

*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

**BAY CITY ACADEMY**  
(A PUBLIC SCHOOL ACADEMY)

July 1, 2023

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**AUTHORIZING RESOLUTION  
AND  
RESOLUTION**



**RESOLUTION ADOPTED BY LAKE SUPERIOR STATE UNIVERSITY  
BOARD OF TRUSTEES ON FEBRUARY 17, 2023**

On motion by Thomas Bailey and second by Richard Barch,  
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 26, 2018, the University Board issued to **Bay City 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, 2023 and the Academy has asked the University Board to issue a new contract to charter a public school academy; and

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

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

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

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

- b. The University Board approves and authorizes the issuance of the Contract and related documents and authorizes the Lake Superior State University President (the "President") to execute the Contract and related documents issued by the University Board to the Academy, provided that, before execution of the Contract, the University President or his designee affirms the following:
- i. all terms of the Contract have been agreed upon and the Academy is able to comply with all terms and conditions of the Contract and applicable law;
  - ii. the Academy has submitted all due diligence and other information required by the CSO Officer and the University Board's legal counsel and the CSO Officer is satisfied that the Academy will be able to operate successfully;
  - iii. the Contract term does not exceed five (5) years and ends not later than June 30, 2028; 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 17th day of February, 2023, with a vote of 7 for, 0 opposed, and 0 abstaining.

Signature: 



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

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

**Method of Selection and Appointment**

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

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

**Length of Term**

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

### Number of Directors

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

### Prerequisite Qualifications of Members

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

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

### Oath of Public Office

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

### Board Training

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

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

LSSU Board Approval:

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

Date April 27, 2012  
April 27, 2012

**CONTRACT TERMS  
AND CONDITIONS**

**TERMS AND CONDITIONS  
OF CONTRACT**

**DATED: JULY 1, 2023**

**ISSUED BY**

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

**TO**

**BAY CITY ACADEMY  
(A PUBLIC SCHOOL ACADEMY)**

**CONFIRMING THE STATUS OF**

**BAY CITY ACADEMY**

**AS A**

**PUBLIC SCHOOL ACADEMY**

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Exhibit A

Schedules

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

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

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

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

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

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

## **ARTICLE I**

### **DEFINITIONS**

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

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

- (e) “Authorizing Resolution” means the Resolutions adopted by the University Board on February 17, 2023.
- (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, 2023, Issued by the Lake Superior State University Board of Trustees to Bay City Academy Confirming the Status of Bay City Academy as a public school academy.”
- (z) “University” means Lake Superior State University, a state public University, established pursuant to Article VIII, Sections 4 and 6 of the Michigan Constitution of 1963 and MCL 390.391 et seq.
- (aa) “University Board” means the Lake Superior State University Board of Trustees, an authorizing body as designated under Section 501 of the Code, MCL 380.501.
- (bb) “University Board Chairperson” means the Chairperson of the Lake Superior State University Board of Trustees or his or her designee. In Section 1.1(cc) below, “University Board Chairperson” means the Board Chairperson of the Lake Superior State University Board of Trustees.
- (cc) “University Charter Schools Hearing Panel” or “Hearing Panel” means such person(s) as designated by the University Board Chairperson.

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

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

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

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

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

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

## ARTICLE II

### RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

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

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

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

State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be assigned or pledged for the payment of any Academy contract, agreement, note, mortgage, loan or other instrument of indebtedness.

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

### **ARTICLE III**

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

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

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

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

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

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

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

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

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

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

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

## ARTICLE IV

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

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

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

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

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

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

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

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

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

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

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

Section 4.8. Academy Counsel. The Academy Board shall select, retain and pay legal counsel to represent the Academy. The Academy shall not retain any attorney to represent the

Academy if the attorney or the attorney's law firm also represents the Academy's Educational Service Provider or any person or entity leasing real property to the Academy, if any.

## **ARTICLE V**

### **CORPORATE STRUCTURE OF THE ACADEMY**

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

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

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

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

## **ARTICLE VI**

### **OPERATING REQUIREMENTS**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 6.14. Disqualified Organizational or Contractual Affiliations. The Academy shall comply with all state and federal law applicable to public schools concerning church-state issues. To the extent disqualified under the state or federal constitutions, the Academy shall not be organized by a church or other religious organization and shall not have any organizational or

contractual affiliation with or constitute a church or other religious organization. Nothing in this Section shall be deemed to diminish or enlarge the civil and political rights, privileges and capacities of any person on account of his or her religious belief.

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

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

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

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

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

## **ARTICLE VII**

### **TUITION PROHIBITED**

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

## **ARTICLE VIII**

### **COMPLIANCE WITH APPLICABLE LAW**

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

## **ARTICLE IX**

### **AMENDMENT**

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

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

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

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

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

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

## **ARTICLE X**

### **CONTRACT TERMINATION, SUSPENSION, AND REVOCATION**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

## **ARTICLE XI**

### **PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES**

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

The Academy agrees to comply with all of the following:

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

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

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

<b>M.U.S.I.C. INSURANCE COVERAGE REQUIREMENTS</b>	
<b>for Public School Academies (PSA), Strict Discipline Academies (SDA) Urban High Schools (UHS) &amp; Schools of Excellence (SOE)</b>	
NOTE: Insurance carriers must have an AM Best Rating of "A - VII" or better	
<b>EFFECTIVE DATE: 07/01/12 -- MUSIC Board Approval Date: 12/15/2011</b>	
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>General or Public Liability (GL)</b>	<p>Must be Occurrence form</p> <p>Must include Sexual Abuse &amp; 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 &amp; \$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>
<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Errors &amp; Omissions (E&amp;O)</b>	<p>Must include Employment Practices Liability.</p> <p>Must include Corporal Punishment coverage.</p> <p>Must include Sexual Abuse &amp; Molestation coverage.</p> <p>Must include Directors' &amp; Officers' coverage.</p> <p>Must include School Leaders' E&amp;O.</p> <p>Can be Claims Made or Occurrence form.</p>

	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**

<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Automobile Liability (AL) for Owned and Non-Owned Autos</b>	\$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.

<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Workers' Compensation</b>	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

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

<b>COVERAGE</b>	<b>REQUIREMENTS</b>
<b>Umbrella</b>	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
<b>Property</b>	Limits to cover replacement for PSA/SDA/UHS/SOE's property exposures, including real and personal, owned or leased.
<b>Cyber Risk Coverage</b>	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.
<b>Automobile Physical Damage</b>	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
<b>General or Public Liability (GL)</b>	Must be Occurrence form
	<b>Must include Sexual Abuse &amp; Molestation coverage</b>
	<b>Must include Corporal Punishment coverage</b>
	\$1,000,000 per occurrence & \$2,000,000 aggregate
	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
	<b>NOTE: Strict Disciplinary Academies must also have Security/Police Professional Liability coverage with MINIMUM of \$1,000,000 per occurrence</b>
COVERAGE	REQUIREMENTS
<b>Errors &amp; Omissions (E&amp;O)</b>	Must include Employment Practices Liability
	Must include Directors' and Officers' coverage
	Must include School Leaders' E&O
	Can be Claims Made or Occurrence form
	<b>If Claims Made, Retroactive Date must be the same or before date of original University-PSA contract</b>
	\$1,000,000 per occurrence & \$3,000,000 aggregate
	PSA must be included as First Named Insured
	University must be included as Additional Insured with Primary Coverage
COVERAGE	REQUIREMENTS
<b>Automobile Liability (AL) for Owned and Non-Owned Autos</b>	\$1,000,000 per accident
	PSA must be included as First Named Insured

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

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

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

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the full faith and credit of the University Board, the University or any other authorizing body, or to enter into a contract that would bind the University Board or the University. The Academy also is limited in its authority to contract by

the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy hereby 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.

## **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: Bay City Academy  
301 N Farragut St.  
Bay City, MI 48708

If to Academy Counsel: Nicholas McElhinny  
Bodman PLC  
1901 St. Antoine St., 6<sup>th</sup> Floor  
Detroit, MI 48226

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

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

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

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

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

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

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

Section 12.9. Term of Contract. This Contract shall commence on the date first set forth above and shall remain in full force and effect for 5 years until June 30, 2028, 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:   
Dr. Lynn B. Gillette, Interim President

Date: July 1, 2023

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.

**BAY CITY ACADEMY**

By:   
Academy Board President

Date: July 1, 2023

**CONTRACT SCHEDULE 1**

**ARTICLES OF INCORPORATION**



Department of Licensing and Regulatory Affairs

Lansing, Michigan

This is to Certify That

**BAY CITY ACADEMY**

was validly Incorporated on February 8 , 2011 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: 18023174570

In testimony whereof, I have hereunto set my hand,  
in the City of Lansing, this 7th day of February , 2018.

Julia Dale, Director

Corporations, Securities & Commercial Licensing Bureau

**MICHIGAN DEPARTMENT OF ENERGY, LABOR & ECONOMIC GROWTH  
BUREAU OF COMMERCIAL SERVICES**

Date Received

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

Name

David S. Fry

Address

6739 Courtland Dr., N.E., Ste. 101

City

Rockford

State

MI

ZIP Code

49341

EFFECTIVE DATE:

Document will be returned to the name and address you enter above.  
If left blank, document will be returned to the registered office.

**ARTICLES OF INCORPORATION**

**For use by Domestic Nonprofit Corporations**

(Please read information and instructions on the last page)

*Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Articles:*

**ARTICLE I**

The name of the corporation is:

Bay City Academy

**ARTICLE I I**

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

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

Additionally, the corporation is organized for the purpose of 1) improving pupil achievement for all pupils, including, but not limited to, educational disadvantaged pupils by improving the learning environment; 2) stimulating innovative teaching methods; 3) creating new professional opportunities for teachers in a new type of public school in which the school structure and educational program can be innovatively designed and managed by teachers at the school site level; 4) achieving school accountability outcomes by placing full responsibility for performance at the school site level; and 5) providing parents and pupils with greater choices among public schools, both within and outside their existing school district.

## **ARTICLE II (A)**

The authorizing body for the corporation, pursuant to the provisions of Michigan Compiled Laws §380.502, is the Lake Superior State University Board of Trustees.

It is intended that the Articles of Incorporation will be effective as of the date filed with the Michigan Department of Consumer and Industry Services, Securities and Land Development Bureau.

## **ARTICLE III**

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

The description and value of its real property assets are : *None*

The description and value of its personal property assets are: *None*

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

- 1. Michigan state school aid payment received pursuant to current, or any successor, law.**
- 2. Federal funds, to the extent available.**
- 3. Donations.**
- 4. Fees and charges permitted to be charged by Michigan public school academies.**
- 5. Any other funds lawfully received**

## **ARTICLE IV**

The address of the registered office is:

**1245 Hammond Road East  
Traverse City, MI 49686**

The mailing address of registered office is the same.

The name of the resident agent at the registered office is:

**Steven J. Ingersoll, O.D.**

## **ARTICLE V**

The name and business address of the incorporator is **David S. Fry, 6739 Courtland Dr., N.E., Ste. 101, Rockford, MI 49341**

## **ARTICLE VI**

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

## **ARTICLE VII**

Pursuant to Michigan Compiled Laws 380.503 (4), the method of selection, length of term and number of members of the board of directors of the corporation shall be approved by a resolution of the Board of Trustees of Lake Superior State University.

The initial Board of Directors shall be the individuals named in a resolution approved by the Lake Superior State University Board of Trustees pursuant to recommendation by the incorporator to the Director of Public School Academy Operations of Lake Superior State University. One-third (1/3) of the directors shall be designated as holding (1) year terms, one-third (1/3) shall be designated as holding two (2) year terms and one-third (1/3) shall be designated as holding (3) year terms, the term of each Board Member commencing on or before February 1, 2011. Thereafter, directors shall be nominated for three (3) year terms by the attending directors at each annual meeting, in sufficient numbers to fill the terms which are then expiring. All nominations of directors by the Board are subject to appointment by the Board of Trustees of Lake Superior State University. The Board of Trustees of Lake Superior State University may determine in its sole discretion, with or without cause, not to appoint any director nominated by the Board of Directors. The Board of Trustees of Lake Superior State University retains the right and may determine, in its sole discretion, to nominate and approve a director of its own choosing.

The number of directors shall be no fewer than five (5) or greater than nine (9). Criteria for consideration of person for election as directors shall be set forth in the Bylaws of the corporation.

## **ARTICLE VIII**

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

To the extent permitted by law, in the event of the dissolution of the corporation, and after making provision for the payment of all liabilities of the school, all of the school'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 dissolution shall Lake Superior State University be liable for any of the liabilities of the corporation.

## ARTICLE IX

The board of directors shall have all power and duties permitted by law to manage the business, property and affairs of the corporation.

## ARTICLE X

The board and duties of the corporation's officers are as follows:

1. **Number.** The officers of the corporation shall be a President, Vice President, Secretary and a Treasurer, each of whom shall be a member of and selected by the Board of Directors. The Board of Directors may select one or more Assistants to the Secretary or Treasurer, and may also appoint such other officers and agents as they may deem necessary for the transaction of the business of the corporation.
2. **President.** The President of the corporation shall preside at all meeting of the Board of Directors. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Board of Directors attending shall preside. The President shall be an *ex officio* member of all standing committees and shall be President of those committees designated by the Board of Directors. The President shall, in general, perform all duties incident to the office of President of the Board as may be prescribed by the Board from time to time. The duties of the President shall include responsibilities for any publications and filings required by the Michigan School Code except to the extent that the same may be designated to another officer(s) by the Board of Directors of the corporation, from time to time.
3. **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.
4. **Secretary.** The Secretary shall: (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 Articles or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and provide that the seal of the corporation is affixed to all authorized documents; (d) keep a register of the post office address of each Director; and (e) perform all

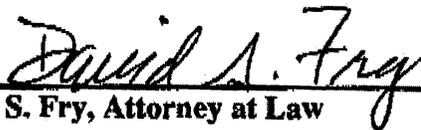
duties incident to the office of Secretary and other duties assigned by the President of the Board of Directors.

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

#### ARTICLE XI

These Articles of Incorporation may be amended by majority vote of the Board of Directors of the corporation. No amendment shall contravene any provision of any Contract executed by the corporation and the authorizing body, Lake Superior State University Board of Trustees, and any and all amendments shall also be in conformity with any pertinent requirements of the Revised School Code, Part6A.

I, the incorporator, sign my name this 4<sup>th</sup> day of February, 2011.



David S. Fry, Attorney at Law

6739 Courtland Dr., N.E., Ste. 101  
Rockford, MI 49341-7217  
(616) 874-1200

**CONTRACT SCHEDULE 2**

**BYLAWS**

**RESTATED BYLAWS**

**OF**

**BAY CITY ACADEMY**

**ARTICLE I**

**NAME**

This organization shall be called Bay City Academy (the “Academy” or “Corporation”).

**ARTICLE II**

**FORM OF CORPORATION**

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

**ARTICLE III**

**OFFICES**

Section 1. Principal Office. The principal office of the Corporation shall be located in the City of Bay City, County of Bay, 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 resident agent, as required by the Michigan Nonprofit Corporation Act. Changes in the resident agent and registered address of the Academy must be filed with the Michigan Department of Licensing and Regulatory Affairs, Commercial Services and reported to the Charter Schools Office.

