshore employee may assist any Academy Board member who is the Chief Administrative Officer in carrying out their responsibilities.

7. **Mutual Covenants.** The parties mutually agree:

- A. In the event that the Academy Board shall become dissatisfied with the performance of Services under this Agreement, the Academy Board shall notify Lakeshore in writing, setting forth the nature of dissatisfaction and the proposed remedial actions sought by the Academy.
- B. Lakeshore shall exercise exclusive supervision, management, and discipline of its Employees assigned to the Academy, subject to the rights of the Academy as set forth herein.
- C. Substitute teachers and any additional instructional services outside the normal curriculum, such as driver's education instructors or contracted personnel, shall be paid by the Academy within Budget parameters approved by the Academy Board.
- D. Any other provision notwithstanding, the Authorizer must review and may disapprove this Agreement, and any amendments to this Agreement, before it is final and valid.
- E. Lakeshore 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 Lakeshore or any of its employees or others for whom it is responsible in connection with the performance of the Agreement from July 1, 2012 through the date of execution.

8. **Confidentiality and Data Security/Breach.**

- A. **Designation as Agents.** The Academy designates the employees of Lakeshore as agents of the Academy having legitimate educational interests, consistent with their respective assignments pursuant to this Agreement, such that they are entitled to access to education records as permitted by the Family Educational Rights and Privacy Act (FERPA), 20 USC §1232(g) ("FERPA").
- B. **Commitment to Preserve.** Lakeshore agrees that it shall observe the policies and directives of the Academy to preserve the confidentiality of Covered Data and Information (defined in Subsection 8.C. below) to the extent that Lakeshore (its employees or agents) are permitted to access Covered Data and Information in the course of performing Services under this Agreement.

- C. 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 Lakeshore and includes, without limitation, "education records" and "education record information" as defined under FERPA, 20 USC §1232(g), 34 CFR Part 99, Code Section 1136 (Pupil Privacy), the Individuals with Disabilities Education Act (IDEA), 20 USC §1401 et seq, 34 CFR 300.610 - 300.626, and the Michigan Mandatory Special Education Act, MCL 380.1701 et seq; "relevant records" as defined under Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36, and the Americans with Disabilities Act, 42 USC §12101 et seq; medical record information as defined under the Health Insurance Portability and Accountability Act (HIPAA), 42 USC 1320d - 1329d-8; 45 CFR 160, 162 and 164; and social security numbers, as protected by the federal Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL445.84. CDI also includes any new records created and maintained by Lakeshore under this Agreement using CDI.
- D. Acknowledgment of Access to CDI.** Lakeshore acknowledges that this Agreement allows Lakeshore (its employees and agents) access to CDI, which the Academy may have the ultimate legal responsibility to maintain in a confidential and secure fashion. Accordingly, Lakeshore (its employees and agents) shall provide the Academy with control over the CDI sufficient to satisfy all applicable legal and regulatory standards. In any event, Lakeshore (its employees and agents) shall at all times make CDI available to the Academy within a reasonable time of receiving a request for same.
- E. Prohibition on Unauthorized Use or Disclosure of CDI.** Lakeshore (its employees and agents) agrees to hold CDI in strict confidence. Lakeshore (its employees, 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. Lakeshore 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. Lakeshore 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 Lakeshore under this Agreement.
- F. Return or Destruction of CDI.** Upon termination or other conclusion of this Agreement (or as otherwise required by applicable law), Lakeshore (its employees and agents) shall return all CDI to the Academy.
- G. Maintenance of the Security of Electronic Information.** Lakeshore (its employees 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 Lakeshore to include subcontractors or Business Associates used by Lakeshore.

F. Reporting of Unauthorized Disclosures or Misuse of Covered Data and Information. Lakeshore, within two business days of discovery, shall report to the Academy any use or disclosure of CDI not authorized by this Agreement or in writing by the Academy. Lakeshore'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 Lakeshore has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, and (v) what corrective action Lakeshore has taken or shall take to prevent future similar unauthorized use or disclosure. Lakeshore shall provide such other information, including a written report, as reasonably requested by the Academy.

A. Remedies.

1. Notice and Opportunity to Cure. If the Academy reasonably determines in good faith that Lakeshore 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 Lakeshore to submit to a plan of monitoring and reporting; provide Lakeshore with a fifteen (15) 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 Lakeshore describing the violation and the action it intends to take.
2. Statutory/Regulatory Penalties. In addition, the Parties understand and agree that Lakeshore 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 Lakeshore 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.

G. 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 Lakeshore in writing. Within thirty (30) business days of receipt of such notice by Lakeshore, the Parties shall address in good faith the expressed concern(s) and shall amend the terms of this Agreement, if the Academy deems an amendment necessary to bring the Agreement into compliance with applicable laws and regulations. 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 immediately terminate this Agreement upon written notice to Lakeshore.

- H. **Certain Prohibitive Conduct Regarding Personally Identifiable Information.** Except as permitted under the Code, Lakeshore shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy Student's education records.
- I. **Certain Prohibitive Conduct Regarding Academy Student Records.** If Lakeshore receives information that is part of an Academy Student's education records, Lakeshore shall not sell or otherwise provide the information to any other person except as permitted under the Code.

For purposes of Paragraphs K and L above, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.

- 9. **Financial, Educational, and Student Records.** Notwithstanding any other provision of this Agreement, the financial, educational, and student records of the Academy are the property of the Academy and are subject to the provisions of the Freedom of Information Act. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. Except as permitted under the Charter and Applicable Law, no ESP Agreement shall restrict the University's or the public's access to the Academy's records. All finance and other records of Lakeshore related to the Academy will be made available to the Academy, to the Academy's independent auditor, or the Charter School Office of the Authorizer upon request.

10. **General.**

- A. **Choice of Law.** This Agreement is made and entered into in the State of Michigan and shall be interpreted according to the laws of Michigan.
- B. **Entire Agreement.** This Agreement (including Appendices) constitutes the entire agreement between the Parties regarding its subject matter and supersedes any prior or contemporaneous understandings or agreements with respect to the services contemplated.
- C. **Section Headings.** The section headings are used in this Agreement for reference and convenience only and shall not enter into the interpretation of this Agreement.
- D. **Severability.** If any provision of this Agreement should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions of this Agreement shall not in any way be affected, impaired or prejudiced, unless the deletion of such provision(s) would result in such a material change as to preclude the rendering of the Services contemplated by this Agreement.
- E. **Amendment.** None of the terms and provisions of this Agreement may be modified

or amended in any way except by an instrument in writing executed by authorized representatives of the Academy and Lakeshore, in compliance with the LSSU Charter Schools Office ESP Guidelines.

- H. **Waiver.** Failure by either Party at any time to require performance by the other Party or to claim breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach nor affect the validity and operation of this Agreement, nor prejudice either Party with regard to any subsequent action to enforce the terms of this Agreement. Provided, however, that, as a matter of law, course of dealing may be relied upon to resolve any contract ambiguity by evidencing the intent and understanding of the Parties.
- I. **Assignment.** Neither Party shall assign this Agreement nor its rights and duties hereunder nor any interest herein without prior written consent from the other Party, which consent shall not be unreasonably withheld and LSSU review and non-disapproval.
- J. **No Third Party Rights.** Unless otherwise provided in this Agreement, nothing in this Agreement is intended nor shall be construed 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.
- K. **Time of Essence.** The Parties understand and agree that time is of the essence in performing their respective responsibilities under this Agreement.
- L. **Force Majeure.** Any delay or failure of any Party (the "affected Party") in the performance of its required obligations under this Agreement 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 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, however, that either Party may terminate this Agreement under Section 2 of this Agreement if sufficient grounds for termination exist.
- M. **Delegation of Authority.** Nothing in this Agreement shall be construed as delegating to Lakeshore powers or authority of the Academy Board which are not subject to delegation by the Academy Board under the Charter or applicable law.

- F. Compliance with Law.** The Parties to this Agreement agree to comply with all applicable laws and regulations.
- G.** No provision of this Agreement shall be construed to restrict the Academy Board from waiving its governmental immunity or require the Academy Board to assert, waive, or not waive its governmental immunity.
- H. Notice.** Any and all notices permitted or required to be given under this Agreement 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 electronic mail; 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 Lakeshore: Denise A. Sandison
 President
 Lakeshore Educational Management, Inc.
 9025 North Pointe Woods Dr.
 Charlevoix, Michigan 49820
 TIME-SENSITIVE NOTICE

If to Outside Counsel: Christopher T. Turkelson
 Turkelson Law Firm, PLLC
 213 Nettleton Street, Suite A
 Charlevoix, Michigan 49720
 TIME-SENSITIVE NOTICE

If to Academy: Board President
 Concord Academy – Boyne
 401 E. Dietz Rd
 Boyne City, Michigan 49770
 TIME-SENSITIVE NOTICE

If to Academy Counsel: Kevin Klevorn
 Klevorn & Klevorn
 215 S. Lake Street
 Boyne City, Michigan 49712
 TIME-SENSITIVE NOTICE

11. Non-Discrimination.

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

- B. 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.
- C. Breach of covenants recited in this Section shall be regarded as a material breach of this Agreement.

12. **Provisions Required by Authorize.**

- A. **Indemnification of Lake Superior State University.** The parties acknowledge and agree that the Lake Superior State University Board of Trustees, Lake Superior State University and its members, officers, employees, agents or representatives (collectively referred to as "the University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, Lakeshore 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, Lake Superior State University Board of Trustees' consideration of or issuance of a Contract, Lakeshore'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 Lakeshore, or which arise out of the failure of Lakeshore 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 Lakeshore to enforce its rights as set forth in this Agreement.
- B. **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 on the same date as the Academy's Contract is suspended, revoked, terminated, or expires without further action of the parties.
- C. **Compliance with Academy's Contract.** Lakeshore 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 Charter issued by the Authorizer. The provisions of the Academy's Charter shall supersede any competing or conflicting

provisions contained in this Agreement.