**ARTICLE IV**

**BOARD OF DIRECTORS**

Section 1. General Powers. The business, property and affairs of the Corporation shall be managed by the Academy Board of Directors (“Academy Board”). The Academy Board may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or pursuant to Part 6A of the Revised School Code (“Code”). The Academy Board may delegate such powers to the officers and committees of the Academy Board as it deems necessary, so long as such delegation is consistent with the Articles, these Bylaws, the Contract and Applicable Law.

Section 2. University Board Resolution Establishing Method of Selection, Length of Term and Number of Academy Board Members. The method of selection and appointment,

length of term, number of directors, oath of public office requirements, tenure, removal, resignation, compensation and prerequisite qualifications for members of the Academy Board shall comply with the resolution adopted by the Lake Superior State University Board of Trustees (the "University Board").

## ARTICLE V

### MEETINGS

Section 1. Annual and Regular Meetings. The Academy Board shall hold an annual meeting each year in May or June, as well as monthly meetings thereafter. The Academy Board shall provide, by resolution, the time and place, within the State of Michigan, for the holding of regular monthly meetings. The Academy Board shall provide notice of the annual and all regular monthly and special meetings to the Charter Schools Office and as required by the Open Meetings Act.

Section 2. Special Meetings. Special meetings of the Academy Board may be called by or at the request of the Academy Board President or any Director. The person or persons authorized to call special meetings of the Academy Board may fix the place within the State of Michigan for holding any special meeting of the Academy Board 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 to the Charter Schools Office and as required by the Open Meetings Act.

Section 3. Quorum. In order to legally transact business, the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

<u># of Academy Board positions</u>	<u># required for Quorum</u>
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

Section 4. Manner of Acting. The Academy Board shall be considered to have "acted," when a duly called meeting of the Academy Board has a quorum present and the number of Academy Board members voting in favor of an action is as follows:

<u># of Academy Board positions</u>	<u># for Quorum</u>	<u># required to act</u>
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

Section 5. Open Meetings Act. All meetings and committee meetings of the Academy Board shall at all times be in compliance with the Open Meetings Act.

Section 6. Notice to Directors. The Academy Board shall provide notice of any meeting to each Director stating the time and place of the meeting, with the delivery of such

notice personally, by mail, facsimile or electronic mail to each Director at the Director's personal address or electronic mail address. Any Director may waive notice of any meeting by written statement sent by the Director to the Academy Board Secretary before or after the holding of the meeting. A Director's attendance at a meeting constitutes a waiver of the notice of the meeting required under this Section.

Section 7. Votes By Directors. The Academy Board meeting minutes shall reflect the vote, whether in favor, in opposition or in abstention, of each Director present at the meeting.

## ARTICLE VI

### COMMITTEES

Section 1. Committees. The Academy Board, by resolution, may designate one or more committees, each committee to consist of one or more Directors selected by the Academy Board. As provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Academy Board, except (i) filling of vacancies on the Academy Board or in the offices of the Academy Board or committees created pursuant to this Section; (ii) amendments to the Articles of Incorporation or Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, the Contract, the Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Academy Board of its activities as the Academy Board may request.

## ARTICLE VII

### OFFICERS OF THE BOARD

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

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

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

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

Section 5. President. The President of the Corporation shall be a member of the Academy Board. The President of the Corporation shall preside at all meetings of the Academy

Board. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Academy Board attending the meeting shall preside. The President shall be an ex officio member of any standing committees and when designated by the Academy Board, Chairperson of any standing committee established by the Academy Board. The President shall, in general, perform all duties incident to the office of President of the Academy Board as may be prescribed by the Academy Board from time to time.

Section 6. Vice-President. The Vice-President of the Corporation shall be a member of the Academy Board. 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 Academy Board.

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

Section 8. Treasurer. The Treasurer of the Corporation shall be a member of the Academy Board. The Treasurer shall: (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 Academy 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 Academy Board.

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

Section 10. Salaries. Officers of the Academy Board, as Directors of the Corporation, shall not be compensated for their services. By resolution of the Academy Board, Directors and officers of the Corporation may be reimbursed for reasonable expenses incident to their duties.

Section 11. Filling More Than One Office. Subject to the statute concerning the Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws, any two offices of the Corporation except those of President and Vice-President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

## ARTICLE VIII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 1. Contracts. The Academy Board may authorize any officer(s), assistant(s) or acting officer(s), 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 Academy Board 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. No contract entered into, by or on behalf of the Academy Board, shall in any way bind Lake Superior State University or impose any liability Lake Superior State University, the University Board, its trustees, officers, employees or agents.

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 Academy Board. Such authority may be general or confined to specific instances. No loan, advance, overdraft or withdrawal by an officer or Director of the Corporation, other than in the ordinary and usual course of the business of the Corporation, shall be made or permitted. No loan entered into, by or on behalf of the Academy Board, shall in any way be considered a debt or obligation of Lake Superior State University or impose any liability on Lake Superior State University, the University Board, its trustees, officers, employees or agents. To avoid creating or perpetuating circumstances in which the possibility of favoritism, conflicts of interest, or impairment of efficient operations may occur, the Corporation will not issue a debt instrument (e.g. loan agreement, promissory note, mortgage, line of credit, etc.) to any person employed by the Corporation or any person who serves on the Academy Board. This prohibition also applies to the issuance of a debt instrument to an entity owned or closely related to any Corporation employee or Academy Board member.

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 Academy Board.

Section 4. Deposits. Consistent with section 1221 of the Code, the Treasurer of the Academy shall deposit the funds of the Academy in a financial institution or in a joint investment authorized by the Code. All additional 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 Academy Board may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 6 of Act No. 105 of the Public Acts of 1855, as amended, being MCL 21.146 of the Michigan Compiled Laws.

Section 5. Voting of Securities Owned by this Corporation. Subject always to the specific directions of the Academy Board, any shares or other securities issued by any other Corporation and owned or controlled by this Corporation may be voted at any meeting of security holders of such other Corporation by the President of this Corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this Corporation or by proxy appointed by the Secretary or Treasurer. Such proxy or consent with respect to any shares or other securities issued by any other corporation and owned by this corporation shall be executed in the name of this Corporation by the President, the Secretary or the Treasurer of this Corporation without necessity of any authorization by the Academy Board, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this Corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this Corporation the same as such shares or other securities might be voted by this Corporation. This section shall in no way be interpreted to permit the Corporation to invest any of its surplus funds in any shares or other securities issued by any other corporation. This section is intended to apply, however, to all gifts, bequests or other transfers of shares or other securities issued by any other corporation which are received by the Corporation.

Section 6. Contracts Between Corporation and Related Persons; Persons Ineligible to Serve as Directors. Pursuant to the Code, each Director, officer or employee of the Academy shall comply with the Incompatible Public Office statute, Act No. 566 of the Public Acts of 1978, being sections 15.181 to 15.185 of the Michigan Compiled Laws, and the 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. The Academy Board shall ensure compliance with the Contract and Applicable Law relating to conflicts of interest.

## ARTICLE IX

### INDEMNIFICATION

Each person who is or was a 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 Director, officer, 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 liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the Corporation would have power to indemnify such person against such liability under the preceding sentence. The Corporation may, to the extent authorized from time to time by the Academy 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 X**

**FISCAL YEAR**

The fiscal year of the Corporation shall begin on the first day of July in each year.

**ARTICLE XI**

**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 Academy Board at any regular or special meeting of the Academy Board, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements for such meetings, and (b) the written approval of the changes or amendments by the University President or his designee. In the event that a proposed change is not accepted by the University President or his designee, the University Board shall consider and vote upon a change proposed by the Corporation following an opportunity for a written and oral presentation to the University Board by the Corporation. Amendments to these Bylaws take effect only after they have been approved by both the Corporation's Academy Board and by the University Board or its designee.

**ARTICLE XI**

**CONTRACT DEFINITIONS**

The definitions set forth in the Terms and Conditions incorporated as part of the Contract shall have the same meaning in these Bylaws.

**CERTIFICATION**

The Academy Board certifies that these Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by unanimous consent of the Academy Board on the 17th day of January, 2023.

*Tricia Coonan*

---

Secretary

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

### **SCHEDULE 3**

#### **FISCAL AGENT AGREEMENT**

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

#### **Preliminary Recitals**

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

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

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

#### **ARTICLE I**

##### **DEFINITIONS AND INTERPRETATIONS**

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

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

“Agreement” means this Fiscal Agent Agreement.

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

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

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

“State” means the State of Michigan.

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

## ARTICLE II

### FISCAL AGENT DUTIES

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

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

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

Section 2.04. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board directs that a portion of the Academy's State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit to the Charter Schools Office: (i) a copy of the Academy Board's resolution authorizing the direct intercept of State School Aid Payments; and (ii) a copy of a State School Aid Payment Agreement and Direction document that is in a form and manner acceptable to the Fiscal Agent. The State School Aid Payment and Direction document shall include language that the third party lender or trustee acknowledges and consents to the transfer of State School Aid Payments into the Academy's dissolution account, as set forth in Article X of the Terms and Conditions. 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 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. State School Aid Payment Overpayments and Penalties. The State, through its Department of Education, has sole responsibility for determining State School Aid Payment overpayments to the Academy and the method and time period for repayment by the Academy. The State, through its Department of Education, has sole responsibility for assessing State School Aid penalties against the Academy for noncompliance with the Code and the State School Aid Act of 1979, as amended.

Section 3.03. 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 and Penalties. The Academy shall be directly responsible for reimbursing the State for any overpayment of State School Aid Payments or any State School Aid penalties. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or penalty or seek collection of the overpayment or penalty 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, 2023, 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. The Fiscal Agent shall not be liable for any State School Aid penalties imposed by the State against the Academy.

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 Bay City Academy.

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

Date: May 31, 2023

076439.000036 4864-6730-3776.1

**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 Bay City Academy (the “Academy”), a public school academy.

#### **Preliminary Recitals**

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

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

### **ARTICLE I**

#### **DEFINITIONS AND INTERPRETATIONS**

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

"Agreement" means this Oversight Agreement.

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

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

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

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

## ARTICLE II

### OVERSIGHT AND COMPLIANCE CERTIFICATION RESPONSIBILITIES

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

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

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

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

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

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

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

n. Prior to December 31 of each year and whenever necessary thereafter, the Academy Board shall approve and submit a revised operating school budget that includes, without limitation, the following: (i) the total projected amount of state school aid revenues based on the Academy's October 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. Within 5 days of its submission to the Center for Educational Performance and Information (CEPI) of the budgetary assumptions that are required by Section 1219 of the Code, the Academy shall provide a copy of those budgetary assumptions to the Charter Schools Office, 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 4.04 shall prohibit the Academy from electing to 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**

Secondary Social Studies Teacher ..... 5-1

Elementary Teacher ..... 5-3

K-12 Music Teacher ..... 5-6

Building Leader/Principal ..... 5-8

Special Education Teacher..... 5-9

Bus Driver ..... 5-10

Evening Custodial/Maintenance ..... 5-11

Online Teacher ..... 5-11

Elementary Classroom Aide ..... 5-12

Management Agreement ..... 5-13



**Position:** Secondary Social Studies Teacher

**Reports to:** Darci Long: longd@baycityacademy.com, 989-293-6091

**Employed by:** Mitten Educational Management at Bay City Academy

**Nature of the Position:**

The position is required to teach secondary students (grades 7 -12) various Social Studies courses as required by the State of Michigan. The candidate should be able to infuse hands-on learning into creative lessons.

**Responsibilities of the Position:**

1. Subscribes to the motto: "Actions Over Words, Service Over Self".
2. Teach required Social Studies curriculum to secondary students on a daily basis for grades 7-12.
3. Effectively communicate with parents on a frequent basis.
4. Maintain classroom discipline and high expectations.
5. Strongly commit to BCA's vision, mission and core values.
6. Work with staff and administration to properly implement and carry out the Great Expectations Character Education Program in the classroom and school.
7. Provide a positive, fun, and hands-on learning environment.

**Requirements for the Position:**

1. Applicants will hold a Bachelor's Degree and a valid Social Studies teaching certificate in the State of Michigan.
2. Background Check/Fingerprints
3. Excellent oral and written communication and organization.
4. Ability to teach the whole child.
5. Positive interaction with parents, other teachers and school administrators on a regular basis.

**Pay/Other:**

Year-round salary. Benefits package includes the following: health insurance, 401K, short and long term disability coverage, dental and vision, life insurance coverage, yearly classroom stipend for supplies, a healthy living stipend to promote fitness, uniform allowance, and paid vacation days.

## JOB DESCRIPTION

### Title I/Intervention Specialist

REPORTS TO: School Leader, State & Federal Programs Director, Mitten Educational Management (MEM)

EMPLOYED BY: MEM

#### QUALIFICATIONS:

1. Minimum Bachelor Degree, Masters Degree preferred.
2. Michigan State Teacher Certification.
3. Minimum 3 years successful teaching experience.
4. Current knowledge of best practices.
5. Prior remedial program experience.
6. Maintain highly qualified status as required by the NCLB Act.

#### NATURE OF POSITION:

Implementation and coordination of instructional programs to ensure that all students meet and exceed the State Core Curriculum Content Standards. Achieving excellence requires that teachers work collaboratively and communicate effectively with students, parents, members of the community and colleagues in other districts and schools. Inherent in the position are the responsibilities for planning, coordination and monitoring the effective delivery of the established curriculum to students.

#### RESPONSIBILITIES OF POSITION:

The Intervention Specialist is responsible for:

1. Developing and designing of a remedial program for students in all grade levels below expected levels.
2. Assisting regular classroom Teachers in developing strategies for student success.
3. Assisting student services staff in developing individualized education programs for students experiencing extreme learning difficulty.
4. Facilitating parent workshops on ways to assist students.
5. Attending staff meetings and serving on staff committees as required.
6. Other professional duties as assigned by the School Leader.

#### PHYSICAL AND ENVIRONMENTAL REQUIREMENTS:

Position requires frequent standing and walking throughout building and school grounds. Ability to stoop, crouch, kneel and bend occasionally. Occasionally lifts and carries materials or items weighing up to 20 pounds. Ability to use senses -sight, hearing, smell and touch. Ability to type; uses hand/eye coordination for typing and data entry.

#### OTHER REQUIREMENTS:

Satisfactory criminal background check

#### PERFORMANCE STANDARDS:

The Intervention Specialist will:

1. Be interested in the work of the school, strongly committed to moral values.
2. Be dedicated to providing an excellent early educational foundation for children that will enable them to be motivated and excited learners.
3. Establish and maintain work performance standards in line with those standards established by Bay City Academy.



North Central Academy  
5055 Corey Rd.  
Mancelona, Mi 49659  
[www.northcentralacademy.net](http://www.northcentralacademy.net)

**Position:** Elementary Teacher

**Reports to:** Jill Kettlewell, Principal, North Central Academy,  
[kettlewellj@northcentralacademy.net](mailto:kettlewellj@northcentralacademy.net)

**Employed by:** Mitten Educational Management at North Central Academy

**Nature of the Position:**

The primary responsibilities of the Elementary Teacher is to create and implement hands-on lessons for students to engage in that follow the State Core Curriculum Content Standards for all subjects while maintaining strong classroom management and forming positive relationships with students.