- I. **Compliance with Section 553c.** On an annual basis, Lakeshore agrees to provide the Academy Board with the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 380.1618, for the most recent school fiscal year for which information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms of section 553c of the Code, MCL 380.553c, shall have the same meaning in this Agreement.

- J. **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.

- K. **Compliance with Section 12.17 of Contract Terms and Conditions.** Lakeshore shall make information concerning the operation and management of the Academy, including without limitation the information in the Contract, including all exhibits, schedules, and the like, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under the Contract, including Section 12.17(a) of the Contract Terms and Conditions.

- L. **Independent, Self-Governance.** No provision of this Agreement is intended nor shall be construed to 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.

- M. **Bank Deposits and Signatories.** No provision of this Agreement is intended nor shall be construed to 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 applicable law. The signatories on the depository account shall only be Academy Board members properly designated annually by Academy Board resolution. Interest income earned on Academy Depository Accounts shall accrue to the Academy.

- I. **Marketing and Development Costs.** 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 Lakeshore.
- J. **Incompatible Public Offices and Conflicts of Interest Statutes.** No individual shall serve simultaneously as an Academy Board member and as owner, officer, director, employee, paid consultant or independent contractor of Lakeshore during the term of this Agreement. Academy Board members have a duty to affirmatively notify the Lake Superior State University Charter School Office of the existence of any possible conflict of interest and no Academy Board member shall hold an incompatible office. As defined in MCL 15.181, "incompatible offices" means public offices held by a public official which, when the official is performing the duties of any of the public offices held by the official, results in any of the following with respect to those offices held:
- (i) The subordination of 1 public office to another.
 - (ii) The supervision of 1 public office by another.
 - (iii) A breach of duty of public office.
- K. **Curriculum and Educational Materials.** The Academy owns all proprietary rights to curriculum or educational materials that (a) are directly developed and paid for by the Academy; or (b) were developed by the Lakeshore at the direction of the Academy Board with Academy funds. Any educational materials and teaching techniques of Lakeshore used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

IN WITNESS WHEREOF, this Agreement is signed by the parties on the date first set forth above.

"ACADEMY"

Concord Academy Boyne



By: Jeff Derenzy
Its: Board President

"LAKESHORE"

Lakeshore Educational Management, Inc.



By: Denise A. Sandison
Its: President

CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

SCHEDULE 6
PHYSICAL PLANT DESCRIPTION

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Site Plan 6-5

Certificate of Occupancy 6-6

Mortgage..... 6-7

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 Concord Academy Boyne (“Academy”) is as follows:

Address: 00401 East Dietz Road
Boyne City, MI 49712

Description: The Academy is located on a 17.5 acre parcel of rolling hills, in Boyne City. The building consists of two parts: the original building, and an expansion that was completed in December 1999. They are described as follows:

The original building is approximately 13,500 square feet. It is a single story, frame construction on a poured concrete slab foundation with a shingled pitched roof. The exterior is a mixture of vinyl siding and brick. The interior walls are painted gypsum and the floors are a mixture of waxed tile and carpeting. This building is made up of 12 classrooms, 4 office/administration rooms (including a teacher’s work room/lounge) and appropriate bathroom facilities—all existing in a mostly rectangular-shaped building. One main corridor runs the length of the rectangle, with classrooms on either side. The average classroom size is 20 x 30 feet. There are three oversized classrooms (30 x 40) – used for art, band and dance, respectively. Two of these larger rooms are separated by a folding partition so that the academy can open to a 60 x 40 room for performances and other special events.

The expanded portion of the building is approximately 15,100 square feet. It is two stories, and the lower level is on a poured concrete foundation with block and mortar walls. The upper level is frame construction, with shingled pitched roof and vinyl siding. On the lower level, there are two classrooms, bathroom facilities, and an unfinished area. On the upper level, there are 4 classrooms, bathroom facilities, a staff lounge, and a large multi-purpose room. This large room includes a platform for rehearsals and performances to showcase the arts, and it has been designed so that it can be expanded in the future. It can also be opened up for recreational purposes. The wing areas of the platform also double as conference rooms and individual practice rooms. The average classroom size is 900 square feet, in addition to 100 square feet of storage in each room. These rooms are large as they house grades K-5. This provides a separation between the elementary students and upper grades, but still allows for interaction at school-wide functions.

Term of Use: Term of Contract.

Configuration of Grade Levels: Kindergarten through twelfth grade.

Name of School District and Intermediate School District:

Local: Boyne City Public Schools

ISD: Charlevoix – Emmet 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

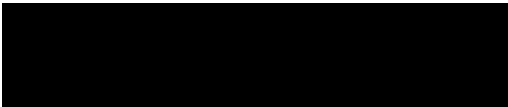
4. In addition, the Academy and the College Board hereby acknowledge and agree that this Contract is being issued to the Academy with the understanding that the Academy cannot conduct classes as a public school academy in this state until it has obtained the necessary fire, health and safety approvals 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.







MAIN ROUTE

ALTERNATE ROUTE

CERTIFICATE OF USE AND OCCUPANCY


PERMANENT

Michigan Department of Labor & Economic Growth
Bureau of Construction Codes & Fire Safety/Building Division
P. O. Box 30254
Lansing, MI 48909
(517) 241-9317

Permit No. LB017821
Repair
Concord Academy Boyce
401 E. Dixie Road
Boysen Valley Township, Michigan
Charlevoix County

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

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 15 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 118.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.


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

February 27, 2004

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LIBEL 810 PAGE 479



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STATE OF MICHIGAN
COUNTY OF CHARLEVOIX
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Christina M. Swartz
REGISTER OF DEEDS

MORTGAGE

CONCORD ACADEMY-BOYNE
as Mortgagor

to

U.S. BANK NATIONAL ASSOCIATION
as Mortgagee

\$2,800,000
Concord Academy-Boyne
Public School Academy Revenue and Refunding Bonds, Series 2007

Dated as of June 21, 2007

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MORTGAGE

THIS MORTGAGE ("Mortgage") is made as of June 21, 2007, by and between **CONCORD ACADEMY-BOYNE**, as Mortgagor ("Mortgagor") and **U.S. BANK NATIONAL ASSOCIATION**, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as bond trustee for the Bonds (defined below), as Mortgagee ("Mortgagee").

PRELIMINARY STATEMENTS

A. Pursuant to the Trust Indenture dated as of June 21, 2007 (the "Trust Indenture") between Mortgagor and Mortgagee, Mortgagor is issuing its Public School Academy Revenue and Refunding Bonds, Series 2007 in the aggregate principal amount of \$2,800,000 (the "Bonds") for the purposes set forth in the Trust Indenture.

B. Pursuant to the Trust Indenture, certain state school aid payments have been pledged and assigned by Mortgagor to Mortgagee for the payment of the principal of and interest on the Bonds.

C. The Bonds are secured by the Trust Estate (as defined in the Trust Indenture), including a lien on and security interest in the Mortgaged Estate (defined below) pursuant to this Mortgage, granted by Mortgagor.

GRANTING CLAUSES

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Mortgagor hereby irrevocably grants a security interest in, mortgages, warrants, grants, bargains, sells, transfers, conveys and assigns to Trustee and to its assigns forever, **IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY**, for the benefit and security of Mortgagee, under and subject to the terms and conditions hereinafter set forth, all of Mortgagor's estate, right, title and interests in, to and under any and all of the following property now owned, together with all cash and noncash proceeds thereof, which may be referred to herein as the "Mortgaged Estate:"

LAND

The real property located in the County of Charlevoix, State of Michigan, described in Exhibit A attached hereto and by this reference incorporated herein (the "Land");

IMPROVEMENTS

Any and all buildings, structures, fixtures and improvements to be constructed on the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements (collectively, the "Improvements" and, together with the Land, the "Real Property");

RENTS, REVENUES AND DERIVATIVE INTERESTS

All rents, issues, profits and royalties derived from the Real Property and the operation thereof (collectively the "Revenues"); all estate, right, title and interest of Mortgagor in and to all leases or subleases covering the Real Property or any portion thereof now or hereafter existing or entered into, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature; all right, title and interest of Mortgagor in and to all options to purchase or lease the Real Property or any portion thereof or interest therein, and any greater estate therein now owned; all interests, estate or other claims, both in law and in equity, which Mortgagor now has in the Real Property or any portion thereof or interest therein; all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, all right, title and interest of Mortgagor, now owned, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property (all of the foregoing in this paragraph being, collectively, the "Derivative Interests" and, together with the Real Property, the "Project");

INTANGIBLES

All of Mortgagor's interest in all existing and future accounts, contract rights, general intangibles, files, books of account, plans, specifications, agreements, permits, licenses and certificates necessary or desirable in connection with the acquisition, ownership, leasing, construction, operation, servicing or management of the Project, whether now existing or entered into or obtained after the date hereof, all existing and future names under or by which the Project or any portion thereof may at any time be operated or known (the "Intangibles");

CLAIMS AND AWARDS

All the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in the Project or Intangibles and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Project or Intangibles including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages; and

PROCEEDS

All of the rents, revenues, issues, profits, products and proceeds of any and all of the foregoing.

A security interest is granted by this Mortgage in that portion of the Mortgaged Estate which constitutes personalty pursuant to and as set forth in Article IV hereof.

TO HAVE AND TO HOLD the Mortgaged Estate hereby granted or mortgaged or intended to be granted or mortgaged, unto Trustee, and its successors in trust, heirs and assigns, upon the terms, provisions and conditions set forth herein in fee simple forever.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Secured Obligations (as hereinafter defined) hereby shall be paid when due, and if Mortgagor shall keep, perform and observe all and singular the obligations, covenants, agreements and provisions in this Mortgage expressed to be kept, performed by and observed by or on the part of Mortgagor, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void, but otherwise shall be and remain in full force and effect.