**Responsibilities of the Position:**

1. Subscribes to the motto: "Action Over Words, Service Over Self".
2. Teach classes to elementary students on a daily basis.
3. Be a fun and energetic presence in the classroom and larger school community.
4. Work collaboratively with students, staff, and administration.
5. Plan, prepare and monitor delivery of creative lessons that follow the established curriculum.
6. Effectively communicate with parents on a frequent basis.
7. Implement and carry out the school-wide Character Education Program, Great Expectations.

**Requirements for the Position:**

1. Applicants will hold a Bachelor's Degree and a valid elementary teaching certificate in the State of Michigan.
2. Background Check/Fingerprints.
3. Loves fun and taking risks.
4. Seeks positive impact with kids and community.
5. Celebrates briefly & grinds daily.
6. 10/10 attitude and work ethic each day.

**Pay/Other:**

Year-round salary. Benefits package includes the following: health insurance, 401K, short and long term disability coverage, dental and vision, life insurance coverage, a healthy living stipend to promote fitness, classroom stipend, uniform allowance, and paid vacation days.

## JOB DESCRIPTION

### Facilities Manager

REPORTS TO: School Leader, Mitten Educational Management (MEM)

EMPLOYED BY: MEM

#### QUALIFICATIONS:

1. High school diploma.
2. Minimum 5 years experience in building maintenance.
3. Must be skilled in electrical, heating/cooling, repair.
4. Knowledgeable in OSHA safety standards.

#### NATURE OF POSITION:

Perform routine cleaning and semi-skilled repair and maintenance tasks in order to maintain a safe and healthy environment conducive to the learning process for students and staff. Maintains and operates building environmental systems. Regularly inspects building for safety and health operating conditions. Provide IMMEDIATE notification of any risk to students and/or staff.

#### RESPONSIBILITIES OF POSITION:

The Facilities Manager is responsible for:

1. Inspect school facility for safe operating conditions daily.
2. Notify School Leader or designee immediately of any building condition that would affect the safe operation of the school for students and staff.
3. Provide supervision to building custodians, assign schedules and monitor daily activities.
4. Vacuum carpets, sweep, mop, wash, dust and perform other cleaning duties, when necessary.
5. Empty trash containers and assures all waste is disposed of properly, when necessary.
6. Monitor cafeteria during scheduled lunch periods and after school programs for the purpose of removing trash and cleaning any spills in the cafeteria.
7. Replace light bulbs, towels, soap and other supplies.
8. Operate floor polishing equipment.
9. Make minor repairs to furniture, plumbing and electrical fixtures.
10. Perform minor repairs to keep heating system in operating condition and appropriate temperature control for each room.
11. Ensure building heating system is properly working for the start of each school day and throughout the day.
12. Check heating/cooling operation during the school day and as appropriate during extended school recesses to ensure building does not freeze or overheat.
13. On call during unscheduled work periods to handle building and boiler maintenance/operation problems.
14. Conduct daily inventory of supplies and paper products on site; initiate re-order for supplies with sufficient lead time to allow for delivery before on-site inventory is depleted.
15. Check each restroom in the facility in the morning and afternoon for neatness and tidiness.
16. Ensure each restroom is appropriately equipped with paper towels and toilet paper and that each soap dispenser is filled.
17. Perform general light ground maintenance such as cut grass, rake leaves, and sweep walks around building entrances to keep them free of debris, snow and ice.
18. Make regular checks in stairways and halls inside building for spills, trash or debris that could create unsafe conditions for students and staff.

19. Identify and report to the Superintendent and/or School Leader any condition in the building or school grounds that could create a safety hazard for students, staff or visitors.
20. Correct all unsafe conditions in the building or school grounds immediately as soon as aware of condition.
21. Schedule summer projects for all buildings.
22. Ensure all necessary inspections are passed, as applicable.
23. Other duties as assigned by the Superintendent.

**PHYSICAL AND ENVIRONMENTAL REQUIREMENTS:**

Position requires frequent standing and walking throughout building and school grounds. Ability to stoop, crouch, kneel and bend occasionally. Occasionally lifts and carries materials or items weighing up to 20 pounds. Ability to use senses -sight, hearing, smell and touch. Ability to type; uses hand/eye coordination for typing and data entry.

**OTHER REQUIREMENTS:**

Satisfactory criminal background check.

**PERFORMANCE STANDARDS:**

The Maintenance Supervisor will:

1. Establish and maintain work performance standards in line with those standards established by Bay City Academy.
2. Diligently pursue the task of keeping the building and school grounds safe and free of hazards.
3. Be interested in the work of the school, strongly committed to moral values.
4. Be dedicated to providing an excellent early educational foundation for children.
5. Demonstrate the willingness and ability to work with people in a team environment.
6. Maintain positive, cooperative and mutually supportive relationships with the Academy Administration, Teachers, students and co-workers.

**EMPLOYEE ACKNOWLEDGMENT:**

This job description has been reviewed with me, and I have received a copy. I understand that the above are job requirements and, at this time, I know of no limitations which would prevent me from performing these functions, with or without accommodation, and that it is my responsibility to inform my supervisor at any time that I am unable to perform these functions.

EMPLOYEE'S PRINTED NAME: \_\_\_\_\_

EMPLOYEE: \_\_\_\_\_ DATE: \_\_\_\_\_  
 (Signature)

MEM: \_\_\_\_\_ DATE: \_\_\_\_\_  
 (Signature)



North Central Academy  
5055 Corey Rd.  
Mancelona, Mi 49659  
[www.northcentralacademy.net](http://www.northcentralacademy.net)

**Position:** K-12 Music Teacher

**Reports to:** Jill Kettlewell, Principal, North Central Academy,  
[kettlewellj@northcentralacademy.net](mailto:kettlewellj@northcentralacademy.net)

**Employed by:** Mitten Educational Management at North Central Academy

**Nature of the Position:**

The primary responsibilities of the Music Teacher include infusing creativity and fun into the music classes for K-12th grade learners. The candidate should be able to incorporate a variety of rhythmic, vocal, and theatrical activities that engage students in movements that integrate the State of Michigan Curriculum standards and K-12 Common Core Standards.

**Responsibilities of the Position:**

1. Subscribes to the motto: "Actions Over Words, Service Over Self".
2. Teach music classes to K-12 students on a daily basis.
3. Be a fun and energetic presence in the classroom and larger school community.
4. Work collaboratively with students, staff, and administration.
5. Plan, prepare and monitor delivery of creative lessons that follow the established curriculum.
6. Communicate with parents frequently.
7. Implement and carry out the school-wide Character Education Program - Great Expectations.

**Requirements for the Position:**

1. Loves fun and taking risks.
2. Seeks positive impact with kids and community.
3. Celebrates briefly & grinds daily.
4. 10/10 attitude and work ethic each day.

**Pay/Other:**

Year-round salary. Benefits package includes the following: health insurance, 401K, short and long term disability coverage, dental and vision, life insurance coverage, a healthy living stipend to promote fitness, classroom stipend, uniform allowance, and paid vacation days.

## JOB DESCRIPTION

### Assistant Office Manager

REPORTS TO: School Leader, Office Manager, Mitten Educational Management (MEM)

EMPLOYED BY: MEM

#### QUALIFICATIONS:

To perform this job successfully, an individual must be able to perform each essential duty satisfactorily. The requirements listed below are representative of the knowledge, skill, and/or ability required.

1. High school diploma or general education degree (GED) required.
2. Related experience and/or training, or equivalent combination of education and experience.
3. Language Skills: ability to read and interpret documents such as safety rules, operating and maintenance instructions, and procedure manuals. Ability to write routine reports and correspondence; ability to speak effectively to employees of the organization.
4. Mathematical Skills: ability to add, subtract, multiply, and divide in all units of measure, using whole numbers, common fractions, and decimals. Ability to compute rate, ratio, and percent and to draw and interpret bar graphs.
5. Reasoning Ability: ability to apply common sense and understanding to carry out instructions furnished in written, oral, or diagram form. Ability to deal with problems involving several concrete variables in standardized situations.
6. Business Office: Knowledge of accounting practices as deemed necessary by the Business Manager.

#### NATURE OF THE POSITION:

Under the supervision of the School Leader, operates telephone and communication system to answer incoming calls and directs callers and guests to appropriate personnel by performing the following duties:

#### RESPONSIBILITIES OF THE POSITION:

1. Welcomes visitors, determines nature of business, and announces visitors to appropriate personnel.
2. Monitors visitor access and issues passes when required.
3. Retrieves messages from voice mail and forward to appropriate personnel.
4. Answers incoming telephone calls, determines purpose of callers, and forwards calls to appropriate personnel or department.
5. Takes and delivers messages or transfers calls to voice mail when appropriate personnel are unavailable.
6. Answers questions about the organization and provides callers with address, directions, and other information.
7. Explain employment processes to applicants and verify all employment requirements are included with new applications.
8. Updates appointment calendars.
9. Maintains automated applicant database.
10. Responds to e-mail inquiries from applicants.
11. Receives, sorts, and routes mail, and maintains and routes publications.
12. Maintains fax machines, assists users, sends faxes, and retrieves and routes incoming faxes.
13. Creates and prints fax cover sheets, memos, correspondence, reports, and other documents when necessary.
14. Performs other clerical duties as needed, such as filing, photocopying, and collating.

Job Description

Building Leader/Principal

REPORTS TO: School Leader, Mitten Educational Management (MEM)

EMPLOYED BY: MEM

QUALIFICATIONS

1. Must meet continuing education and certification requirements from MDE.
2. Minimum five successful years in Public Schools or Public Schools Academies.
3. Minimum four successful years in school administration or demonstrated leadership experience in an educational setting.

DESCRIPTION OF POSITION

Serves as the educational leader of the School, responsible for implementing and managing the policies, regulations and procedures of the Board of Directors to ensure that all students are supervised in a safe, loved, and learning environment and provided instruction that meets and exceeds the State Core Curriculum Content Standards, following the approved curriculum and directives of the school. Achieving academic excellence requires that the School Leader work collaboratively to lead and nurture all members of the school staff and to communicate effectively with parents, members of the community and colleagues in other districts and schools. Responsibilities include but are not limited to: planning curriculum development, program evaluation, extracurricular activities, personnel management, financial management, emergency procedures, resource scheduling and facilities operations. The School Leader reports to the Superintendent or CEO of Mitten Educational Management.

EMPLOYEE ACKNOWLEDGMENT

This job description has been reviewed with me, and I have received a copy. I understand that the above are job requirements and, at this time, I know of no limitations which would prevent me from performing these functions, with or without accommodation, and that it is my responsibility to inform my supervisor at any time that I am unable to perform these functions. I give Mitten Educational Management the right to conduct a criminal background check if necessary.

EMPLOYEE'S PRINTED NAME: \_\_\_\_\_

EMPLOYEE: \_\_\_\_\_ DATE: \_\_\_\_\_  
(Signature)

MEM: \_\_\_\_\_ DATE: \_\_\_\_\_  
(Signature)



**Position:** Special Education Teacher

**Reports to:** Principal, Darci Long

**Employed by:** Mitten Educational Management

**Nature of the Position:**

The special education teacher at BCA will play a vital role in our school's education by providing assistance to students through leadership, advocacy, and collaboration. The teacher will help create a safe learning environment for students and adhere to professional and ethical standards while implementing a results-based special education program aimed at promoting student achievement.

**Responsibilities of the Position:**

1. Identify needs of assigned students through formal and informal assessments.
2. Review referral data, history and assessment data to develop appropriate goals and objectives for each student.
3. Confer with general education teachers regarding the educational, social, emotional, and physical needs and objectives of each student.
4. Plan, develop and implement individualized learning plans for each student.
5. Design appropriate teaching strategies.
6. Prepare instructional materials and lesson plans according to Individual Educational Plans (IEP).
7. Utilize appropriate methods of learning delivery and instruction to meet the needs of each student.
8. Monitor, evaluate, and document each student's progress utilizing appropriate measurements and assessment devices.
9. Prepare timely progress reports for each student.
10. Develop and implement necessary interventions and strategies to promote achievement of student objectives.
11. Maintain regular communication with parents by means of email, phone calls, conferences and progress reports.
12. Manage student behavior through monitoring, supervising and assessing behavioral patterns.
13. Maintain accurate and complete records in compliance with school district regulations and legal requirements.
14. Maintain a current knowledge of special education best practices and trends.
15. Other tasks as required by school leadership.

**The following are the critical skills, beliefs, and experiences:**

- Minimum of a Bachelor's degree in education.
- Valid Michigan teaching certification.
- Appropriate special education endorsement.
- Understanding of the legal, professional and ethical issues that affect special education.
- Strong and demonstrated commitment to the school's mission, vision, and core values
- Valid Michigan fingerprint clearance.

**Pay/Other:**

Benefits package includes the following: health insurance, 401K, short and long term disability coverage, dental and vision insurance, life insurance coverage, yearly classroom stipend for supplies, a healthy living stipend to promote fitness, uniform allowance and paid vacation days.



North Central Academy  
5055 Corey Rd.  
Mancelona, Mi 49659  
[www.northcentralacademy.net](http://www.northcentralacademy.net)

**Position:** Bus Driver (part time)

**Reports to:** Darci Long, Principal, North Central Academy

**Employed by:** Mitten Educational Management at North Central Academy

**Nature of the Position:**

The primary responsibilities of the Bus Driver include picking up K-12th grade students throughout the community in the morning before school and in the afternoon after school. This position is flexible based on the desired part time and full time position.

**Responsibilities of the Position:**

1. Subscribes to the motto: "Actions Over Words, Service Over Self".
2. Transports K-12th grade students to and from school safely.
3. Maintain a clean and mechanically sound bus at all times.
4. Perform daily bus inspections.
5. Obey all traffic laws
6. Assist students when boarding or debarking the bus if necessary.

**Requirements for the Position:**

1. Applicants will hold a current CDL license with a School Bus Endorsement.
2. Background Check/Fingerprints.
3. Clean driving record with no at-fault accidents in the past 5 years.
4. Ability to carry out the assigned route on time daily.
5. 10/10 attitude and work ethic each day.

**Pay/Other:**

Part Time : \$30 hourly - 180 days per year.



North Central Academy  
5055 Corey Rd.  
Mancelona, Mi 49659  
[www.northcentralacademy.net](http://www.northcentralacademy.net)

- Position:** Evening Custodial/Maintenance
- Hours:** 3:00-12:00pm (includes a 30 minute break)
- Reports to:** Jill Kettlewell: [kettlewellj@northcentralacademy.net](mailto:kettlewellj@northcentralacademy.net), 231-495-1115
- Employed by:** Mitten Educational Management at North Central Academy

**Nature of the Position:**

The position is to keep school facilities clean for the purpose of maintaining a safe, sanitary and attractive environment.

**Responsibilities of the Position:**

1. Subscribes to the motto: "Actions Over Words, Service Over Self".
2. Performs general, routine custodial duties, to include dusting, mopping, vacuuming, cleaning restrooms, and restocking paper and soap supplies.
3. Performs snow shoveling, light landscaping, and routine maintenance to custodial equipment and supplies.
4. Empties trash cans and disposes trash into dumpsters.
5. Ensuring doors are locked after cleaning areas and that school is properly secured at the end of the shift.
6. Reports needs and concerns to appropriate staff, which may include submitting or recommending work orders and checking supply levels.