THIS MORTGAGE SHALL SECURE THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS:

(i) Payment of indebtedness evidenced by the Bonds and all replacements, renewals, amendments, extensions, substitutions and modifications thereof bearing interest and being payable as provided therein;

(ii) Payment of all indebtedness and performance of all obligations and covenants of Mortgagor under the Trust Indenture and each agreement of Mortgagor incorporated by reference therein or herein, or contained therein or herein;

(iii) Payment of all of the principal of and interest on any future advances under the Trust Indenture, this Mortgage, and any other instrument or other document given to evidence or further secure the payment and performance of any of the obligations thereunder; and

(iv) Payment of all other indebtedness and performance of all other obligations and covenants of Mortgagor contained in any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby or thereby;

The indebtedness and the obligations secured by this Mortgage which are described in (i) through (iv) above may be referred to herein as the "Secured Obligations."

It is the intention of the parties hereto that the Mortgaged Estate shall secure all of the Secured Obligations presently or hereafter owed, and that the priority of the security interest created by this Mortgage for all such Secured Obligations shall be controlled by the time of proper recording of this Mortgage. In addition, this Mortgage shall also secure unpaid balances of advances made with respect to the Mortgaged Estate for the payment of taxes, assessments, insurance premiums, costs or any other advances incurred for the protection of the Mortgaged Estate, together with interest thereon until paid, all as contemplated in this Mortgage, all of which shall constitute a part of the Secured Obligations. This paragraph shall serve as notice to all persons who may seek or obtain a lien on the Mortgaged Estate subsequent to the date of recording of this Mortgage, that until this Mortgage is released, any debt owed by Mortgagor under the Trust Indenture, including advances made subsequent to the recording of this Mortgage, shall be secured with the priority afforded this Mortgage as recorded.

IT IS HEREBY COVENANTED, DECLARED AND AGREED that the Mortgaged Estate is to be held and disposed of by Trustee, upon and subject to the provisions of this Mortgage.

All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Trust Indenture.

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

Mortgagor hereby represents, warrants, covenants and agrees:

Section 1.01. Payment of Secured Obligations. Mortgagor hereby grants this Mortgage to secure the payment and performance when due of the Secured Obligations. The consideration received by Mortgagor to execute and deliver this Mortgage and the liens and security interests created herein are sufficient and will provide a direct economic benefit to Mortgagor.

Section 1.02. Title of Mortgagor. Mortgagor has, subject to the matters set forth as exceptions in the loan policy of title insurance to be provided to Mortgagee in connection with this Mortgage as well as those exceptions provided in the attached Exhibit B (the "Permitted Encumbrances"), in its own right, good, marketable and indefeasible title in fee simple to the Mortgaged Estate, which is free from encumbrance superior to the encumbrance of this Mortgage, and has full right, power and authority to execute and deliver this Mortgage and to make the conveyances and grant the interests and security contemplated hereby. This Mortgage constitutes a valid first lien upon and security interest in the Mortgaged Estate, subject only to the Permitted Encumbrances.

Section 1.03. [Reserved]

Section 1.04. Maintenance; Repair; Alterations. Mortgagor shall: (i) keep the Mortgaged Estate in good condition and repair, subject to reasonable and ordinary wear and tear; not remove, demolish or substantially alter (except such alterations as may be required by applicable laws, ordinances or regulations or as permitted under the Trust Indenture) any of the Improvements; (ii) complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Project and promptly restore in like manner any Improvement which may be damaged or destroyed thereon, subject to the provisions of Section 1.07 hereof, and pay when due all claims for labor performed and materials furnished therefor; (iii) comply with all applicable laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Mortgaged Estate or any part thereof or requiring any alterations or improvements; (iv) not commit or permit any waste or deterioration of the Mortgaged Estate; (v) keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; (vi) comply with the provisions of any lease, if this Mortgage is on a leasehold; (vii) use the Mortgaged Estate and continue to cause the Mortgaged Estate to be used as permitted under applicable law; and (viii) not commit, suffer or permit any act to be done in or upon the Mortgaged Estate in violation of any applicable law, ordinance or regulation.

Section 1.05. Required Insurance. Mortgagor shall provide, maintain and keep at all times in force those policies of insurance required in the Trust Indenture.

Section 1.06. Delivery of Insurance Policies; Payment of Premiums.

(a) All policies of insurance shall be issued by companies and in amounts as required by the provisions of the Trust Indenture.

(b) In the event Mortgagor fails to provide, maintain, keep in force or deliver and furnish to Mortgagee evidence of the policies of insurance required by the Trust Indenture, Mortgagee may procure such insurance or single-interest insurance for such risks covering Mortgagee's interest, and Mortgagor will pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums, together with interest thereon, shall be secured by this Mortgage.

(c) Upon occurrence of an Event of Default, Mortgagee shall apply any sums or amounts received pursuant hereto, or as Revenues or income of the Mortgaged Estate or otherwise, as required under the Trust Indenture. The receipt, use or application of any such sums by Mortgagee hereunder shall not be construed to affect the maturity of any Secured Obligation or any of the rights or powers of Mortgagee under the terms of the Trust Indenture or any of the obligations of Mortgagor under the Trust Indenture.

Section 1.07. Insurance Proceeds. After the occurrence of any casualty to the Mortgaged Estate or any part thereof, Mortgagor shall give prompt written notice thereof to Mortgagee and each insurer and promptly submit a claim to such insurer(s) for payment of insurance proceeds. Proceeds of all insurance awards ("Insurance Proceeds") shall be held and disbursed as provided in the Trust Indenture. Notwithstanding the application of Insurance Proceeds to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and Mortgagor shall not be excused in the payment thereof.

Except as provided below, nothing contained in this Mortgage shall be deemed to excuse Mortgagor from repairing or maintaining the Mortgaged Estate as provided in Section 1.04 hereof. The application or release by Mortgagee of any Insurance Proceeds shall not cure or waive any Event of Default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

Section 1.08. Assignment of Policies Upon Foreclosure. In the event of the foreclosure of this Mortgage, or other transfer of title to the Mortgaged Estate, or any part thereof, by nonjudicial foreclosure sale or deed in lieu of foreclosure, the purchaser of the Mortgaged Estate, or such part thereof, shall succeed to all of Mortgagor's rights, including any rights to unexpired insurance and unearned or returnable premiums, in and to all insurance policies required by Section 1.05 hereof, subject to limitations on assignment of blanket policies, and limited to such rights as relate to the Mortgaged Estate or such part thereof. If Mortgagee acquires title to the Mortgaged Estate, or any part thereof, in any manner, it shall thereupon (as between Mortgagor and Mortgagee) become the sole and absolute owner of the insurance

policies, and all proceeds payable thereunder with respect to the Mortgaged Estate, or such part thereof, required by Section 1.05 hereof, with the sole right to collect and retain all unearned or returnable premiums thereon with respect to the Mortgaged Estate, or such part thereof, if any.

Section 1.09. Expenses; Indemnification; Waiver of Offset.

(a) Mortgagor shall pay or reimburse Mortgagee for all reasonable expenses incurred by Mortgagee before and after the date of this Mortgage with respect to any and all transactions contemplated by this Mortgage including without limitation, the preparation of any document reasonably required hereunder or any amendment, modification, restatement or supplement to this Mortgage, the delivery of any consent, non-disturbance agreement or similar document in connection with this Mortgage or the enforcement of any of Mortgagee's rights. Such expenses shall include, without limitation, all reasonable title and conveyancing charges, recording and filing fees and taxes, mortgage taxes, intangible personal property taxes, escrow fees, revenue and tax stamp expenses, privilege taxes, use taxes, insurance premiums (including title insurance premiums), title search and title rundown charges, brokerage commissions, finders' fees, placement fees, court costs, surveyors', photographers', appraisers', architects', engineers', consulting professionals', accountants', and attorneys' fees and disbursements.

(b) If (i) any sale (or prerequisite to a sale), action or proceeding shall be commenced by Mortgagee (including but not limited to any sale of the Mortgaged Estate, or any action to foreclose this Mortgage or to collect the Secured Obligations), or any action or proceeding is commenced to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Mortgage (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of Mortgagor or any other person or entity obligated hereunder), or in which Mortgagee is served with any legal process, discovery notice or subpoena, and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Mortgage or issuance of the Bonds or acceptance of a guaranty from a guarantor of the Secured Obligations or any of the transactions contemplated by this Mortgage and such action or proceeding does not relate to or arise out of the negligence, breach of trust or willful misconduct of Mortgagee as applicable, then Mortgagor will immediately reimburse or pay to Mortgagee all of the expenses which have been or may be incurred by Mortgagee with respect to the foregoing (including reasonable counsel fees and disbursements), together with interest thereon, and any such sum and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Mortgage, prior to any right, or title to, interest in or claim upon the Mortgaged Estate attaching or accruing to this Mortgage, and shall be deemed to be secured by this Mortgage. In any action or proceeding to sell the Mortgaged Estate, to foreclose this Mortgage, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

(c) To the extent permitted by law, Mortgagor shall indemnify and hold harmless Mortgagee and affiliates, and directors, officers, agents and employees and affiliates for,

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from and against all claims, damages, losses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) arising out of or based upon any matter related to this Mortgage, the Mortgaged Estate or the occupancy, ownership, maintenance or management of the Mortgaged Estate by Mortgagor, including, without limitation, any claims based on the alleged acts or omissions of any employee or agent of Mortgagor except for such damages incurred due to the negligence, breach of trust or willful misconduct of Mortgagee or its affiliates, directors, officers, agents or employees. This indemnification shall be in addition to any other liability which Mortgagor may otherwise have to Mortgagee.