**Requirements for the Position:**

1. Ability to work independently without direct supervision.
2. Ability to physically perform all responsibilities.
3. Strong commitment to the school's mission, vision, and core values.
4. Background Check/Fingerprints.
5. Valid Driver's License.

**Pay/Other:**

Year round salary. Benefits package includes the following: health insurance, 401K, short and long term disability coverage, dental and vision insurance, life insurance coverage, a healthy living stipend to promote fitness, and paid vacation days.



North Central Academy  
5055 Corey Rd.  
Mancelona, Mi 49659  
[www.northcentralacademy.net](http://www.northcentralacademy.net)

**Position:** Elementary Classroom Aide

**Reports to:** Jill Kettlewell: [kettlewellj@northcentralacademy.net](mailto:kettlewellj@northcentralacademy.net), 231-495-1115

**Employed by:** Mitten Educational Management at North Central Academy

**Nature of the Position:**

The primary responsibilities of the Elementary Classroom Aide is to assist and support the classroom teacher with all aspects of the learning environment.

**Responsibilities of the Position:**

1. Subscribes to the motto: "Actions Over Words, Service Over Self".
2. Works with students in small groups and individually to support the classroom teacher's instruction.
3. Support students in all aspects of positive character development.
4. Develop quality relationships and communicate effectively with students and staff members.
5. Assists in establishing a positive learning environment.

**Requirements for the Position:**

1. Proof of at least 60 credit hours of higher education.
2. Background Check/Fingerprints.
3. Excellent oral and written communication and organization.
4. Loves fun and taking risks.
5. Seeks positive impact with kids and community.
6. Celebrates briefly & grinds daily.
7. 10/10 attitude and work ethic each day.

**Pay/Other:**

Year-round salary. Benefits package includes the following: health insurance, 401K, short and long term disability coverage, dental and vision, life insurance coverage, a healthy living stipend to promote fitness, uniform allowance, and paid vacation days.

## EDUCATIONAL SERVICE PROVIDER AGREEMENT

This Educational Service Provider Agreement (this “**Agreement**”) is made and entered into as of July 1, 2023, by and between Mitten Educational Management, LLC, a Michigan limited liability company (“**MEM**”), and Bay City Academy, a Michigan nonprofit corporation and public school academy (“**Academy**”) under Part 6A of the Revised School Code (the “**Code**”), as amended, being Section 380.501 to 380.507 of the Michigan Compiled Laws.

The Academy is a public school academy under the Code. The Academy has been granted a contract, dated July 1, 2023 (the “**Contract**”), by the Lake Superior State University Board of Trustees (“**LSSU**”) to organize and operate a public school academy with LSSU as the statutory authorizing body. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

Among its various purposes, MEM is an educational service provider (“**ESP**”) that was established to promote and encourage research into and of systems of instruction and of elementary and secondary education and schools to promote, foster, carry on, sponsor, encourage or participate in any activities designed to investigate, provide, operate, acquire, establish, sponsor, and/or develop instructional and/or educational systems and/or programs; to develop and implement management systems and policies that will carry out and conduct the purposes of MEM and to work closely with and be operated in connection with the Academy in such a fashion as is needed so as to enable the Academy to achieve its statutory purposes and support the corporate goals of the Academy.

The Academy and MEM desire to create an enduring educational partnership whereby the Academy and MEM will work together to develop and bring about systems of educational excellence and innovative to the Academy based on MEM’s school design, comprehensive Educational Program (as defined below), and management principles.

The Academy desires that the selection and acquisition of instructional materials, equipment and supplies; all matters of compensation, fringe benefits, sick leave, long and short term disability; and all matters pertaining to the daily work schedule for teachers and staff as well as the employment of same, become the exclusive responsibility of MEM, to the extent permitted by law.

THEREFORE, in order to facilitate the continuation of the Academy and to implement MEM’s innovative educational program at the Academy, the parties desire to establish this arrangement for the management and operation of the Academy, and mutually agree as follows:

### ARTICLE 1. CONTRACTUAL RELATIONSHIP

- 1.01 Authority. The Academy represents that it is authorized by law to contract with a private entity for the provision of educational management services to the Academy. The Academy further represents that it has been granted the Contract by LSSU to organize and operate a public school academy. The Academy is authorized by LSSU to supervise and control such Academy, and is invested with all powers necessary or desirable for carrying out the Educational Program contemplated in this Agreement.
- 1.02 Contract. The parties agree that MEM, to the extent permitted by law, shall provide all labor, materials and supervision necessary for the provision of educational services to

students of the Academy, and shall provide for the management, operation and maintenance of the Academy, in accordance with the educational goals, curriculum, method of pupil assessment, admissions policy and criteria, school calendar and school day schedule, and age and grade range of pupils to be enrolled, educational goals and methods to be used to monitor compliance with performance of targeted educational outcomes (collectively the “**Educational Program**”), all as previously adopted by the Board of Directors of the Academy (the “**Board**”), submitted in the Academy’s application to LSSU, and included in the Contract between the Academy and LSSU.

- 1.03 Status of the Parties. MEM is not a division or any part of the Academy. The Academy is a body corporate and governmental entity authorized under the Code and is not a division or part of MEM. The relationship between the parties hereto was developed and entered into through arms-length negotiations and is based solely on the terms of this Agreement and those of any other agreements that may exist from time to time between the parties hereto.
- 1.04 Independent Contractor Status. The parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor, and not employer-employee. No shareholders, members, directors, managers, officers, agents, or employees (collectively, “**Representatives**”) of MEM shall be determined to be Representatives of the Academy except as expressly acknowledged in writing by the Academy. Notwithstanding the foregoing, the Academy designates MEM and its directors, managers, officers, and employees as agents of the Academy having legitimate educational interests for the limited purpose of allowing them access to educational records under the Family Educational Rights and Privacy Act, 20 U.S.C. § 1232g, and its implementing regulations (collectively, “**FERPA**”). MEM will be solely responsible for its acts and the acts of its Representatives.

## **ARTICLE 2. TERM.**

- 2.01 Term. This contract shall be and remain in effect for a term commencing on the 1st day of July, 2023 (the “**Commencement Date**”) and ending on the 30th day of June, 2028, unless terminated earlier in accordance with the terms of this Agreement. For clarity, the maximum term of this Agreement shall not exceed the term of the Contract.

## **ARTICLE 3. FUNCTION OF MEM**

- 3.01 Responsibility. MEM shall be responsible and accountable to the Board for the administration, operation and performance of the Academy in accordance with this Agreement and the Contract, provided, however, that MEM’s responsibility is expressly limited by the applicable budget the Board adopts pursuant to the terms of this Agreement. Neither MEM nor the Academy shall be required to expend Academy funds on services in excess of the amount set forth in the applicable Academy budget.
- 3.02 Educational Goals and Programs. MEM agrees to implement the Educational Program as set forth in the Contract. Modification of the Educational Program may only occur with prior written consent from the Board and LSSU.

- 3.03 Specific Functions. Subject to the Board-approved budget, MEM shall be responsible for all of the management, operation, administration, and education at the Academy. Such functions include, but are not limited to, those identified on **Exhibit A** hereto, and any other function deemed necessary for or expedient to the management, operation, and administration of the Academy that may be approved by the Board (the “**Services**”).
- 3.04 Subcontractors. MEM shall not subcontract the Services related to managing, overseeing, or operating the Educational Program, except as specifically permitted in this Agreement or with prior approval of the Board; however, MEM reserves the right to subcontract any and all aspects of all other Services, including, but not limited to food service.
- 3.05 Place of Performance. MEM reserves the right to perform Services other than instruction, such as purchasing, professional development, and administrative functions, off-site at MEM’s other locations, if any, unless prohibited by Applicable Law (as defined below); provided that all Academy books and records shall be maintained at the Academy site.
- 3.06 Student Recruitment. The Board shall be responsible for establishing the Academy’s recruitment and admission policies. MEM shall implement such policies. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with the Code and other Applicable Law.
- 3.07 Due Process Hearings. MEM shall provide student due process hearings in accordance with the requirements of all Applicable Law regarding discipline, special education, confidentiality, and access to records, provided that the Academy shall retain the right to itself provide student due process hearings as required by Applicable Law.
- 3.08 Legal Requirements. MEM shall implement the Educational Program in compliance with federal, state (including, without limitation, the requirements imposed under the Code), and local laws, regulations, and requirements (collectively, the “**Applicable Law**”), and the requirements of the Contract, unless such requirements are or have been waived, but the Academy shall, within reason, interpret Applicable Law liberally to give MEM flexibility and freedom to implement the Educational Program.
- 3.09 Rules and Procedures. MEM shall recommend reasonable rules, regulations and procedures applicable to the Academy and is authorized and directed to enforce such rules, regulations and procedures as are adopted by the Board.
- 3.10 School Year and School Day. The school year and the school day shall be in compliance with the Code. LSSU shall be provided with an annual copy of the school calendar and any changes in the calendar as they are made. The number of days of pupil instruction and the number of hours of pupil instruction shall not be extended beyond the minimum number of hours and days of pupil instruction required under Applicable Law unless MEM consents to such extension.
- 3.11 Reporting. MEM shall provide information to the Board on a quarterly basis or otherwise upon request to enable the Board to reasonably monitor the students’ academic performance and MEM’s performance under this Agreement.

- 3.12 Authority. MEM shall have all authority and power necessary to undertake its responsibilities described in this Agreement, except in cases wherein such power may not be delegated by law nor approved by the Board.
- 3.13 Student and Financial Records. Notwithstanding anything in Section 3.05 to the contrary, all student, educational, and financial records relating to the Academy shall be kept at the Academy's site(s) and available for public inspection upon reasonable request consistent with state and federal law. All student, educational and financial records will remain the property of the Academy. Except as permitted under the Contract and Applicable Law, nothing in this Agreement shall restrict LSSU's or the public's access to the Academy's records.
- 3.14 Pupil Performance Standard and Evaluation. MEM shall implement pupil performance evaluations, which permit evaluation of the educational progress of each Academy student. MEM shall be responsible for and accountable to the Board for the performance of students who attend the Academy. At a minimum, MEM will utilize assessment strategies required by the Contract. The Board and MEM will cooperate in good faith to identify other measures of and goals for students and school performance, including, but not limited, to parent satisfaction.
- 3.15 Services to Disabled Students and Special Education. MEM shall provide special education services to students who attend the Academy in conformity with the requirements of state and federal law. MEM may subcontract as necessary and appropriate for the provision of services to students whose special needs cannot be met within the Academy's program, subject to Board approval. Such services shall be provided in a manner that complies with Applicable Law, regulations and policies.
- 3.16 Contract between the Academy and LSSU. MEM will not act in a manner which will cause the Academy to be in breach of its Contract with LSSU.
- 3.17 Compliance with the Academy's Contract. MEM agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Contract issued by LSSU. The provisions of the Contract shall supersede any competing or conflicting provisions contained in this Agreement.
- 3.18 Compliance with Section 503c. On an annual basis, MEM agrees to provide the Board with the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education (the "**Department**"). The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this Agreement.
- 3.19 Access to Records. MEM shall make information concerning the management, operation, and administration of the Academy, including, without limitation, the information

described in Schedule 4 of the Contract, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Contract.

#### **ARTICLE 4. OBLIGATIONS OF THE BOARD**

- 4.01 Good Faith Obligation. The Board shall exercise good faith in considering the recommendations of MEM, including but not limited to, MEM's recommendations concerning policies, rules, regulations, procedures, curriculum, and budgets, subject to constraints of Applicable Law (including, without limitation, requirements of the Contract). MEM shall not adopt or implement such recommendations without obtaining prior Board approval. The Board shall retain any authority it may possess to make reasonable regulations relative to anything necessary for the proper establishment, maintenance, management, and carrying on of the Academy, including regulations relative to the conduct of pupils while in attendance of the Academy or enroute to and from the Academy.

#### **ARTICLE 5. FINANCIAL ARRANGEMENTS**

- 5.01 Compensation for MEM's Services. MEM's compensation for its Services under this Agreement shall be (a) a management fee of twelve percent (12.00%) of all revenue of the Academy, except for any donations to or for the benefit of the Academy, and (b) reimbursement for expenses as provided under Section 5.03.
- 5.02 No Related Parties or Common Control. MEM 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. As required by the Academy's Articles of Incorporation and Bylaws, and as required by the Contract, the Board may not include any Representative of a management company that contracts with the Academy. In furtherance of such a restriction, it is agreed between the Academy and MEM that none of the voting power of the governing body of the Academy will be vested in MEM or its Representatives. Further, the Academy and MEM will not be members of the same controlled group, as defined in Section 1.150-1(1) of the regulations under the Internal Revenue Code of 1986, as amended, or related persons, as defined in Section 144(a)(3) of the Internal Revenue Code of 1986, as amended.
- 5.03 Payment of Costs. In addition to the management fee described in Section 5.01(a), the Academy shall reimburse MEM for all actual and direct expenses paid by MEM to unrelated third parties in providing the Educational Program and other goods and Services pursuant to Articles 3, 5 (section 5.04 only), and 6 of this Agreement at the Academy. Such expenses include, but are not limited to, salaries of MEM employees employed full-time at the Academy, and equipment, software, supplier, food service, transportation, special education, psychological services and medical services to the extent such items relate only to and/or are used only in support of the Academy. Said costs are to be included in the annual budget approved by the Board. In paying costs on behalf of the Academy, MEM shall not charge an added fee. The Academy shall not reimburse MEM for any costs incurred or paid by MEM as a result of services provided or actions taken pursuant to Articles 1, 2, 4, 5 (except sections 5.04 and 5.08), 7 (except as otherwise specifically

indicated), 8, 9, 10, 11, 12, 13, and 14 of this Agreement. The Board may advance funds to MEM for the fees for expenses associated with the Academy's operations, provided that documentation for such fees and expenses will be provided to the Academy and ratified by the Board at its next regularly scheduled meeting. All acquisitions including, but not limited to, instructional materials, equipment, supplies, furniture, computers and other technology, shall be owned by and remain the property of the Academy. If MEM purchases equipment, materials and supplies on behalf of or as the agent of the Academy, MEM will comply with Section 1274 of the Code as if the Academy were making such purchases directly from a third-party supplier, and MEM agrees that it will not include any added fees or charges with the cost of equipment, materials, and supplies purchased from third parties. For clarity, no corporate costs or "central office" personnel costs of MEM shall be charged to, or reimbursed by, the Academy; such corporate costs or "central office" personnel costs shall be paid by MEM out of the management fee paid to MEM under Section 5.01(a) of this Agreement.

5.04 Other Revenue Sources. In order to supplement and enhance the school aid payments received from the State of Michigan, and improve the quality of education at the Academy, the Board and MEM shall endeavor to obtain revenue from other sources. In this regard:

- (a) The Academy and/or MEM shall solicit and receive grants and donations consistent with the mission of the Academy;
- (b) Academy and/or MEM may apply for and receive grant money, in the name of MEM or the Academy.
- (c) To the extent permitted under the Code and Contract, and with the approval of the Board, MEM may charge fees to students for extra services such as summer and after school programs, athletics, etc., and charge non-Academy students who participate in such programs; and
- (d) All funds received by the Academy or by MEM on behalf of the Academy from such other revenue sources shall inure to and be deemed the property of the Academy.