(d) Mortgagor waives any and all right to claim or recover against Mortgagee, its officers, employees, agents and representatives, for loss of or damage to Mortgagor, the Mortgaged Estate, Mortgagor's property or the property of others under Mortgagor's control from any cause insured against or required to be insured against by the provisions of this Mortgage except for such damages incurred due to the negligence, breach of trust or willful misconduct of Mortgagee.

(e) All sums payable by Mortgagor under this Mortgage shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the Secured Obligations of Mortgagor hereunder shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Mortgaged Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Mortgaged Estate or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Mortgagor, or any action taken with respect to this Mortgage by any trustee or receiver of Mortgagor, or by any court, in any such proceeding; or (v) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Mortgagor shall have notice or knowledge of any of the foregoing. To the extent permitted by law, Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any Secured Obligation. Notwithstanding the above, Mortgagor may maintain a separate suit regarding such matters.

Section 1.10. Taxes and Impositions.

(a) In accordance with the terms of the Trust Indenture, Mortgagor agrees to pay, prior to delinquency, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Mortgaged Estate or any part thereof, or become due and payable, and which create, may create or appear to create a lien upon the Mortgaged Estate, or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and nongovernmental charges of like nature are hereinafter referred to as "Impositions").

(b) Subject to the applicable state law provisions, Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings in accordance with the terms of the Trust Indenture.

(c) Mortgagor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Mortgaged Estate as a single lien.

Section 1.11. Utilities. Mortgagor shall pay when due all utility charges which are incurred for the benefit of the Mortgaged Estate or any part thereof or which may become a charge or lien against the Mortgaged Estate for gas, electricity, water or sewer services furnished to the Mortgaged Estate and all other taxes, assessments or charges of a similar nature, whether public or private, affecting the Mortgaged Estate or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 1.12. Actions Affecting Mortgaged Estate. Mortgagor shall appear in and contest any action or proceeding purporting to affect the title of Mortgagor in the Mortgaged Estate or any part thereof or security hereof or the rights or powers of Mortgagee; and Mortgagor shall pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Mortgagee may appear.

Section 1.13. Actions by Mortgagee To Preserve Mortgaged Estate. Should Mortgagor fail to make any payment or to do any act as and in the manner provided in this Mortgage, Mortgagee, in its sole discretion, and without notice to, or demand upon, Mortgagor and without releasing Mortgagor from any Secured Obligation, may make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), Mortgagee shall have, and is hereby given the right, but not the obligation: (i) to enter upon and take possession of the Mortgaged Estate; (ii) to make additions, alterations, repairs and improvements to the Mortgaged Estate which it may consider necessary or proper to keep the Mortgaged Estate in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee may affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Any such costs and expenses incurred by Mortgagee and any such amounts paid by Mortgagee shall be secured hereby with the same priority afforded this Mortgage as recorded. Mortgagor shall immediately upon demand therefor by Mortgagee pay all of the foregoing costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and reasonable attorneys' fees provided, however, that Mortgagor shall not be liable to pay for any such costs or expenses incurred by Mortgagee due to the gross negligence, willful misconduct or breach of trust of Mortgagee or its affiliates, directors, officers, agents or employees.

Section 1.14. Survival of Warranties. Mortgagor shall fully and faithfully satisfy and perform the Secured Obligations. All representations, warranties and covenants of Mortgagor contained herein shall remain continuing obligations, warranties and representations of Mortgagor during any time when any portion of the obligations secured by this Mortgage remain outstanding.

Section 1.15. Eminent Domain. Should the Mortgaged Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Mortgagor receive any notice or other information regarding such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee. Mortgagee may participate in any such Condemnation proceedings, and Mortgagor shall from time to time deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. Mortgagor shall, at its sole cost and expense, diligently prosecute any such proceedings and shall consult with Mortgagee and its attorneys and experts, and cooperate with it in the carrying on or defense of any such proceedings. All proceeds of Condemnation awards or proceeds of sale in lieu of Condemnation with respect to the Mortgaged Estate and all judgments, decrees and awards for injury or damage to the Mortgaged Estate or any part thereof or interest therein shall be paid to Mortgagor or Mortgagee as provided in Section 7.02 of the Trust Indenture, and if to Mortgagee, shall be applied first to all reasonable costs and expenses incurred by Mortgagee in obtaining the proceeds. The balance of proceeds (referred to in the Trust Indenture as "net proceeds"), if any, shall be applied as directed by Mortgagor in accordance with the provisions of the Trust Indenture.

Mortgagor hereby assigns and transfers to Mortgagee, and agrees to execute such further assignments of, all such proceeds, judgments, decrees and awards as Mortgagee may request. Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such judgment, decree or award. Mortgagor hereby authorizes, directs and empowers Mortgagee, at its option and with notice to Mortgagor, on Mortgagor's behalf, or on behalf of the successors or assigns of Mortgagor, to adjust, compromise, claim, collect and receive such proceeds and to give proper receipts and acquittances therefor. Mortgagee shall not be, in any event or circumstance, liable or responsible for failure to collect or exercise diligence in the collection of any proceeds, judgments, decrees or awards unless such failure is due to Mortgagee's negligence, willful misconduct or breach of trust.

Section 1.16. Additional Security. In the event Mortgagee at any time holds additional security for any of the Secured Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with or after any sale is made hereunder.

Section 1.17. Additional Indebtedness. Except as provided in the Trust Indenture and except for the Permitted Encumbrances, Mortgagor shall not further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the Uniform Commercial Code in effect in the State, the "UCC").

Section 1.18. Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors,

successors and assigns. The covenants and agreements of Mortgagor contained herein shall apply to and be binding upon any successor owner of the Mortgaged Estate or any part thereof.

Section 1.19. Inspections. Mortgagee, or its agents, representatives or workmen, are authorized to enter upon notice of two Business Days to Mortgagor at any reasonable time upon or in any part of the Mortgaged Estate for the purpose of inspecting the same and all books, records and documents relating thereto, and for the purpose of performing any of the acts it is authorized to perform under the terms of the Trust Indenture.

Section 1.20. Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's sole cost and expense, all liens, encumbrances and charges upon the Mortgaged Estate, or any part thereof or interest therein other than the Permitted Encumbrances. Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Mortgagor shall thereafter diligently and in good faith proceed to cause such lien, encumbrance or charge to be removed and discharged. If Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either, by paying the amount claimed to be due, or by procuring the discharge of such lien, either, by depositing in court a bond in the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Any cost incurred by Mortgagee in connection with any such payment or discharge shall be secured hereby and shall be immediately due and payable without notice or demand.

Section 1.21. Restrictions Affecting Title. Mortgagor shall perform when due all obligations required to be performed by Mortgagor by the provisions of any agreement affecting title to the Mortgaged Estate or any part thereof.

Section 1.22. Further Assurances. Mortgagor shall, upon the execution and delivery hereof and thereafter from time to time, take such actions as Mortgagee may request to cause this Mortgage, each supplement and amendment to such instrument and financing statements with respect thereto and each instrument of further assurance (collectively, the "Recordable Documents") to be filed, registered and recorded as may be required by law and maintain the first lien or security interest, as applicable, hereof upon the Trust Estate and protect the validity of the Recordable Documents. Mortgagor shall take all action and do all things which it is authorized by law to take and do, and cooperate with Mortgagee as Mortgagee deems necessary or desirable, to insure the release of all encumbrances against the Mortgaged Estate, except the Permitted Encumbrances, existing prior to the date hereof.

So long as any Secured Obligations shall remain unpaid, Mortgagor shall execute, acknowledge, where appropriate, and deliver from time to time promptly at the request of Mortgagee all such instruments and documents as in the opinion of Mortgagee are necessary or desirable to preserve the first priority lien created by this Mortgage. If Mortgagor shall fail or refuse to execute, acknowledge, where appropriate, and deliver such instruments and documents to preserve the first priority lien created by this Mortgage within 10 Business Days following a written request by Mortgagee, Mortgagor irrevocably constitutes and appoints Mortgagee as its attorney-in-fact to execute and deliver such instruments, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

Section 1.23. Performance of Covenants; Incorporation of Representations and Warranties. Mortgagor shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Trust Indenture and in all of its proceedings pertaining to this Mortgage. The covenants, representations and warranties of Mortgagor set forth in the Trust Indenture are incorporated by reference into this Mortgage as if stated in full in this Mortgage and such representations and warranties as incorporated herein shall be deemed to have been made as of the date of this Mortgage and shall survive the execution and delivery of this Mortgage.

Section 1.24. Notification of Event of Default Under Mortgage. Mortgagor agrees to notify Mortgagee immediately in writing of any default by Mortgagor in the performance or observance of any covenant, agreement, representation, warranty or obligation of Mortgagor set forth in this Mortgage. Mortgagor shall also notify Mortgagee in writing of any event or condition which with the lapse of time or the giving of notice would constitute an Event of Default.

Section 1.25. [Reserved].

Section 1.26. Organization; Due Authorization. Mortgagor is a public school academy duly organized, validly existing and in good standing under the laws of the State of Michigan and has the requisite power, authority and legal right to carry on the business conducted by it and to engage in the transactions contemplated by the Trust Indenture. The execution and delivery of the Trust Indenture and the performance and observance of the provisions thereof have all been authorized by all necessary actions of Mortgagor.

Section 1.27. Liabilities; Compliance With Other Instruments. Mortgagor has no liabilities regarding the Mortgaged Estate except those hereunder and those otherwise contemplated or permitted by this Mortgage and the Trust Indenture, none of which are delinquent. Mortgagor is not in default (i) in the payment of any taxes levied or assessed against it or its assets, (ii) under any applicable statute, rule, order or regulation of any governmental authority, (iii) under this Mortgage or the Trust Indenture, or (iv) under any other agreement to which it is a party or by which it or any of its properties are bound.

Neither the execution and delivery of this Mortgage or the Trust Indenture, nor the consummation of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof, conflicts with or results or will result in a breach of any of the terms, conditions or provisions of the articles of incorporation of Mortgagor, any law, order, rule, regulation, writ, injunction or decree of any court or governmental authority, or any agreement or instrument to which Mortgagor is a party or by which it or any of its properties are bound, or constitutes or will constitute a default thereunder, or result or will result in the creation or imposition of any lien of any nature whatsoever upon any of its property or assets pursuant to the terms of any such agreement or instrument except the liens created or permitted by the Trust Indenture.

Section 1.28. Enforceability. This Mortgage and the Trust Indenture have been duly executed and delivered by Mortgagor and constitute valid and binding obligations of Mortgagor enforceable in accordance with their respective terms, except as the enforceability (but not the

validity thereof) may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally.

Section 1.29. Pending Litigation. There are no proceedings pending or, to the knowledge of Mortgagor, threatened, against or affecting Mortgagor or any part of the Mortgaged Estate in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor or the right or ability of Mortgagor to enter into the Trust Indenture, and if any such proceedings are subsequently initiated or threatened then Mortgagor will promptly provide written notice to Mortgagee. Mortgagor is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal.

Section 1.30. Compliance With Law. Mortgagor is in substantial compliance with all laws, ordinances, governmental rules or regulations to which it is subject, including, without limitation, the Occupational Safety and Health Act of 1970, the Employee Retirement Income Security Act of 1974 and all laws, ordinances, governmental rules or regulations relating to environmental protection the violation of which would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor.

Section 1.31. After-Acquired Property. Except as expressly provided in this Mortgage, the Mortgage Estate shall not include the right, title and interest of Mortgagor in and to all improvements, additions and appurtenances to, the Mortgaged Estate, hereafter acquired by or released to Mortgagor. As required, however, Mortgagor shall execute and deliver to Mortgagee any further assurances, mortgages, grants, conveyances or assignments as Mortgagee may reasonably require to subject such property to the lien of this Mortgage.

Section 1.32. Transfer of Interests in Mortgagor or Mortgaged Estate. Except in accordance with the terms and restrictions of the Trust Indenture, and except for the Permitted Encumbrances, Mortgagor shall not, by operation of law or otherwise, sell, convey, alienate, transfer, grant, bargain, mortgage, encumber or assign ownership or control of all or any interest in Mortgagor or any part of the Mortgaged Estate or any interest therein, without the prior written consent of Mortgagee.

Section 1.33. Lease Provisions. Any lease of all or any part of the Mortgaged Estate by Mortgagor permitted under this Mortgage and the Trust Indenture shall contain a provision obligating such lessee to enter into a subordination, attornment and nondisturbance agreement with Mortgagee, in form and substance satisfactory to Mortgagee.

Section 1.34. Defeasance Terminates Lien. Upon defeasance of all Outstanding Bonds in accordance with the Trust Indenture, the lien of this Mortgage upon the Mortgaged Estate shall cease, and Mortgagee and Trustee shall execute and deliver to Mortgagor at Mortgagor's sole cost and expense all documents necessary to effect such a release.

ARTICLE II

ENVIRONMENTAL MATTERS

Section 2.01. Environmental Matters. Mortgagor hereby incorporates and reaffirms those covenants and representations contained in Sections 7.06, 7.07 and 7.08 of the Trust Indenture (including its covenant to provide certain environmental indemnifications) as an integral part of this Mortgage; provided, however, it is the intent of the parties that the environmental indemnifications contained herein are separate and independent obligations of Mortgagor which shall survive any release, foreclosure or other satisfaction of this Mortgage, and such indemnifications shall not be subject to any anti-deficiency defense.

ARTICLE III

ASSIGNMENT OF RENTS AND LEASES

Section 3.01. Assignment of Revenues. Mortgagor hereby absolutely assigns and transfers to Mortgagee all the Revenues of the Mortgaged Estate and hereby gives to and confers upon Mortgagee the right, power and authority to collect such Revenues. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee, at any time and from time to time, to take possession and control of the Mortgaged Estate and to demand, receive and enforce payment, to give receipts, releases and satisfaction, and to sue, in the name of Mortgagor or Mortgagee, for all such Revenues and apply the same to the Secured Obligations; provided, however, that Mortgagor shall have a license to possess and control the Mortgaged Estate and to collect such Revenues (but not more than one month in advance) which is revocable at any time upon an Event of Default by Mortgagor under any of the Trust Indenture. The assignment of the Revenues of the Mortgaged Estate in this Article III is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest.

While the assignment made in this Mortgage is present, direct and continuing, the execution and delivery hereof shall not in any way impair or diminish the obligations of Mortgagor under the provisions of any lease nor shall any of the obligations contained in any lease be imposed upon Mortgagee.

Section 3.02. Collection Upon Default. Upon any Event of Default under this Mortgage or the Trust Indenture, Mortgagee may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations (i) enter upon and take possession of the Mortgaged Estate, or any part thereof, and in its own name sue for or otherwise collect such Revenues, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any Secured Obligations, and in such order as Mortgagee may determine, and (ii) prepare and submit any applications or other documentation as necessary in order to permit Mortgagee to collect the Revenues of the Mortgaged Estate. The collection of such Revenues, or the entering upon and taking possession of the Mortgaged Estate shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Estate by reason of anything done or left undone by Mortgagee hereunder, except to the extent of Mortgagee's negligence or willful misconduct.

ARTICLE IV

SECURITY AGREEMENT

Section 4.01. Creation of Security Interest. With respect to any portion of the Mortgaged Estate which now constitute fixtures governed by the UCC, this Mortgage shall constitute a security agreement between Mortgagor as the debtor and Mortgagee as the secured party, and Mortgagor hereby grants to Mortgagee a security interest in such portion of the Mortgaged Estate (such portion being the "Fixtures"). Cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the UCC. Mortgagor will execute and deliver to Mortgagee all financing statements that may from time to time be required by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any searches required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such property, and it is expressly agreed that if upon an Event of Default Mortgagee should proceed to dispose of such property in accordance with the provisions of the UCC, 10 days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may at its option dispose of such property in accordance with Mortgagee's rights and remedies with respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the UCC.

Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity, or business form or structure and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may reasonably require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Mortgaged Estate described or referred to herein.

Some of the items of the Mortgaged Estate described herein are goods that are or are to become fixtures related to the Real Property, and it is intended that as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Estate is situated. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated in Section 6.05 of this Mortgage. The mailing address of Mortgagor, as debtor, is as stated in Section 6.05 of this Mortgage.

Section 4.02. Warranties; Representations and Covenants of Mortgagor. Mortgagor hereby warrants, represents and covenants, with respect to the Fixtures, as follows:

(a) except for the security interest granted hereby, Mortgagor is, and as to any of the Fixtures to be acquired after the date hereof will be, the sole owner of the Fixtures, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for purchase money liens and Permitted Encumbrances. Mortgagor will notify Mortgagee of, and will defend the Fixtures against, all prohibited claims and demands of all persons at any time claiming the same or any interest therein;

(b) Mortgagor will not lease, sell, convey or in any manner transfer the Fixtures (except Fixtures transferred in the ordinary course of business and replaced by Fixtures of a similar nature and having at least the same value as the Fixtures replaced, and except for Permitted Encumbrances as defined in the Trust Indenture) without the prior written consent of Mortgagee;

(c) the Fixtures is not used or bought for personal, family or household purposes;

(d) the Fixtures will be kept on or at the Project and Mortgagor will not remove the Fixtures from the Project without the prior written consent of Mortgagee, except such portions or items of personal property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with new items of equal or greater quality; and

(e) all covenants and obligations of Mortgagor contained herein relating to the Mortgaged Estate shall be deemed to apply to the Fixtures whether or not expressly referred to herein.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT

Section 5.01. Events of Default. Any one or more of the following events shall be deemed an event of default hereunder (each, an "Event of Default"):

(a) the occurrence of a default or an Event of Default by Mortgagor under the Trust Indenture (other than this Mortgage) subject to any applicable notice or cure periods provided therein;

(b) failure by Mortgagor to punctually perform or observe any covenant or agreement contained in this Mortgage (other than the monetary obligations described in paragraph (a) above) and such failure shall not have been cured within 30 days (or such longer period as permitted under the Trust Indenture) after written notice from Mortgagee of such failure;

(c) if Mortgagor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent within the meaning of the United States Bankruptcy

Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code"), or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(d) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Mortgagor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Mortgagor or of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Mortgagor and such appointment shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive);

(e) if a writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Mortgaged Estate, or any judgment involving monetary damages shall be entered against Mortgagor which shall become a lien on the Mortgaged Estate or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 60 days after its entry or levy;

(f) if, during the term of the Bonds secured by this Mortgage, Mortgagor shall without the prior written approval of Mortgagee (unless permitted as provided herein) sell, convey, alienate, mortgage or encumber the Mortgaged Estate or any part thereof or any interest therein, or shall be divested of its title or any interest therein, in any manner, whether voluntarily or involuntarily, or if there is any merger, consolidation or dissolution affecting Mortgagor, or if there is a transfer of a majority interest in Mortgagor in a series of transactions or as a single transaction, unless any of the foregoing are permitted by the Trust Indenture;

(g) any assignment by Mortgagor of the whole or any part of the Revenues, issues or profits arising from the Mortgaged Estate (including, without limitation, the Revenues) to any person without the consent of Mortgagee (unless permitted as provided herein) or if, without such consent, Mortgagor shall otherwise further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the UCC) unless permitted by the Trust Indenture; or

(h) if at any time any representation, warranty or statement made by Mortgagor in the Trust Indenture or any certificate delivered by Mortgagor shall be incorrect or

misleading in any material respect, or any material misrepresentation shall at any time be made to Mortgagee by Mortgagor.