5.05 Other Institutions. The Academy acknowledges that MEM may enter into similar management agreements with other public or private educational schools or institutions ("**Institutions**"). MEM shall maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and other institutions, and only charge the Academy for expenses incurred on behalf of the Academy. All grants or donations received by the Academy, or by MEM for the specific benefit of the Academy, shall be maintained in separate accounts and used solely for the Academy.

5.06 Financial Reporting. MEM shall provide the Board with:

- (a) A proposed annual budget that shall conform to the state accounting manual and the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.*, in a form reasonably acceptable to the Board and to LSSU. The budget shall comply with public accounting standards applicable to public schools and public school

academies in Michigan. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy and the Educational Program including, but not limited to, the projected cost of all Services and the Educational Program provided to the Academy, rent and lease payments, debt service, maintenance and repairs to Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Academy. The proposed budget shall be submitted to the Board for consideration no less than thirty (30) days before the date of the scheduled hearing for adopting the budget, and MEM will continue to assist the Board with and through the approval process. MEM shall also provide the Board with proposed budget amendments following the fall count day and prior to the end of each fiscal year. In addition, MEM shall, no later than March 1 of each year, provide the Board Treasurer and Chief Administrative Officer with enough information to determine whether an additional budget amendment may be required under the Uniform Budgeting and Accounting Act.

- (b) MEM shall provide the Board with monthly financial statements that (at a minimum) include (i) a balance sheet, (ii) an object-level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information, and (iii) an explanation of variances. The foregoing presentations shall be in a form and format reasonably acceptable to the Board and are to be provided to all Board members no less than five (5) working days prior to the Board meeting at which the information will be presented and discussed.
- (c) Assistance in facilitating the annual audit in compliance with Applicable Law showing the manner in which funds are spent at the Academy; however, it is acknowledged that (i) only the Board may select, retain, evaluate, or replace the Academy's independent auditors, (ii) the Board may contract directly with any auditor(s) of its choice, (iii) MEM shall cooperate with such auditor(s) by producing any and all documents necessary for the audit and such information as may be requested by the auditor(s), and (iv) any such audit shall be the property of the Academy. For clarity, all finance and other records of MEM related to the Academy necessary for conducting the audit will be made available to the Academy, the Academy's independent auditor(s), and LSSU upon request.
- (d) Other information on a periodic basis or as may otherwise be requested by the Board to enable the Board to monitor MEM's educational performance and the efficiency of its operations of the Academy.

5.07 Access to Records. MEM shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in the possession of MEM, and retain all of said records for a period of six (6) years from the close of the fiscal year to which such books, accounts and records relate. MEM and the Academy shall maintain the proper confidentiality of personnel, students and other records as required by Applicable Law and the Contract.

5.08 Board Role and Obligations.

- (a) The Board shall be responsible for reviewing, revising, and approving the annual budget of the Academy as proposed by MEM, in compliance with the Uniform Budget and Accounting Act.
- (b) The Board shall be responsible for determining the budget reserve amount included as part of the Academy's annual budget. In addition, the Board is responsible for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount.
- (c) Pursuant to the Uniform Budget and Accounting Act, specifically MCL 141.422b, the Board is responsible for designating the Chief Administrative Officer for the Academy. Neither MEM nor any Representative of MEM shall be designated as the Chief Administrative Officer of the Academy, but a MEM employee may assist a Board member who is the Chief Administrative Officer in carrying out their responsibilities.
- (d) Nothing in the Agreement shall alter the Board Treasurer's legal obligation to direct that the deposit of all funds received by or on behalf of the Academy be placed in the Academy's depository account as required by Applicable Law. The signatories on the depository account shall only be Board members properly designated by Board resolution on an annual basis. Interest income earned on Academy depository accounts shall accrue to the Academy.

5.09 Written Policies. The Board shall retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials, and equipment; nevertheless, unless otherwise prohibited by Applicable Law, all procurement of supplies, materials, and equipment shall be made on behalf of the Academy by MEM, and MEM shall comply with Section 1274 of the Code and the Board's policies promulgated pursuant to Section 1274.

**ARTICLE 6. PERSONNEL AND TRAINING**

6.01 Personnel Responsibility. Subject to the Contract and Board policies and budget, MEM shall have the sole responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline and transfer personnel, consistent with Applicable Law, and consistent with the parameters adopted and included within the Educational Program.

6.02 Director. Because the accountability of MEM to the Academy is an essential foundation of this partnership, and because the responsibility of a director ("**Director**") is critical to its success, the Director will be an employee or independent contractor of MEM and MEM will have the authority, consistent with Applicable Law, to select and supervise the Director and to hold him or her accountable for the success of the Academy. The Director and MEM, in turn, will have the authority to select and hold accountable the teachers in the Academy. MEM agrees to consult with the Board prior to hiring the Director. If, at any time, the Board is dissatisfied with the performance of the Director, MEM shall remove and replace the Director of the Academy.

- 6.03 Teachers. Subject to the Contract and applicable budget, MEM shall determine the number of teachers, based upon the applicable grade levels and subjects as set forth in the Contract, required for the operation of the Academy prior to the commencement of each academic year of the Academy, and from time to time thereafter. MEM shall provide the Academy with such teachers, qualified in the grade levels and subjects set forth in the Contract. The curriculum taught by such teachers shall be the curriculum prescribed by the Academy. Such teachers may, in the discretion of MEM, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, such teachers may also work at other schools managed or operated by MEM. Each teacher assigned or retained to the Academy shall hold a valid teaching certificate issued by the State Board of Education under the Code, to the extent required under the Code.
- 6.04 Support Staff. Prior to the commencement of each academic year of the Academy, and from time to time thereafter, MEM shall determine the number and functions of support staff required for the operation of the Academy. The parties anticipate that such support staff may include clerical staff, administrative assistants to the Director, a bookkeeping staff, maintenance personnel, and the like. MEM shall provide the Academy with such support staff, qualified in the areas required, as are required by the Academy. Such support staff may, in the discretion of MEM, work at the Academy on a full-time or part-time basis. If assigned to the Academy on a part-time basis, such support staff may also work at other schools managed or operated by MEM.
- 6.05 Employer of Personnel. Except as specified in this Agreement, all teaching, support staff, and other non-teaching personnel performing functions on behalf of the Academy shall be employees of MEM. Compensation of all employees of MEM shall be paid by MEM, and MEM is responsible for paying employees performing functions on behalf of the Academy whether or not MEM receives an advancement of costs or payment of services from the Academy. For purposes of the Agreement, “**Compensation**” shall include salary, fringe benefits, and state, federal, local and social security tax withholdings. MEM shall be responsible for paying social security, unemployment, and any other taxes required by Applicable Law to be paid on behalf of its employees. Unless required by applicable statute, court or administrative decision, or Attorney General’s opinion, MEM shall not make payments to the Michigan Public School Employees’ Retirement System or any other public retirement system on behalf of its employees. MEM shall be responsible for conducting criminal background checks and unprofessional conduct checks on its employees, as if it were a public school academy under the Code. Teachers employed by MEM shall not be considered teachers for purposes of continuing tenure under MCL 38.71 et. seq. If MEM chooses to execute contracts with administrative or teaching staff that have a term of longer than one year, the Board reserves the right to have the Superintendent or teacher placed elsewhere by MEM if the Board is dissatisfied with their performance at the end of a fiscal year. MEM will provide necessary staffing within the budget established by the Board.
- 6.06 No Restrictive Covenants. MEM is prohibited from including any kind of non-competition, no-hire, or similar provision prohibiting or restricting the Academy from hiring instructional staff that perform work at the Academy in any of its applicable employee contracts or agreements.

## ARTICLE 7. PROPRIETARY INFORMATION

- 7.01 Academy's Rights in Curriculum and Educational Materials. The Academy shall own, without restriction, all proprietary rights to curriculum and educational materials that:
- (a) are both directly developed and paid for by the Academy;
  - (b) were developed by MEM at the direction of the Board with Academy funds dedicated for the specific purpose of developing such curriculum or materials.
- 7.02 MEM's Rights in Curriculum and Educational Materials. MEM shall own, without restriction, all curriculum and educational materials, and all other proprietary information owned by, developed by, or otherwise in the possession of MEM, except as set forth in Section 7.01 above.
- 7.03 Nondisclosure and Nonuse of Proprietary Information. Except as specifically required by the Revised School Code or the Michigan Freedom of Information Act, the proprietary information and materials of one party shall be held in strict confidence by the other party hereto. Both parties agree that they will not use or disclose to anyone, directly or indirectly, for any purpose whatsoever, any such proprietary information without the prior written consent of the other party.
- 7.04 Compliance with Applicable Law. MEM recognizes that MEM's educational materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

## ARTICLE 8. TERMINATION OF AGREEMENT

- 8.01 Termination.
- (a) By MEM. MEM may terminate this Agreement prior to the end of the term specified in Article 2 in the event the Board fails to remedy a material breach within 60 days after notice from MEM. A material breach includes, but is not limited to, MEM's failure to receive any reasonable fee or reimbursement as required by the terms of this Agreement. MEM may also terminate this Agreement if the Academy makes decisions regarding the personnel, curriculum, or program substantially inconsistent with the recommendations of MEM. Termination shall not relieve the Academy of any obligations for payments outstanding to MEM as of the date of termination.
  - (b) By Academy. The Academy may terminate this Agreement prior to the end of the term specified in Article 2 in the event that MEM shall fail to remedy a material breach within 60 days after notice from the Board. Material breach includes, but is not limited to: (1) failure to account for its expenditures or to pay Academy operating costs as required under this Agreement (provided funds are available to do so), (2) failure to substantially follow policies, procedures, rules, regulations or curriculum duly adopted by the Board which are not in violation of the Contract, this Agreement, or Applicable Law, (3) failure to abide by the Contract and meet

any educational goals set forth in the Contract, or (4) failure to abide by this Agreement. In addition, the Academy may terminate this Agreement as of the end of the then-current school year in the event of any change of control of MEM, meaning the direct or indirect transfer of beneficial control or a majority of MEM's outstanding ownership interests from the beneficial control and/or ownership disclosed to the Board prior to the approval and execution of this Agreement in response to the due diligence questions posed pursuant to the LSSU Charter Schools Office ("CSO") Educational Service Provider Guidelines and policies (the "**ESP Policies**").

- (c) 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, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and MEM shall have no recourse against the Academy or LSSU for implementing such site closure or reconstitution.

8.02 Change in Law. If any Applicable Law or regulation, or court or administrative decision or Attorney General's opinion has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice, may request renegotiations of the Agreement and if the parties are unable or unwilling to renegotiate the terms within 90 days after the notice and after making good faith efforts which shall include the use of a third party arbitrator or alternative dispute resolution pursuant to Article 12, the party requiring the renegotiations may terminate this Agreement as of the end of the academic year.

8.03 Termination/Expiration.

- (a) Personal Property. Upon termination or expiration of this Agreement, for any reason, MEM shall have the option to reclaim any personal property which has been purchased, or leased from a party other than the Academy, with MEM funds, provided MEM did not receive such funds from the Academy pursuant to Section 5.03. All personal property purchased or leased by MEM received pursuant to Section 5.03 shall remain the personal property of the Academy.
- (b) Advances/Out of Pocket Expenses. Upon termination or expiration of this Agreement, for any reason, all advances or out of pocket expenses paid by MEM with MEM's own funds, shall be immediately repaid by the Academy unless otherwise agreed in writing by MEM, provided such advances and expenses relate to MEM's services and performance under this Agreement, as specified in Section 5.03.

8.04 Transition. In the event of termination of this Agreement for any reason by either party prior to the end of this Agreement's term, in addition to the transition services provided

under Section 8.07, MEM shall provide the Academy with reasonable assistance for up to 90 days to assist in the transition to another ESP or self-management or to wind up the Academy's affairs, as applicable (the "**Additional Transition Services**"). MEM shall receive reasonable compensation for the Additional Transition Services, as agreed upon by the parties after good faith negotiations.

- 8.05 Revocation or Termination of Contract. If the Contract is suspended, revoked, terminated, or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically be suspended, revoked, terminated, or expire, as the case may be, on the same day as the Contract is suspended, revoked, terminated, or expires, without further action of the parties.
- 8.06 Effective Date of Termination. Any termination of this Agreement for cause or without cause shall not take effect until the earlier of (a) an approved agreement by the Academy with another ESP (or self-management) is in effect; or (b) the end of the current school year in which the termination is invoked. The parties acknowledge that a change in ESP (or a decision for the Academy to become self-managed) before the end of the then-current school year is strongly discouraged and will be disapproved by the LSSU CSO 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.
- 8.07 Transition Services. Upon any termination or expiration of this Agreement, including, without limitation, due to a Contract revocation, reconstitution, termination or non-renewal, MEM shall, without charge: (a) close the books on the then-current school fiscal year; (b) organize and prepare the Academy's records for transition to a new ESP, self-management or dissolution; (c) provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (d) provide an updated list of outstanding vendor invoices with total amounts owed (including the total outstanding amount owed by the Academy to MEM, if any); (e) provide an updated list of outstanding amounts owed by MEM to the Academy, if any; (f) organize and prepare student records for transition to a 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; (g) ensure the closeout of existing grants and the transfer of grant-funded property to the Academy, if applicable; and (h) provide for the orderly transition of employee compensation and benefits to the new ESP or the Academy (if it is pursuing self-management) without disruption to staffing, or, in the case of school closure, final payment of all employee compensation, benefit, and tax obligations related to services provided by MEM to the Academy.

## **ARTICLE 9. INDEMNIFICATION**

- 9.01 Indemnification of MEM. To the extent permitted by Applicable Law, the Academy shall indemnify and save and hold MEM and all of its Representatives (collectively, the "**MEM Indemnitees**") harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, any noncompliance by the Academy with any agreements, covenants, warranties, or undertakings of the Academy contained in or

made pursuant to the Agreement, and any misrepresentations or breaches of the representations and warranties of the Academy contained in or made pursuant to this Agreement. In addition, the Academy shall reimburse MEM for any and all reasonable legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this section may be met by the purchase of insurance pursuant to Article 10.

9.02 Limitations of Liabilities. The Academy may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement. Nothing in this Agreement shall be interpreted to restrict the Board from waiving its governmental immunity or require the Board to assert, waive, or not waive its governmental immunity.

9.03 Indemnification of Academy. To the extent permitted by Applicable Law, MEM shall indemnify and save and hold the Academy and all of its Representatives (collectively, the “**Academy Indemnitees**”) harmless against any and all claims, demands, suits or other forms of liability that may arise out of, or by reason of, any noncompliance by MEM with any agreements, covenants, warranties or undertakings of MEM contained in or made pursuant to the Agreement, and any misrepresentations or breaches of the representations and warranties of MEM contained in or made pursuant to this Agreement. In addition, MEM shall reimburse the Academy for any and all reasonable legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this section may be met by the purchase of insurance pursuant to Article 10.

9.04 Indemnification for Negligence.

(a) To the extent permitted by Applicable Law, the Academy shall indemnify and save and hold the MEM Indemnitees harmless against any and all claims, demands, suits or other forms of liability which any of the MEM Indemnitees may incur that arise out of the negligence of the Academy or any of its Representatives other than MEM or any of the MEM Indemnitees.