Section 5.02. Acceleration Upon Default; Additional Remedies. Subject to the cure provisions of this Section 5.02, upon the occurrence of an Event of Default (which default is not cured within any applicable cure period) Mortgagee may, at Mortgagee's sole option exercised in Mortgagee's sole discretion, pursue any one or more of the following remedies:

(a) Declare all or any portion of the Secured Obligations to be due and payable, and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind except as otherwise provided herein;

(b) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Estate or any part thereof and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Estate, take any action described in Article II, III or IV hereof, sue for or otherwise collect the Revenues thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon any Secured Obligations, all in such order as Mortgagee may determine. The entering upon and taking possession of the Mortgaged Estate, the taking of any action described in Article II, III or IV hereof, the collection of such Revenues and the application thereof as aforesaid, shall not cure or waive any default or notice of default or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Estate or the collection, receipt and application of Revenues, issues or profits, Mortgagee shall be entitled to exercise every right provided for the Trust Indenture or by law upon occurrence of any Event of Default, including the right to exercise the power of sale herein conferred;

(c) Commence an action to foreclose this Mortgage (either judicially or non-judicially), appoint a receiver, specifically enforce any of the covenants hereof, or sell the Mortgaged Estate pursuant to the power of sale herein conferred and in a manner provided under Michigan law;

(d) Exercise any or all of the remedies available to a secured party under the UCC, including, but not limited to:

(i) Either personally or by means of a court appointed receiver, commissioner or other officer, take possession of all or any of the Fixtures and exclude therefrom Mortgagor and all others claiming under Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor in respect of the Fixtures or any part thereof. In the event Mortgagee demands or attempts to take possession of the Fixtures in the

exercise of any rights under the Trust Indenture, Mortgagor promises and agrees to promptly turn over and deliver complete possession thereof to Mortgagee;

(ii) Without notice to or demand upon Mortgagor, make such payments and do such acts as Mortgagee may deem necessary to protect its security interest in the Fixtures, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder and, in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

(iii) Require Mortgagor to assemble the Fixtures or any portion thereof, at a place designated by Mortgagee and reasonably convenient to both parties, and promptly to deliver such Fixtures to Mortgagee, or an agent or representative designated by it. Mortgagee, and its agents and representatives, shall have the right to enter upon any or all of Mortgagor's premises and property to exercise Mortgagee's rights hereunder;

(iv) Sell, lease or otherwise dispose of the Fixtures at public sale, with or without having the Fixtures at the place of sale, and upon such terms and in such manner as Mortgagee may determine. Mortgagee may be a purchaser at any such sale; and

(v) Unless the Fixtures is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least 10 days' prior written notice of the time and place of any public sale of the Fixtures or other intended disposition thereof. Such notice may be mailed to Mortgagor at the address set forth at the beginning of this Mortgage and shall be deemed to be given on the date of mailing thereof; and

(vi) Any sale made pursuant to the provisions of this subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of all or a portion of the remainder of the Mortgaged Estate under power of sale as provided herein upon giving the same notice with respect to the sale of the Personal Property hereunder as is required for such sale of the remainder of the Mortgaged Estate under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under the UCC.

(e) Exercise any other rights or remedies which may now or hereafter be available to Mortgagee under this Mortgage or the Trust Indenture or pursuant to applicable law or in equity; or

(f) If held by Mortgagee, surrender the insurance policies maintained pursuant to Section 1.05, collect the unearned insurance premiums and apply such sums as a credit on the Secured Obligations in such priority and proportion as Mortgagee in its sole discretion shall deem proper, and in connection therewith, Mortgagor hereby appoints

Mortgagee as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Mortgagee to collect such insurance premiums.

THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON THE OCCURRENCE OF AN EVENT OF DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT AND THE SALE OF THE MORTGAGED ESTATE IN CONNECTION THEREWITH, NO HEARING IS REQUIRED AND THE ONLY NOTICE REQUIRED IS THE PUBLICATION OF NOTICE IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THE NOTICE ON THE PREMISES. THE MORTGAGOR HERBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND THE STATE OF MICHIGAN TO A HEARING PRIOR TO SALE IN CONNECTION WITH FORECLOSURE OF THIS MORTGAGE BY ADVERTISEMENT AND ALL NOTICE REQUIREMENTS EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

Section 5.03. [Reserved].

Section 5.04. Appointment of Receiver. If an Event of Default (which is not cured within any applicable cure period) shall have occurred, Mortgagee, as a matter of right and without notice to Mortgagor or anyone claiming under Mortgagor, and without regard to the value of the Mortgaged Estate or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Estate and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases in accordance with Michigan law and all the powers and duties of Mortgagee in case of entry as provided in Section 5.02(b) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Estate unless such receivership is sooner terminated. Mortgagee shall, in addition to and not in limitation of any of the foregoing or any other remedies provided in this Mortgage or otherwise available under applicable law, have all of the rights provided under the laws of the State of Michigan.

Section 5.05. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation hereby and to exercise all rights and powers under this Mortgage or under the Trust Indenture or other agreement or any laws now or hereafter in force. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by the Trust Indenture to Mortgagee, or to which Mortgagee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee. Mortgagee may pursue inconsistent remedies.

The acceptance by Mortgagee of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided. The acceptance by Mortgagee of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and failure of Mortgagor to pay such entire sum then due shall be and continue to be an Event of Default notwithstanding such acceptance of such amount on account, as aforesaid. Mortgagee or Trustee shall be, at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Mortgagee thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon it, and the right to proceed with a sale under any notice of default, or an election to sell, or the right to exercise any other rights or remedies hereunder, shall in no way be impaired, whether any of such amounts are received prior or subsequent to such proceeding, election or exercise. Consent by Mortgagee to any action or inaction of Mortgagor which is subject to consent or approval of Mortgagee hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions or inactions.

Section 5.06. Possession of Mortgaged Estate. In the event of a trustee's sale or foreclosure sale hereunder and after the time of such sale, and Mortgagor occupies the portion of the Mortgaged Estate so sold, or any part thereof, Mortgagor shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Estate so occupied, such rental to be due and payable daily to the purchaser. An action of unlawful detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Estate and premises; and this agreement and a trustee's deed shall constitute a lease and agreement under which the tenant's possession arose and continued. Nothing contained in this Mortgage shall be construed to constitute Mortgagee as a "mortgagee in possession" in the absence of its taking actual possession of the Mortgaged Estate pursuant to the powers granted herein.

Section 5.07. Relief from Stay. In the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, subject to court approval, Mortgagee shall thereupon be entitled and Mortgagor irrevocably consents to relief from any stay imposed by Section 362 of the Bankruptcy Code on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided in the Trust Indenture and Mortgagor hereby irrevocably waives its rights to object to such relief. In the event Mortgagor shall commence a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, Mortgagor hereby agrees that no injunctive relief against Mortgagee shall be sought under Section 105 or other provisions of the Bankruptcy Code by Mortgagor or other person or entity claiming through Mortgagor, nor shall any extension be sought of the stay provided by Section 362 of the Bankruptcy Code.

Section 5.08. Cash Collateral. To the fullest extent allowed by applicable law, Mortgagor hereby acknowledges and agrees that in the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (i) that all of the Revenues are, and shall for purposes be

deemed to be, "proceeds, product, offspring, rents, or profits" of the Project covered by the lien of the Mortgage, as such quoted terms are used in Section 552(b) of the Bankruptcy Code; (ii) that in no event shall Mortgagor assert, claim or contend that any portion of the Revenues are, or should be deemed to be, "accounts" or "accounts receivable" within the meaning of the Bankruptcy Code and/or applicable state law; (iii) that the Revenues are and shall be deemed to be in any such bankruptcy proceeding "cash collateral" of Mortgagee as that term is defined in Section 363 of the Bankruptcy Code; and (iv) that Mortgagee has valid, effective, perfected, enforceable and "choate" rights in and to the Revenues without any further action required on the part of Mortgagee to enforce or perfect its rights in and to such cash collateral, including, without limitation, providing notice to Mortgagor under Section 546(b) of the Bankruptcy Code.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Governing Law. This Mortgage shall be governed by the internal laws of the State without giving effect to its conflicts of law principles. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions of this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. If any conflict shall arise between the terms of this Mortgage and the Trust Indenture, the terms of the Trust Indenture shall govern.

Section 6.02. Waiver of Rights. To the extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted (i) providing for any appraisalment before sale of any portion of the Mortgaged Estate, or (ii) in any way extending the time for the enforcement of the collection of the Secured Obligations or creating or extending a period of redemption from any sale made in collecting the Secured Obligations. To the full extent Mortgagor may do so under the laws of the State, Mortgagor agrees that Mortgagor will not at any time insist upon, plea, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisalment, valuation, stay, extension, redemption or homestead exemption, and Mortgagor, for Mortgagor, Mortgagor's representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Estate, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisalment, stay of execution, homestead exemption, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Mortgagor expressly waives and relinquishes any and all rights, remedies and defenses that Mortgagor may have or be able to assert by reason of the laws of the State of Michigan pertaining to the rights, remedies and defenses of sureties. The waivers and agreements contained in this section and elsewhere in this Mortgage are given by Mortgagor knowingly and voluntarily and upon advice of counsel.

Section 6.03. Limitation of Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Mortgagee for the use, forbearance, or detention of the money to be held pursuant to the Trust Indenture or otherwise, or for the performance or payment of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance Mortgagee or holders of the Bonds shall ever receive as interest under the Bonds or this Mortgage or otherwise anything of value which would exceed interest at the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Bonds or on account of other Secured Obligations and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Bonds and such other Secured Obligations, such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance, or detention of the Secured Obligations shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such obligations until payment in full so that the rate of interest on account of Secured Obligations is uniform throughout the term thereof. The terms and provisions of this paragraph shall control all agreements between Mortgagor and Mortgagee.