(b) To the extent permitted by Applicable Law, MEM shall indemnify and save and hold the Academy Indemnitees harmless against any and all claims, demands, suits or other forms of liability which any of the Academy Indemnitees may incur that arise out of the negligence of MEM or any of its Representatives.

9.05 Indemnification of Lake Superior State University. The parties acknowledge and agree that LSSU, and its Board of Trustees and other Representatives (for purposes of this paragraph, collectively referred to as the “**University**”) are deemed to be third-party beneficiaries for purposes of this Agreement. As third-party beneficiaries, MEM 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 LSSU's approval of the Academy's application, LSSU's consideration of or issuance of a Contract, MEM'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 MEM, or which arise out of the failure of MEM to perform its obligations under the Contract, the Agreement or Applicable Law, as applicable. The parties expressly acknowledge and agree that the University, LSSU and its Representatives, or any of them, may commence legal action against MEM to enforce its rights as set forth in this Agreement.

## **ARTICLE 10. INSURANCE**

### **10.01 Insurance Coverage.**

- (a) The Academy shall maintain general liability insurance and umbrella insurance coverage in the amount required by the Contract. MEM shall comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable.
- (b) MEM shall secure and maintain separate general liability and umbrella insurance coverage. MEM shall maintain such policies of insurance as may be required by the Contract and the Michigan Universities Self-Insurance Corporation ("MUSIC"). In the event that LSSU or MUSIC requests any change in coverage by MEM, MEM agrees to comply with such change by obtaining the type of or amount of coverage requested within thirty (30) days after notice of such insurance coverage change. MEM's insurance is separate from and in addition to the insurance the Board is required to obtain under the Contract. MEM's cost of procuring insurance is a corporate cost and expense of MEM that is not subject to reimbursement by the Academy. MEM's current certificate of insurance demonstrating that it currently has sufficient insurance coverage is attached as **Exhibit B**, and MEM shall, upon request, present evidence that it maintains the requisite insurance to LSSU and the Academy upon reasonable notice.
- (c) Each party shall, upon request, present evidence to the other that maintains the requisite insurance in compliance with the provisions of this Agreement. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

10.02 Workers' Compensation Insurance. Each party shall maintain workers' compensation insurance as required by Applicable Law, covering their respective employees.

## **ARTICLE 11. WARRANTIES AND REPRESENTATIONS**

11.01 Academy Warranties and Representations. The Academy represents that it has the authority under Applicable Law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement. The Board warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

- 11.02 MEM Warranties and Representations. MEM warrants and represents that it is a limited liability company in good standing and is authorized to conduct business in the State of Michigan. MEM represents that it has the authority under Applicable Law to execute, deliver, and perform this Agreement, and to incur the obligations provided for under this Agreement. MEM warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.
- 11.03 Mutual Warranties. Each party to the Agreement warrants to the other that there are no actions, claims, suits, or proceedings pending or, to its knowledge, threatened or reasonably anticipated against or affecting it, which, if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.
- 11.04 Bankruptcy Notification. MEM shall notify the Board if MEM (as an entity), any of its affiliates, any principal or officer of MEM, or any organizations in which a principal or officer of MEM serves as a principal or officer, files for bankruptcy protection or, at the time this Agreement is executed, has filed for bankruptcy protection within the last five (5) years.

## **ARTICLE 12. ALTERNATIVE DISPUTE RESOLUTION PROCEDURE**

- 12.01 Alternative Dispute Resolution Procedure. Any and all disputes between the parties, concerning any alleged breach of this Agreement, or arising out of or relating to the interpretation of this Agreement or the parties' performance of their respective obligations under this Agreement, shall be resolved by arbitration, and such procedure shall be the sole and exclusive remedy for such matters. Unless the parties agree upon a single arbitrator, the arbitration panel shall consist of three persons. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, with such variations as the parties and arbitrators unanimously accept. The arbitrators' award shall be final and binding. A cause opinion (written explanation) as to the final decision shall be required. The LSSU CSO shall be notified of said decision and, upon the CSO's request, the cause opinion shall be made available. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction. The losing party shall pay the cost of arbitration, not including attorney fees. It shall be in the discretion of the arbitration panel to award reasonable attorney fees to the prevailing party. The losing party, if any, shall pay such fees.

## **ARTICLE 13. SECURITY OF COVERED DATA AND INFORMATION**

- 13.01 Covered Data and Information. "**Covered Data and Information**" (or "**CDI**") means any paper and electronic student education and/or medical records and related information provided by the Academy, its students, and/or any of its students' parents or guardians to MEM, and includes, without limitation: (a) "education records" and "education record information," as defined under FERPA and the Individuals with Disabilities Education Act, 20 U.S.C. § 1400 *et seq.*, and its implementing regulations (collectively, "**IDEA**"); (b) "protected health information," as defined under the federal Health Insurance Portability and Accountability Act, Public Law 104-191, and its implementing statutes and regulations

(collectively, “HIPAA”); (c) “relevant records,” as defined under Section 504 of IDEA; (d) any social security numbers or other taxpayer identification numbers of natural persons; and (e) any new records that may be created and/or maintained by MEM in using any other CDI in performing the Services.

- 13.02 Commitment to Preserve. MEM agrees that it shall observe the policies and directives of the Academy to preserve the confidentiality of CDI to the extent that MEM and its Representatives are permitted to access CDI in the course of performing the Services.
- 13.03 Acknowledgment of Access to CDI. MEM acknowledges that this Agreement allows MEM and its Representatives to access CDI that the Academy may be legally responsible to maintain in a confidential and secure fashion. Accordingly, MEM and its Representatives shall provide the Academy with control over CDI sufficient to satisfy all standards under Applicable Law. In any event, MEM and its Representatives shall at all times make CDI available to the Academy within a reasonable time of receiving a request for any such CDI from the Academy or any of its authorized Representatives.
- 13.04 Maintenance of the Security of Electronic Information. MEM and its Representatives shall develop, implement, maintain, and use appropriate administrative, technical, and physical security measures to preserve the confidentiality, integrity, and availability of all CDI disclosed by or on behalf of the Academy or its students. These measures will be extended by contract to all Representatives of MEM, including subcontractors or “**Business Associates**” (as defined by HIPAA).
- 13.05 Prohibition on Unauthorized Use or Disclosure of CDI. MEM and its Representatives agree to hold any and all CDI to which any of them has access in strict confidence. MEM and its Representatives shall not use or disclose CDI disclosed by or on behalf of the Academy, except to the extent permitted under or required by this Agreement, as required or authorized by Applicable Law, or as otherwise authorized in writing by the Academy, a student with capacity to grant such authorization, and/or the parent or guardian of a student with capacity and authority to grant such authorization with respect to such student. MEM agrees that it will maintain reasonable security precautions and efforts to safeguard the secrecy and confidentiality of the CDI, and to prevent unauthorized access, reproduction, disclosure or use of any of the CDI other than for the purpose of performing its Services under, and then only in compliance with, this Agreement and subject to all Applicable Law, and such precautions and efforts must be at least as protective as the precautions and efforts that MEM takes to protect its own proprietary and confidential Information, but in any event, no less than reasonable care. MEM shall ensure that any of its Representatives, including any subcontractor or Business Associate, 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 MEM under this Agreement.
- 13.06 Return or Destruction of CDI. Upon termination, expiration, or other conclusion of this Agreement, MEM shall, and shall cause its Representatives to, return all CDI to the Academy.

13.07 Reporting of Unauthorized Access, Use, or Disclosures of CDI. MEM shall report any access, use, or disclosure of CDI not authorized by this Agreement or by the Academy to the Board in writing within two (2) business days of MEM's discovery of such unauthorized access, use, or disclosure. MEM's report shall identify: (a) the nature of the unauthorized access, use, or disclosure; (b) the CDI accessed, used, or disclosed; (c) the person making such unauthorized access or use or receiving such unauthorized disclosure; (d) any actions that MEM has taken or shall take to mitigate any deleterious effect of the unauthorized access, use, or disclosure; and (e) the corrective actions MEM has taken or shall take to prevent future similar unauthorized access, use, or disclosure. MEM shall also provide such other information, including such other written reports, as are reasonably requested by the Academy.

13.08 Remedies.

(a) Notice and Opportunity to Cure. If the Academy reasonably determines that MEM has materially breached any of its obligations under this Article 13 of the Agreement, the Academy, in its sole discretion, shall have the right to (a) require MEM to submit to a plan of monitoring and reporting, (b) require MEM to cure such breach within fifteen (15) days of written notice, or (c) if cure is not possible, terminate the Agreement at such time on or before the end of the then-current school year as the Board may determine in its sole discretion.

(b) Statutory/Regulatory Penalties. MEM and the Academy acknowledge and agree that MEM shall be subject to any penalties for unauthorized access, use, or disclosure of CDI that are or may be imposed under Applicable Law from time to time, including, without limitation, that MEM may be prohibited by Applicable Law from accessing CDI for defined periods of time following any unauthorized access, use, or disclosure of CDI. Any prohibition upon MEM's ability to access CDI under Applicable Law shall be a material breach of this Agreement.

13.09 Amendment for Compliance. The Academy shall notify MEM in writing if the Academy, in its reasonable discretion, believes that any data security provision of the Agreement fails to comply with Applicable Law. Within thirty (30) business days of MEM's receipt of such notice, the parties shall address the expressed concern(s) in good faith and shall amend the terms of this Agreement if the Academy, in its reasonable discretion, deems an amendment necessary to bring the Agreement into compliance with Applicable Law. If, after such thirty (30) business day period, this Agreement remains noncompliant with Applicable Law with respect to the concern(s) identified by the Academy in accordance with this Section, the Academy shall have the right to immediately terminate this Agreement by written notice to MEM.

## **ARTICLE 14. MISCELLANEOUS**

14.01 Entire Agreement. This Agreement, together with all related Exhibits, constitutes the sole and entire agreement of the Academy and MEM with respect to the subject matter of this Agreement and therein, and supersedes and replaces any and all and contemporaneous prior

agreements and understandings between the Academy and MEM, written or oral, with respect to such subject matter.

- 14.02 Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, accident, labor strike, flood, or other acts beyond its reasonable control; provided that either party may terminate this Agreement under Article 8 if sufficient grounds exist as required by said Article 8.
- 14.03 State Governing Law. The rights of all parties hereto shall be subject to the jurisdiction of and be construed according to the laws of the State of Michigan.
- 14.04 Agreement in Entirety. This Agreement (including any attachment) constitutes the entire agreement of the parties.
- 14.05 Official Notices. All notices and other communications required by the terms of this Agreement shall be in writing and sent to the parties hereto at the address set forth below. Notice may be given by: (1) certified or registered mail, postage prepaid, return receipt requested, or (2) personal delivery. Notices shall be deemed to have been given on the date of personal delivery if given by mail. The address of the parties hereto for the purposes aforesaid shall be:

For the Academy:

Bay City Academy  
Attention: President, Board of Directors  
301 North Farragut  
Bay City, Michigan 49708

For MEM:

Mitten Educational Management, LLC  
Attention: Brian Lynch  
809 Saginaw Street  
Bay City, Michigan 49708

- 14.06 Assignment. This Agreement shall not be assigned by MEM without prior consent in writing of the Board (which consent shall not be unreasonably withheld) or by the Academy without the prior consent in writing of MEM (which consent shall not be unreasonably withheld), provided that MEM may, without the consent of the Academy, delegate the performance of—but not responsibility for—any duties and obligations of MEM hereunder to any independent contractor, expert, or professional adviser, except as expressly limited by this Agreement, and provided further that this Agreement shall not be assignable without prior notification to the LSSU CSO. Any assignee of MEM shall be considered an ESP, as defined by the ESP Policies and, as such, any such assignee shall comply with the requirements set forth in such ESP Policies.
- 14.07 Amendment. This Agreement shall not be altered, amended, modified or supplemented except by written agreement approved by the Board and signed by both the Board Chair of the Academy and authorized officer of MEM. All amendments must comply with Applicable Law and the Contract and must be submitted to the CSO for review prior to becoming effective.
- 14.08 Amendment for Obtaining Tax Exempt Financing. Should the Academy determine that it is in the best interest of the Academy to obtain financing from the Michigan Municipal Bond Authority or any other type of financing that is tax-exempt pursuant to the federal

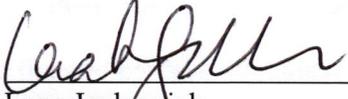
Internal Revenue Code of 1986, as amended, then this Agreement shall be automatically amended to comply with Revenue Procedure 97-13 or any successor, subject to Section 14.07 of this Agreement. In particular, the term of this Agreement as provided in Article 2 shall be amended to satisfy the requirements of Revenue Procedure 97-13. The parties shall promptly execute a written document reflecting such amendment, but the failure of the parties to do so shall not affect the effectiveness of the automatic amendment.

- 14.09 Waiver. No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.
- 14.10 Severability. The invalidity of any of the covenants, phrases or clauses in this Agreement shall not affect the remaining portions of this Agreement, and this Agreement shall be construed as if such invalid covenant, phrase or clause had not been contained in this Agreement.
- 14.11 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of, the parties and their representative successors and assigns.
- 14.12 No Third Party Rights. This Agreement is made for the sole benefit of the Academy and MEM. Except as otherwise expressly provided, nothing in this Agreement shall create or be deemed to create a relationship between the parties of this Agreement, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary. This provision shall be stricken inasmuch as this provision applies to LSSU.
- 14.13 Survival of Termination. All representations, warranties, and indemnities made in this Agreement shall survive termination of this Agreement.
- 14.14 Delegation of Authority. Nothing in this Agreement shall be construed as delegating to MEM any of the powers or authority of the Board which are not subject to delegation by the Board under Michigan Law.
- 14.15 Compliance with Law. The parties agree to comply with all Applicable Law.
- 14.16 Marketing Cost. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy's program, and shall not include any costs for the marketing and development of MEM.
- 14.17 Board Governance. Nothing in this Agreement shall be interpreted to interfere with the Board's exercise of its statutory, contractual, and fiduciary responsibilities governing the operation of the Academy. Nothing in this Agreement shall be interpreted to prohibit the 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.
- 14.18 Access to Records. All finance and other records of MEM related to the Academy will be made available to the Board, the Academy's independent auditor(s), or the CSO, upon the request of an authorized representative of any such person.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the day and year first above written.

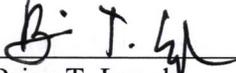
**ACADEMY**

Bay City Academy

By:   
Name: Lena Jankowjak  
Title: President, Board of Directors

**MEM**

Mitten Educational Management, LLC

By:   
Name: Brian T. Lynch  
Title: Member

By:   
Name: Tricia Coonan  
Title: Secretary, Board of Directors

[SIGNATURE PAGE TO EDUCATIONAL SERVICE PROVIDER AGREEMENT]

## **EXHIBIT A SERVICES**

Subject to Applicable Law, the Contract, the general oversight of the Board, the Board-approved budget, and the terms and conditions of the Agreement, the Services MEM shall provide to the Academy under the Agreement shall include, without limitation:

- 1) ***Educational Program:*** Implementing and administering the Educational Program, including
  - (a) administering any and all extra-curricular and co-curricular activities and programs, and
  - (b) selecting and acquiring instructional materials, equipment, and supplies.
  
- 2) ***Board Relations / Governance:***
  - a) Supporting and providing guidance for the Board as needed on matters involving the Academy;
  - b) Interacting and communicating effectively with the Board, and welcoming input and ideas from and between the school leader and the Board;
  - c) Assisting the Board in holding meetings in compliance with the Open Meetings Act, Board policies, and LSSU requirements;
  - d) Assisting in developing Board meeting agendas and related support materials;
  - e) Preparing and submitting meeting minutes and related documentation on behalf of the Board;
  - f) Working with the Academy's legal counsel to provide accurate and timely reporting ;
  - g) Providing support for any required disciplinary hearings;
  - h) Assisting the Board in strategic planning;
  - i) Providing a MEM liaison to the Board at all meetings and on-site for staff and administrator check-ins;
  - j) Coordinating and working with the school leader to develop a strong relationship between the school leader, the staff, and the Board;
  
- 3) ***Finance:***
  - a) Directing and implementing the Academy's financial plans;
  - b) Leading and supporting the Academy's budgeting process;
  - c) Reviewing, analyzing and presenting financial reports to the Board;
  - d) Communicating with the Board about the Academy's financial health;
  - e) Supporting and advising the Board in making financial decisions;
  - f) Creating, implementing and overseeing business policies and accounting practices;
  - g) Cooperating with reasonable requests of the Academy's auditor on matters related to the Academy's annual financial audit;
  - h) Uploading required financial information to the Department and LSSU;
  - i) Unless directed otherwise by the Board, identifying and completing applications for additional funding opportunities, including public and private grants;
  - j) Drawing down and managing funds associated with grants to the Academy;
  - k) Administering purchasing and accounts payable functions on behalf of the Academy;

- l) Receiving and depositing state aid deposits and other funds on behalf of the Academy as necessary;
  - m) Supporting the Academy in obtaining state revenue anticipation notes; provided, however, that the parties agree that MEM and/or the Board may engage third parties to assist with these notes, and expenses associated with such third parties shall be paid by the Board or reimbursed to MEM;
  - n) Supporting the Academy in facility financing transactions; provided, however, that the parties agree that MEM and/or the Board may engage third parties to assist with these notes, and expenses associated with such third parties shall be paid by the Board or reimbursed to MEM;
  - o) Assisting the Academy with cash flow planning;
  - p) Providing bank reconciliations for the Academy;
  - q) Developing requests for proposals and overseeing and coordinating bids and resulting work;
- 4) ***Compliance and Accountability:*** MEM will assist the Academy in complying with the applicable requirements of LSSU, the Department, the Michigan Department of Treasury, the Michigan Department of Labor, the US Department of Education, and the US Department of Treasury, including:
- a) Accurately completing all LSSU reporting requirements;
  - b) Assisting the Board with meeting all requirements of Applicable Law;
  - c) Assuring compliance with all state-required budgetary transparency items;
  - d) Ensuring compliance with all emergency drill and public hearing requirements;
  - e) Maintaining student and staff records in accordance with applicable law, regulation, or policy;
  - f) Assuring compliance with all charter contract requirements;
  - g) Providing assistance with the charter contract reauthorization process;
  - h) Creating a calendar and system to manage and track all compliance requirements for all stakeholders and communicating upcoming timelines and progress;
  - i) Working with the Academy to ensure accurate and timely reporting of information to MDE, LSSU, and other regulatory bodies per legal and LSSU requirements;
  - j) Advising the Board on specific compliance matters, including but not limited to:
    - i) Board policies;
    - ii) audits;
    - iii) the Open Meetings Act; and
    - iv) transparency reporting;
  - k) Reviewing state accountability rankings and, if necessary, appealing them;
- 5) ***Human Resources:***
- a) Providing faculty and staff for the Academy;
  - b) Providing the Board with annual staffing projections, including anticipated aggregate salary and benefit expenses, for use in the Board's budget preparation;
  - c) Complying with personnel reporting requirements, including the annual MDE Registration of Educational Personnel (REP), LSSU and MDE audits;
  - d) Tracking certification, mentor, and professional development for all staff members;

e) Managing and evaluating substitute services;

6) ***Talent Management and Professional Development:***

- a) Providing professional training and development, including new employee orientation;
- b) Developing and implementing retention strategies;
- c) Providing a performance management system;
- d) Performing talent management and development work;
- e) Developing and monitoring a supportive staff culture;
- f) Providing evidence- and goals-based management accountability and support;
- g) Providing a quarterly review for school leadership teams, which may include reviewing and revising strategy, discussing the competitive landscape, learning about key educational trends and ideas, building team capacity, reflecting on progress, setting the next quarter's high level priorities, and determining the evidence to produce for communicating progress;
- h) Providing professional development as needed and applicable for the school staff and the school leadership team, which may include customized, school-based professional development opportunities based on data and designed to improve teaching and learning;

7) ***General Operations:***

- a) Assisting the Academy with obtaining and managing insurance;
- b) Managing and guiding the Academy's compliance with state pupil accounting regulations, helping with onsite audits, and working with the intermediate school district;
- c) Coordinating and administering, on the Board's behalf, agreed-upon legal activities: letters of agreement, contracts, leases, and other legal documents and agreements;
- d) If the Academy provides transportation, procuring and managing transportation services in compliance with all federal, state and local requirements;
- e) If eligible, securing child nutrition grants that allow schools to participate in the National School Breakfast and Lunch Program;
- f) Managing the state-regulated food service vendor selection process for the Academy, and providing oversight of all aspects of the food service vendor's services, including conducting onsite reviews and reporting;
- g) Participating and supporting the Board in the acquisition of new facilities;
- h) Assisting with the maintenance of facilities in a safe and clean condition with custodial and maintenance services;
- i) Assisting the Academy with adherence to health and safety regulations for its facilities (e.g., AHERA);
- j) Supporting the Academy in acquiring and using appropriate technology hardware and software systems to support the Academy's academic and operational functions;
- k) Developing the Academy's technology plan;
- l) Assisting the Academy with applying for and securing E-Rate technology discounts and TRIG funding;
- m) Assisting with the management of data information and management systems;
- n) Providing student information system management, training and support;
- o) Providing the Academy with assessment support to meet all requirements of LSSU and Applicable Law; and
- p) Assisting the Board with risk management activities;

8) ***Student Recruitment and Retention:***

- a) Working with the Academy to recruit new students;
- b) Assisting the Academy with developing and organizing a student recruitment and retention plan designed to meet the needs of the Academy;
- c) Helping implement the Academy's recruitment plan in line with the Academy's enrollment targets and budget;
- d) Supporting the school leader in building relationships with families and students to foster a positive climate and culture driven by the vision of the Academy;
- e) Helping facilitate strong family and parent relationships, including providing opportunities for feedback to help meet parent/family needs and improve retention;

9) ***Marketing, Communication and Planning:***

- a) Helping the Academy create a marketing plan aligned with the Academy's mission and vision;
- b) Developing high quality materials to communicate the Academy's purpose and successes;
- c) Planning and implementing programs that enhance the visibility and public perception of the Academy;
- d) Developing and implementing a comprehensive communication strategy for all internal and external communications including tools and timelines to ensure clarity, consistency and transparency between the staff, Board, families and community; and
- e) Assessing parent, student and staff satisfaction and reporting results to the Board;

10) ***Data Management and Reports:***

- a) Coordinating the collection, processing, and interpretation of all school outcome data; and
- b) Coaching the Academy's school leader and teachers in how to use data to shape school discussions, make instructional decisions, and support school improvement work.

**EXHIBIT B  
CERTIFICATE OF INSURANCE**

*See attached.*





**ADDITIONAL REMARKS SCHEDULE**

AGENCY Kapnick Insurance Group		NAMED INSURED Mitten Educational Management LLC 809 Saginaw St Bay City MI 48708	
POLICY NUMBER		EFFECTIVE DATE:	
CARRIER	NAIC CODE		

**ADDITIONAL REMARKS**

**THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,**  
**FORM NUMBER: 25 FORM TITLE: CERTIFICATE OF LIABILITY INSURANCE**

Special Supplementary Payment Limit - \$10,000

Abuse or Molestation Alleged Participant Coverage - \$250,000 Each Act Limit  
 \$500,000 Aggregate Limit

Employee Dishonesty/Crime - includes Third Party Crime

Lake Superior State University is named Additional Insured on General Liability policy, School Leaders E & O and Employment Practices Liability. Umbrella Liability is following form.

Coverage is Primary/Non-Contributory.

**CONTRACT SCHEDULE 6**

**PHYSICAL PLANT DESCRIPTION**

**SCHEDULE 6**  
**Physical Plant Description**

Physical Plant Description .....	6-1
5055 Corey Road Certificate of Occupancy .....	6-4
5055 Corey Road Floor Plan.....	6-5
5055 Corey Road Site Plan.....	6-6
5055 Corey Road Warranty Deed.....	6-8
301 N. Farragut St. Certificate of Occupancy.....	6-12
301 N. Farragut St. Floor Plan .....	6-13
301 N. Farragut St. Warranty Deed .....	6-14

## 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 Bay City Academy (“Academy”) is as follows:

Address: Bay City Academy is located at 5055 Corey Road, Mancelona, MI 49659. This building also has an address of 5047 Richardson Road, Mancelona, MI 49659.

Description: The Academy resides in a 31,075 square foot building located on 28 acres approximately 6 miles north of Mancelona and 2 miles south of Alba in Northwest lower Michigan. A staff parking lot as well as a U-shaped drive through and parking for visitors is located on site. Outdoor play structures and swing sets are also located outside the facility on a designated playground. Indoor facilities consist of eighteen classroom spaces for K-12 classrooms, a lunchroom, staff offices, two sets of bathrooms, two gym areas and a 200 seat auditorium. The school is located within the boundaries of the Mancelona Public Schools as well as the Northwest Educational Services ISD.

Term of Use: Term of Contract.

Configuration of Grade Levels: Kindergarten through twelfth grade.

Name of School District and Intermediate School District:

Local: Mancelona Public Schools  
ISD: Traverse Bay Area ISD

Address: 301 N. Farragut St.  
Bay City, Michigan 48708

Description: The Academy currently resides in a 45,000 square foot building located on one city block in Bay City, Michigan. A staff parking lot and parking for visitors is located on site near an outdoor play structure. Indoor facilities consist of twenty-eight rooms, two sets of bathrooms, a spacious gymnasium, a kitchen area, two sets of stairs, and an elevator.

Term of Use: Term of Contract.

Configuration of Grade Levels: Kindergarten through twelfth grade.

Name of School District and Intermediate School District:

Local: Bay City Public Schools  
ISD: Bay-Arenac 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.

0. 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.

# Tab A – 5055 Corey Road

# CERTIFICATE OF USE AND OCCUPANCY

## PERMANENT

Michigan Department of Licensing and Regulatory Affairs  
Bureau of Construction Codes/Building Division  
P. O. Box 30254  
Lansing, MI 48909  
(517) 241-9317

BUILDING PERMIT NO.: B033931  
5055 COREY RD  
MANCELONA, MICHIGAN  
ANTRIM COUNTY

The above named building of Use Group E, Education and Construction Type 2B - Non Combustible (Non Rated Structural Elements) is approved for use and occupancy.

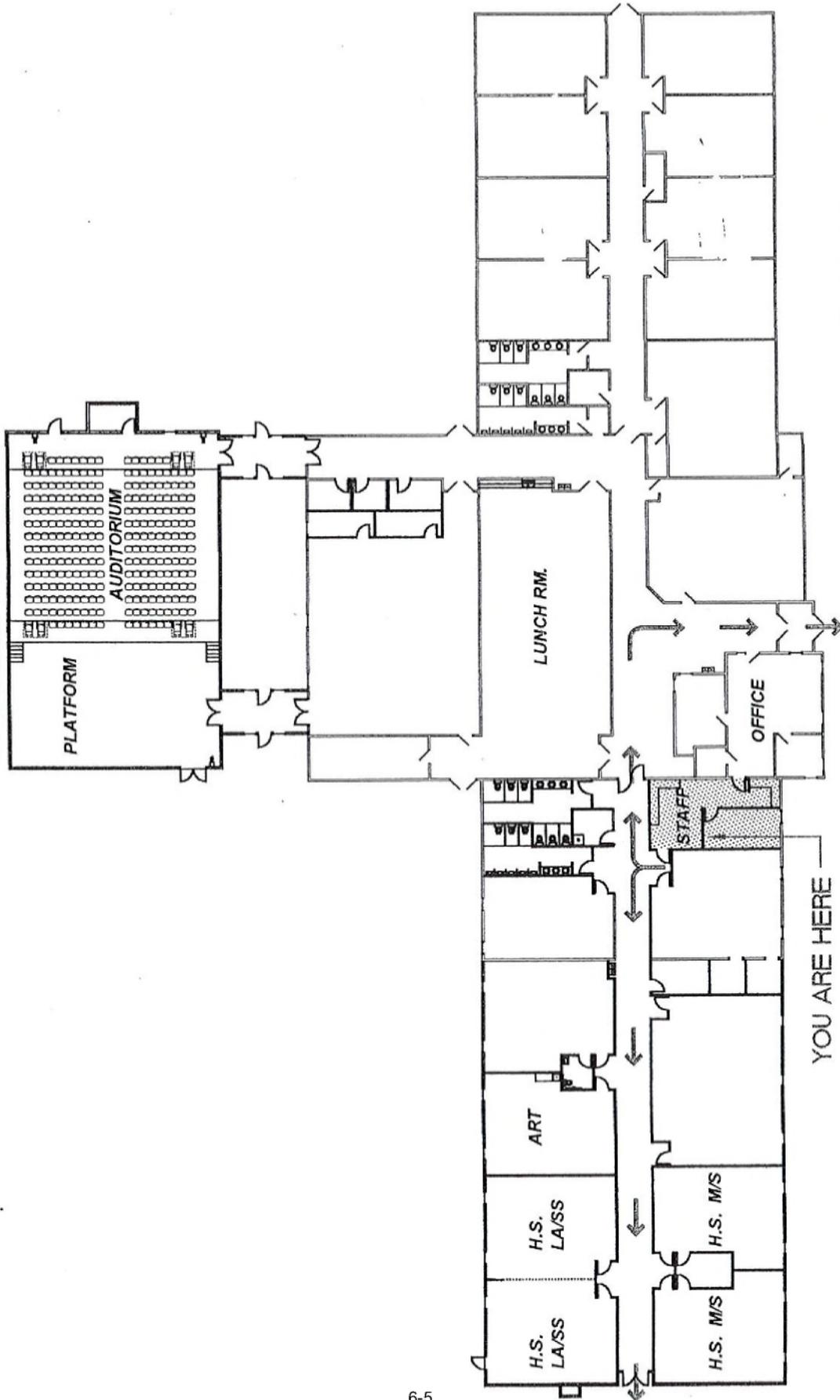
THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 111.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

*Jon Paradine*

Jon Paradine, Chief  
Building and Permits Division

August 30, 2013

5055 Corey Road  
Mancelona, MI



# CERTIFICATE OF SURVEY

... A CERTIFIED COPY ... SHALL BE RECORDED AT THE TIME OF RECORDING THE CONVEYANCE OF TITLE ... THE PART OF (SEC. 1.(2), ACT 132 OF 1970 AS AMENDED.)