Section 6.04. [Reserved]

Section 6.05. Notices. Unless otherwise required by law, whenever Mortgagee or Mortgagor shall desire to give or serve any notice, demand, request or other communication with respect to this Mortgage, each such notice, demand, request or other communication shall be in writing and shall be deemed to have been given if sent by hand delivery, one day after deposit with overnight courier or two days after deposit in the case of certified mail, postage prepaid, addressed to the following mailing addresses:

If to Mortgagor: Concord Academy-Boyne
 401 East Dietz Road
 Boyne City, MI 49712-9653
 Attention: Chief Administrative Officer
 Telephone: (231) 582-0194
 Facsimile: (231) 582-4214

If to Mortgagee: U.S. Bank National Association
 ATTN: Corporate Trust Services
 60 Livingston Avenue
 St. Paul, Minnesota 55107
 Tel: (651) 495-3910
 Fax: (651) 495-8096

Any party may at any time change its address for such notices by delivering to the other parties hereto, as aforesaid, a notice of such change.

Section 6.06. Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 6.07. Invalidity of Certain Provisions; Conflicting Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the Secured Obligations, or if the lien is invalid or unenforceable as to any part of the Mortgaged Estate, the unsecured or partially secured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured portion of the Secured Obligations, and all payments made on such obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Secured Obligations which is not secured or fully secured by the lien of this Mortgage.

Section 6.08. Subrogation. To the extent that proceeds of the Bonds or advances under this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Mortgaged Estate, such proceeds or advances have been or will be advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released of record.

Section 6.09. Change in Ownership. If the ownership of the Mortgaged Estate or any part thereof or interest therein becomes vested in a person other than Mortgagor owning the same on the date hereof, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and the Secured Obligations in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Secured Obligations. No sale of the Mortgaged Estate, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Secured Obligations, given by Mortgagee, shall operate to release, discharge, modify, change or affect the original liability, if any, of Mortgagor or the liability of any guarantors or sureties of Mortgagor, either in whole or in part; provided that Mortgagor may be released from its original liability under this Mortgage upon transfer of the entire Mortgaged Estate with the written consent of Mortgagee and as permitted under the Trust Indenture.

Section 6.10. Assignment of Mortgagee's Interest. It is expressly agreed that any and all terms of this Mortgage, the Trust Indenture and all other agreements made or executed by Mortgagor or others in favor of Mortgagee, and all rights, powers, privileges, options and remedies conferred upon Mortgagee herein and therein, shall inure to and be for the benefit of, and may be exercised by, Mortgagee and its successors and assigns, and the words "Mortgagee" shall also mean and include the successor or successors and the assign or assigns of Mortgagee and its successors and assigns. Mortgagor hereby specifically grants unto Mortgagee the right and privilege, at Mortgagee's option, to transfer and assign to any third person all or any part of Mortgagee's rights to receive funds or payments hereunder.

Section 6.11. Time Is of the Essence. Time is of the essence under this Mortgage and the Trust Indenture.

Section 6.12. Obligations of Mortgagor. The obligations of Mortgagor to make payments hereunder and under the Trust Indenture and to perform and observe all agreements on

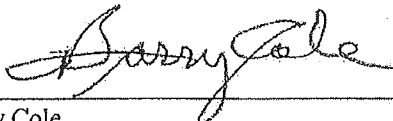
its part contained herein and therein shall be absolute and unconditional. Until this Mortgage is terminated or payment in full of all Bonds is made or is provided for in accordance with the Trust Indenture, Mortgagor (i) will not suspend or discontinue any payments under the Trust Indenture or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Trust Indenture, this Mortgage and the Bonds; and (iii) except as provided herein will not terminate the Trust Indenture or this Mortgage for any cause.

Section 6.13. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or under the Trust Indenture, this Mortgage or the Bonds or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of Mortgagor, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Bonds.

Section 6.14. Supplements; Amendments. This Mortgage may be supplemented or amended by written agreement between Mortgagor and Mortgagee in accordance with the applicable provisions of the Trust Indenture.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed on the day and year set forth in the acknowledgment attached hereto and effective on the date first written above.

CONCORD ACADEMY-BOYNE

By: 
Barry Cole

Its: Chief Administrative Officer

POWER OF ATTORNEY

N/A

Mortgagee may act as attorney-in-fact or otherwise on behalf of Mortgagor pursuant to Sections 1.22, 3.01 and 5.02(f) of this Mortgage. This power of attorney is coupled with an interest, is durable and is not affected by subsequent disability or incapacity of the principal or lapse of time.

Witness

N/A

Mortgagor

EXHIBIT "A" - LEGAL DESCRIPTION

BVT FILE 2007-06-18342

Land situated in the Township of Boyne Valley, Charlevoix County, Michigan:

PARCEL 1: Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4 of Section 6, Township 32 North, Range 5 West, Charlevoix County Records.

PARCEL 2: The East 330 feet of the Southwest 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 6, Township 32 North, Range 5 West; ALSO:

PARCEL 3: The South 110 feet of the Northeast 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 6, Township 32 North, Range 5 West; ALSO:

PARCEL 4: The South 110 feet of the East 330 feet of the Northwest 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 6, Township 32 North, Range 5 West.

PARCEL #: 15-02-006-023-30 & 45.

(2007-06-18342.PFD/2007-06-18342/22)

LIBER 810 PAGE 510

EXHIBIT B

PERMITTED EXCEPTIONS
AS DISCLOSED IN TITLE INSURANCE POLICY

SEE ATTACHED

RECEIVED
2007 JUL 11 A 9:00

LIBER 810 PAGE 476



810-476

STATE OF MICHIGAN
COUNTY OF CHARLEVOIX
RECEIVED FOR RECORD

2007 JUL 11 AM 9:10

Charles W. Davotny
REGISTER OF DEEDS

REGISTRY
2007 JUL -5 A 9:00

DISCHARGE OF MORTGAGE

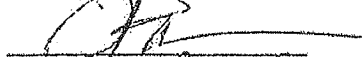
U.S. Bank National Association, a Minnesota Corporation, whose address is 180 East Fifth Street, St. Paul, Minnesota 55101, as assignee of MJK Capital Corporation a Minnesota corporation whose address is 5500 Wayzata Blvd. Suite 800, Minneapolis, Minnesota 55416, pursuant to an Assignment Agreement recorded in the land records of Charlevoix County, Michigan at Liber 349, Page 666, as Mortgagee under a certain Combination Mortgage, Security Agreement and Fixture Financing Statement dated as of October 1, 1998 and recorded at Liber 349, Page 654 of the land records of Charlevoix County, Michigan (the "Mortgage") made and executed by Concord Academy - Boyne, a Michigan public school academy, whose address is 00401 E. Dietz Road, Boyne City, MI 49712 ("Mortgagor") hereby, through its authorized representative, certifies that said Mortgage, covering land situated in the County of Charlevoix, Michigan described upon the attached Exhibit A, is fully paid, satisfied, and discharged.

This document, though executed in counterparts, shall be construed as a complete document.

[NO FURTHER TEXT THIS PAGE]

Dated: June 21, 2007

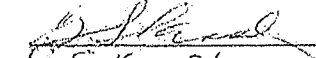
Signed in the presence of:


JAY PAULSON


Dan Sheff
STATE OF Minnesota

COUNTY OF Prosser) ss

Signed:


G.S. Kessler
Vice President
of US Bank National
Association

The foregoing instrument was acknowledged before me this 20th day of June 2007, by ROSIE KELLEY

M. G. S. Kessler, Vice President of US Bank National Association, a Minnesota Corporation

Drafted by and when recorded return to:

Joseph B. Urban, Esq.
Clark Hill PLC
255 S. Old Woodward Avenue
Third Floor
Birmingham, MI 48009
(248) 988-1829



EXHIBIT "A" - LEGAL DESCRIPTION

LIBER 810 PAGE 478

BVT FILE 2007-06-18342

Land situated in the Township of Boyne Valley, Charlevoix County, Michigan:

PARCEL 1: Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4 of Section 6, Township 32 North, Range 5 West, Charlevoix County Records.

PARCEL 2: The East 330 feet of the Southwest 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 6, Township 32 North, Range 5 West; ALSO:

PARCEL 3: The South 110 feet of the Northeast 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 6, Township 32 North, Range 5 West; ALSO:

PARCEL 4: The South 110 feet of the East 330 feet of the Northwest 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 6, Township 32 North, Range 5 West.

PARCEL #: 15-02-006-023-30 & 45

(2007-06-18342.PFD/2007-06-18342/22)

RECEIVED

2007 JUL 11 AM 9:00

LIBER 810 PAGE 473



810-473

STATE OF MICHIGAN
COUNTY OF CHARLEVOIX
RECEIVED FOR RECORD

2007 JUL 11 AM 9:09

Charlene M. Montoya
REGISTER OF DEEDS

RECEIVED
2007 JUL -5 A 9:00

DISCHARGE OF MORTGAGE

U.S. Bank National Association, a Minnesota Corporation, whose address is 180 East Fifth Street, St. Paul, Minnesota 55101, as assignee of **MCM Capital Corporation** a Minnesota corporation whose address is 1219 Marquette, Suite 113, Minneapolis, MN 55403, pursuant to an Assignment Agreement recorded in the land records of Charlevoix County, Michigan at Liber 562, Page 333, as Mortgagee under a certain Mortgage dated as of July 1, 2003 and recorded at Liber 562, Page 320 of the land records of Charlevoix County, Michigan (the "Mortgage") made and executed by Concord Academy - Boyne, a Michigan public school academy, whose address is 00401 E. Dietz Road, Boyne City, MI 49712 ("Mortgagor") hereby, through its authorized representative, certifies that said Mortgage, covering land situated in the County of Charlevoix, Michigan described upon the attached Exhibit A, is fully paid, satisfied, and discharged.

This document, though executed in counterparts, shall be construed as a complete document.

[NO FURTHER TEXT THIS PAGE]

18342

5457061v.1

Dated: June 21, 2007

Signed in the presence of:

[Signature]
Jay Paulson

[Signature]
Dan Skelton

STATE OF Minnesota)
COUNTY OF Ramsay) ss

Signed:

[Signature]
G. S. Kessler
Vice President of
US Bank National
Association

The foregoing instrument was acknowledged before me this 20th day of June, 2007, by [Signature]

G. S. Kessler, VP of US Bank National Association
& Minnesota Corporation

Drafted by and when recorded return to:

Joseph B. Urban, Esq.
Clark Hill PLC
255 S. Old Woodward Avenue
Third Floor
Birmingham, MI 48009
(248) 988-1829

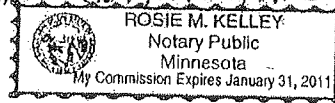


EXHIBIT "A" - LEGAL DESCRIPTION

LIBER 810 PAGE 475

BVT FILE 2007-06-18342

Land situated in the Township of Boyne Valley, Charlevoix County, Michigan:

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PARCEL #: 15-02-006-023-30 & 45

(2007-06-18342.PFD/2007-06-18342/22)

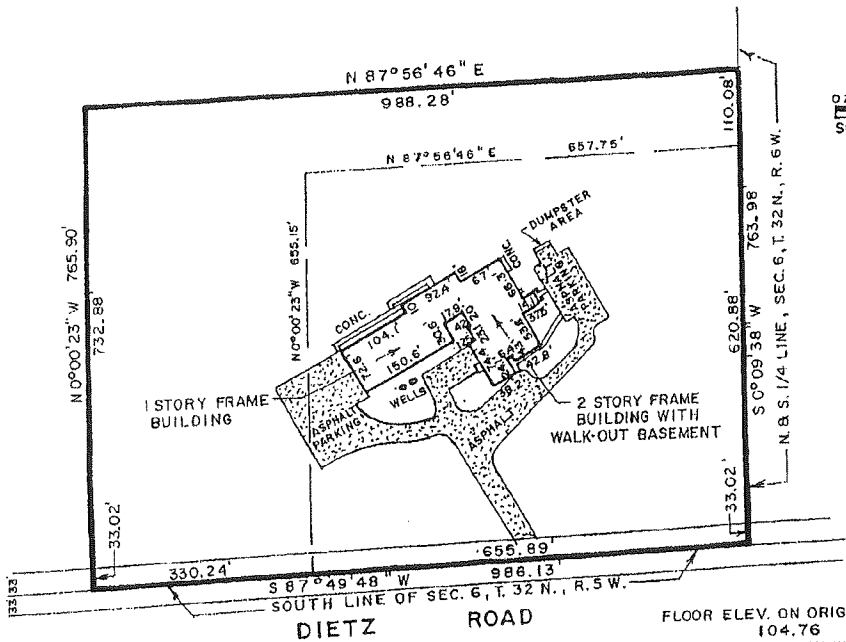
CERTIFICATE OF MORTGAGE INSPECTION

SHEET NO. 1

CERTIFIED TO: CONCORD ACADEMY
 00401 Dietz Road
 Boyne City, Michigan 49712
 DATE: May 30, 2000



0 20' 50' 100' 200'
 SCALE: 1" = 200'



FLOOR ELEV. ON ORIGINAL BUILDING 104.76
 FLOOR ELEV. ON NEW BUILDING 104.69
 ELEV. OF BASEMENT FLOOR 93.12
 ELEVATIONS RELATIVE TO 100

PART OF S.E. 1/4 OF S.W. 1/4, SEC. 6, T. 32 N., R. 5 W.
 (BOYNE VALLEY TOWNSHIP, CHARLEVOIX COUNTY)

PROPERTY DESCRIPTION: Land located in the Township of Boyne Valley, County of Charlevoix, State of Michigan, described as:
 Beginning at a 1-1/2 inch pipe at the South 1/4 corner of Section 6, Town 32 North, Range 5 West; thence along the South line of said section, and along the centerline of Dietz Road, South 87°49'48" West 986.13 feet; thence North 00°00'23" West 33.02 feet to a 1/2 inch rod on the North line of said road; thence continuing North 00°00'23" West 732.88 feet to a 1/2 inch rod; thence North 87°56'46" East 988.28 feet to a 1/2 inch rod on the North and South 1/4 line of said section; thence along said 1/4 line, South 00°09'38" West 730.96 feet to a 1/2 inch rod on the North line of said road; thence continuing along said 1/4 line, South 00°09'38" West 33.02 feet to the point of beginning; being a part of the Southeast 1/4 of the Southwest 1/4 of Section 6, Town 32 North, Range 5 West.



[Handwritten Signature]

John E. Ferguson, P.S. No. 24595
 I HEREBY CERTIFY that I have inspected the property hereon described; that there are no visible encroachments except as noted.

SUBJECT to any Easements, Reservations, or Restrictions of record, or any other facts that may be disclosed by an accurate and current title search. Eaves, fences, landscaping and utility lines are not shown, unless specifically requested. Precise setbacks are subject to survey.

FERGUSON & CHAMBERLAIN ASSOCIATES, INC.
 PROFESSIONAL SURVEYORS
 103 W. UPRIGHT STREET - CHARLEVOIX, MICHIGAN 49720
 (231) 547-6882 - FAX (231) 547-0021
 EMAIL: SURVEY@FREEWAY.NET

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

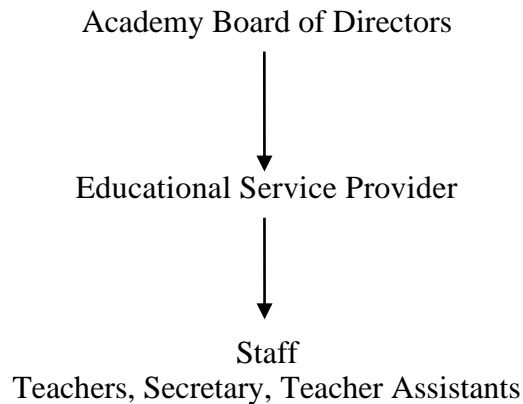
Schedule 7a

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 Concord Academy – Boyne 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
Trisha M. Stefanic	6/30/2025
Jeffrey M. Derenzy	6/30/2024
Lauren K. Haske	6/30/2024
Holly M. LaCombe	6/30/2023
Abraham Manthei	6/30/2024

SECTION B
EDUCATIONAL GOALS

Educational Goals

Concord Academy Boyne will provide an inspiring and challenging educational environment conducive to critical and creative thinking by integrating a strong fine arts program into the traditional academic curriculum.

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 in grades 2 through 11, who have been enrolled for three or more consecutive academic years at the Academy, will be assessed using the following metrics and achievement targets.

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	The median subject scores as measured by performance on NWEA’s MAP [®]	Cohort students will achieve subject scores greater than that of non-cohort students ²
8 th , 9 th , 10 th	The median subject scores as measured by performance on the PSAT [®]	
11 th	The median subject scores as measured by performance on the SAT [®]	

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) Scholastic Aptitude Test (SAT) or successor tests	
All Grades	State Accountability	

Measure 4: Academy Specific Goals

Implementation of one arts-based project across the curriculum each year.

Grade(s)	Metric	Target
K-12 th	Art-based learning	By 2024-25, all students will participate in one arts based project per class/subject each year.

Timeline for implementation.

2022/2023: Explore options, present options, and deliver professional development

2023/2024: Continue professional development and implement one arts based project per semester

2024/2025: Implement one arts-based project per class/subject in a year, and continue to build curriculum in this manner

SECTION C

EDUCATIONAL PROGRAMS



Concord Academy Boyne

Concord Academy Boyne Graduation Requirements, as of 2016 graduating class:

To earn a Diploma, all credits must meet the Michigan Merit Curriculum (MMC), as defined by the Revised School Code:

- 4 English credits
- 4 Math credits
- Online Learning Experience
- 1 credit PE & Health
- 3 Science credits
- 3 Social Studies credits
- 1 Visual, Performing and Applied Arts credit
- 2 Foreign Language credits*

18 credits

In addition to the MMC, Concord Academy Boyne requires the following credits for a diploma:

- 1 Social Studies credit
- 1/2 Health credit
- 1/2 PE credit
- 2 Music credits (Band or Choir, or a combination)
- 1/2 Musical Theatre credit
- 1 Art credit

23.5 required credits
+6.5 additional electives

30 credits

The School Board of Concord Academy Boyne recognizes that with a Personal Curriculum (PC), there is more than one path to graduation with a diploma, and PCs will be approved and monitored through the Personal Curriculum Team. The PC Team agrees that all decisions made will remain in accordance with law.



Concord Academy Boyne

To earn a Certificate of Completion, students will meet the following:

- 4 English credits
- 4 Math credits
- 4 Science (including Health) credits
- 4 Social Studies credits
- 2 Foreign Language credits*
- 1 PE credit
- 2 Music credits (1 Band, 1 Choir, or 2 of either course)
- 1 Art credit
- .5 Musical Theatre credit

23.5 required credits
+6.5 additional electives

30 credits

SECTION D
CURRICULUM

**CURRICULUM
TO BE UPLOADED SEPARATELY**

SECTION E

METHODS OF PUPIL ASSESSMENT



Concord Academy Boyne

Contract Schedule 7E

Methods of Pupil Assessment

The Academy will administer a nationally normed assessment test (currently NWEA) annually to grades K-8. The Academy will also administer the State Approved Assessments (currently M-Step, PSAT, and SAT) for high school to all appropriate grades.

The results will be reported to Lake Superior State University, and included in the Annual Education Report.

Further testing and reporting will also be administered, as required by the Every Student Succeeds Act (ESSA).

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 kindergarten 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.