0' 200' 400'  
SCALE: 1" = 400'



### LEGEND

- = SET 1/2" ROD & CAP      □ ⊙ = FD. CONC. MON.
- ⊙ = FD. FARRIER IRON      ⊗ = SET CONC. MON.
- = FD. IRON      R = RECORD
- ▲ = SET NAIL      M = MEASURED
- △ = FD. NAIL      PR = PRORATED
- = SET PROPERTY LINE STAKES



I, DEAN R. FARRIER, A PROFESSIONAL SURVEYOR IN THE STATE OF MICHIGAN, CERTIFY THAT I HAVE SURVEYED AND MAPPED THE HEREON DESCRIBED PARCEL OF LAND, AND THE RELATIVE POSITIONAL PRECISION IS WITHIN 0.15 FEET FOR EACH OF THE CORNERS SHOWN HEREIN AND THAT I HAVE FULLY COMPLIED WITH THE SURVEY REQUIREMENTS OF ACT 132 OF 1970 AS AMENDED.

*Dean R. Farrier*  
DEAN R. FARRIER      PS# 41098

DATE 7-2-20

BEARING BASIS: CERTIFICATE OF SURVEY RECORDED IN LIBER 355, PAGE 1215

<b>FARRIER SURVEYING INC.</b> P.O. BOX 998 244 S. CEDAR STREET KALKASKA, MI 49646 TEL(231)258-8162 FAX(231)258-3249 office@farriersurveying.com	<b>CLIENT ROBB MUNGER</b>  <b>DESCRIPTION</b> PART OF THE SW 1/4 OF THE SW 1/4, SECTION 25, T30N-R6W, CHESTONIA TOWNSHIP, ANTRIM COUNTY, MICHIGAN 6-6	DRAWN: DES      FILE No. 14020 CHECK: DRF      Fd. Bk. , Pg. REVISED:      DATE: 7/2/2020 SHEET: 1 of 2
--	---	--

DESCRIPTION

DESCRIPTION AS FURNISHED

A PARCEL OF LAND SITUATED IN THE TOWNSHIP OF CHESTONIA, COUNTY OF ANTRIM, STATE OF MICHIGAN DESCRIBED AS FOLLOWS TO-WIT:

PARCEL "B"

THAT PART OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, T30N-R6W DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 25; THENCE N87°21'31"E ALONG THE SOUTH LINE OF SAID SECTION, 410.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N87°21'31"E ALONG SAID SOUTH LINE, 949.35 FEET TO THE WEST 1/8 LINE OF SAID SECTION 25; THENCE N01°23'08"W ALONG SAID WEST 1/8 LINE, 1329.74 FEET TO THE SOUTH 1/8 LINE OF SAID SECTION 25; THENCE S87°23'06"W ALONG SAID SOUTH 1/8 LINE, 492.40 FEET TO THE SOUTHEAST RIGHT-OF-WAY LINE OF THE PENN CENTRAL RAILROAD; THE S45°04'24"W ALONG SAID RIGHT-OF-WAY LINE, 1193.99 FEET TO THE WEST LINE OF SAID SECTION 25; THENCE S01°15'03"E ALONG SAID WEST LINE, 138.26 FEET; THENCE N45°04'24"E, 566.72 FEET BEING 100 FEET SOUTHEAST OF AND PARALLEL WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF THE PENN CENTRAL RAILROAD; THENCE S01°15'03"E PARALLEL WITH SAID WEST LINE, 769.61 FEET TO THE SAID POINT OF BEGINNING. CONTAINING 28.03 ACRES OF LAND MORE OR LESS. SUBJECT TO THE RIGHT-OF-WAY FOR COREY ROAD AND RICHARDSON ROAD. ALSO SUBJECT TO EASEMENTS AND RESTRICTIONS OF RECORD.

PARCEL DESCRIPTIONS

PARCEL "B-1"

THAT PART OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, T30N-R6W DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 25; THENCE N87°21'31"E ALONG THE SOUTH LINE OF SAID SECTION, 410.00 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N87°21'31"E ALONG SAID SOUTH LINE, 949.35 FEET TO THE WEST 1/8 LINE OF SAID SECTION 25; THENCE N01°23'08"W ALONG SAID WEST 1/8 LINE, 769.57 FEET; THENCE S87°21'31"W PARALLEL TO SAID SOUTH SECTION LINE, 947.53 FEET; THENCE S01°15'03"E PARALLEL WITH SAID WEST LINE, 769.61 FEET TO THE SAID POINT OF BEGINNING. CONTAINING 16.76 ACRES OF LAND MORE OR LESS. SUBJECT TO THE RIGHT-OF-WAY FOR RICHARDSON ROAD. ALSO SUBJECT TO EASEMENTS, RESERVATIONS AND RESTRICTIONS OF RECORD.

PARCEL "B-2"

THAT PART OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, T30N-R6W DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER OF SAID SECTION 25; THENCE N87°21'31"E ALONG THE SOUTH LINE OF SAID SECTION, 1359.35 FEET TO THE WEST 1/8 LINE OF SAID SECTION 25; THENCE N01°23'08"W ALONG SAID WEST 1/8 LINE, 769.57 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING N01°23'08"W ALONG SAID WEST 1/8 LINE 560.17 FEET TO THE SOUTH 1/8 LINE OF SAID SECTION 25; THENCE S87°23'06"W ALONG SAID SOUTH 1/8 LINE, 492.40 FEET TO THE SOUTHEAST RIGHT-OF-WAY LINE OF THE PENN CENTRAL RAILROAD; THE S45°04'24"W ALONG SAID RIGHT-OF-WAY LINE, 1193.99 FEET TO THE WEST LINE OF SAID SECTION 25; THENCE S01°15'03"E ALONG SAID WEST LINE, 138.26 FEET; THENCE N45°04'24"E, 566.72 FEET BEING 100 FEET SOUTHEAST OF AND PARALLEL WITH THE SOUTHEAST RIGHT-OF-WAY LINE OF THE PENN CENTRAL RAILROAD; THENCE S87°21'31"W PARALLEL WITH SAID SOUTH SECTION LINE, 947.53 FEET TO THE SAID POINT OF BEGINNING. CONTAINING 11.27 ACRES OF LAND MORE OR LESS. SUBJECT TO THE RIGHT-OF-WAY FOR COREY ROAD. ALSO SUBJECT TO EASEMENTS, RESERVATIONS AND RESTRICTIONS OF RECORD.

<b>FARRIER SURVEYING INC.</b> P.O. BOX 99B 244 S.CEDAR STREET KALKASKA, MI 49646 TEL(231)258-8162 FAX(231)258-3249 office@farriersurveying.com	<b>CLIENT</b> ROBB MUNGER	<b>DRAWN:</b> DES	FILE No. 14020	
	<b>DESCRIPTION</b> PART OF THE SW 1/4 OF THE SW 1/4, SECTION 25, T30N-R6W, CHESTONIA TOWNSHIP, ANTRIM COUNTY, MICHIGAN	<b>CHECK:</b> DRF	Fd. Bk. , Pg.	
		<b>REVISED:</b>	DATE: 7/2/2020	
			SHEET: 2 of 2	
C:\DATA DRIVE\Carlson Projects\2020\14020 MUNGER\14020 MUNGER.dwg 7/2/2020 11:53:49 AM				

**WARRANTY DEED**

This Indenture, made the 28<sup>th</sup> day of June, 2021 between **ALBA VENTURES, L.L.C.**, a Michigan limited liability company, whose address is 4927 Stariha Drive, Suite A, Norton Shores, Michigan 49441 (hereinafter called the “Grantor”), and **BAY CITY ACADEMY**, a Michigan public school academy, whose address is 5047 Richardson Road, Mancelona, Michigan 49659 (hereinafter called “Grantee”). The Grantor hereby conveys and warrants to the Grantee the following described property situated in the City of Mancelona, County of Antrim, State of Michigan, more particularly described as:

See attached **Exhibit A**.

Common Address: 5047 Richardson Road Mancelona, Michigan 49659

(the “Property”) together with all tenements, hereditaments, appurtenances and improvements thereunto belonging or in any way appertaining for the consideration of is Five Hundred Thousand 00/100 Dollars (\$500,000.00) Dollars paid to the Grantor.

Subject to easements and building and use restrictions of record as set forth in the Proforma Owner’s Policy of Title Insurance prepared by the Lakeside Title and issued to Grantee.

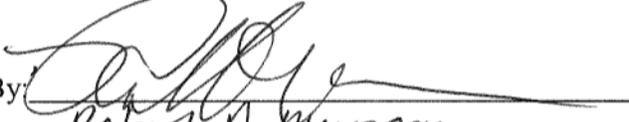
Grantor grants to Grantee the right to make all permissible divisions under Section 108 of the Michigan Land Division Act, being Act No. 288 of the Public Acts of 1967, as amended.

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

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

**GRANTOR:**

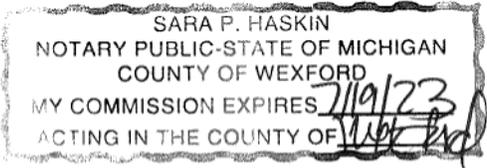
**ALBA VENTURES, L.L.C.**,  
a Michigan limited liability company

By:   
Its: **ROBERT D. Menger**  
Director

STATE OF MICHIGAN )  
 ) ss.  
COUNTY OF ANTRIM )  
Wixford

On this 30<sup>th</sup> day of June, 2021, before me, a Notary Public in and for said County, personally appeared Robert D. Muncer, the Director of ALBA VENTURES, L.L.C., a Michigan limited liability company, on behalf of said limited liability company.

*Sara P. Haskin*



Notary Public, \_\_\_\_\_ County, MI  
My Commission Expires:  
Acting in \_\_\_\_\_ County, MI

This Instrument Drafted By and When Recorded Return to:

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

Recording Fee: \_\_\_\_\_  
Transfer Tax: \_\_\_\_\_  
Sidwell No: \_\_\_\_\_

EXHIBIT "A"  
LEGAL DESCRIPTION

Parcel B: That part of the Southwest ¼ of the Southwest ¼ of Section 25, T30N, R6W, Chestonia Township, Antrim County, Michigan, described as commencing at the Southwest corner of said Section 25; thence North 87°21'31" East along the South line of said Section 410.00 feet to the Point of Beginning; thence continuing North 87°21'31" East along said South line 949.35 feet to the West 1/8 line of said Section 25; thence North 01°23'08" West along said West 1/8 line, 1329.74 feet to the South 1/8 line of said Section 25; thence South 87°23'06" West along said South 1/8 line, 492.40 feet to the Southeast Right-of-Way line of the Penn Central Railroad; thence South 45°04'24" West along said Right-of-Way line, 1193.99 feet to the West line of said Section 25; thence South 01°15'03" East along said West line, 138.26 feet; thence North 45°04'24" East 566.72 feet being 100 feet Southeast of and parallel with the Southeast Right-of-Way line of the Penn Central Railroad; thence South 01°15'03" East parallel with said West line, 769.61 feet to the said Point of Beginning.

# Tab B – 301 N. Farragut St.

# CERTIFICATE OF USE AND OCCUPANCY

## PERMANENT

Michigan Department of Licensing and Regulatory Affairs  
Bureau of Construction Codes/Building Division  
P. O. Box 30254  
Lansing, MI 48909  
(517) 241-9317

BUILDING PERMIT NO.: B034610  
301 N FARRUGUT ST  
BAY CITY, MICHIGAN  
BAY COUNTY

The above named building of Use Group E, Education and Construction Type 2B - Non Combustible (Non Rated Structural Elements) is approved for use and occupancy.

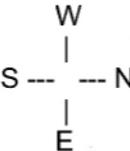
THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 111.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

*Stanley S. Skopek*

Stanley S. Skopek, RA, Chief  
Permits & Plan Review Division

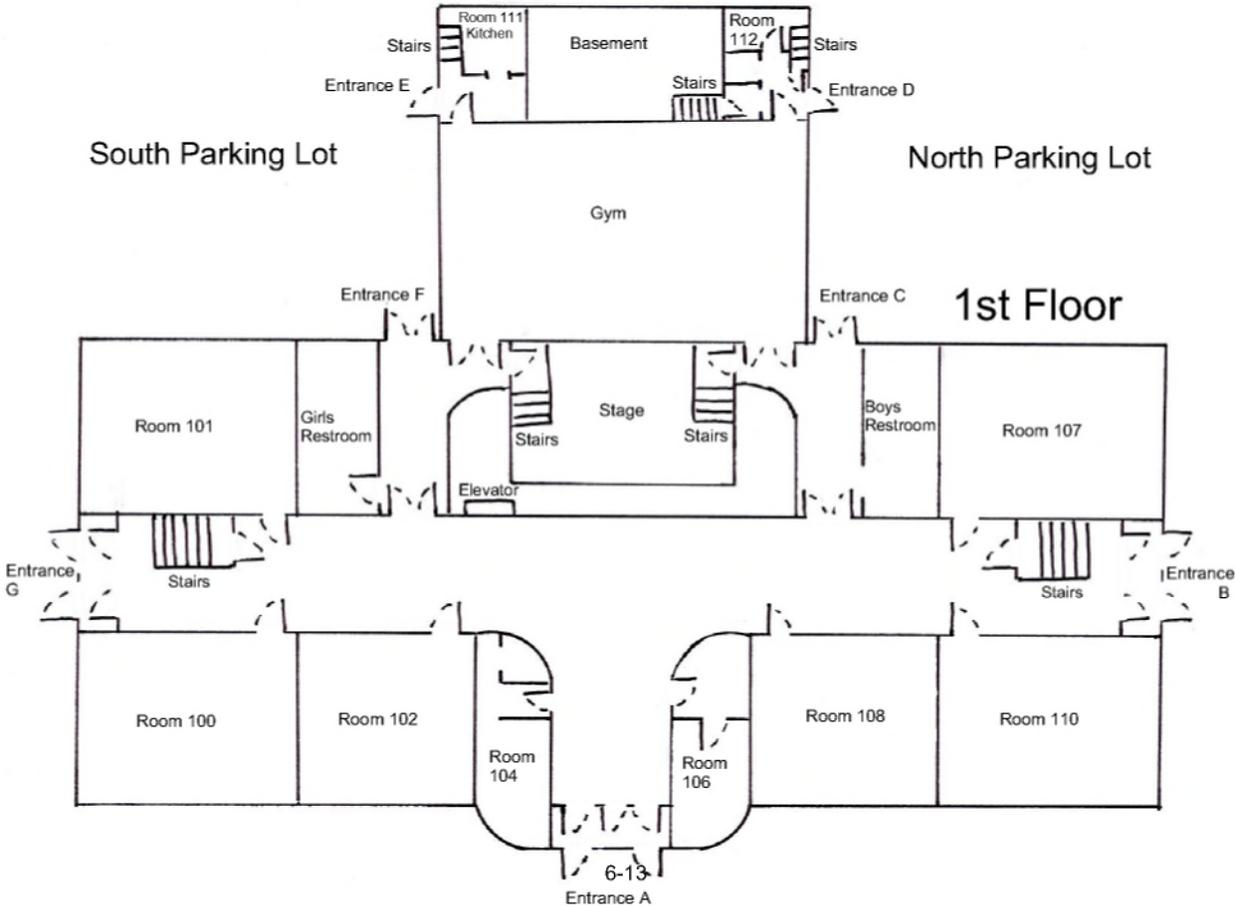
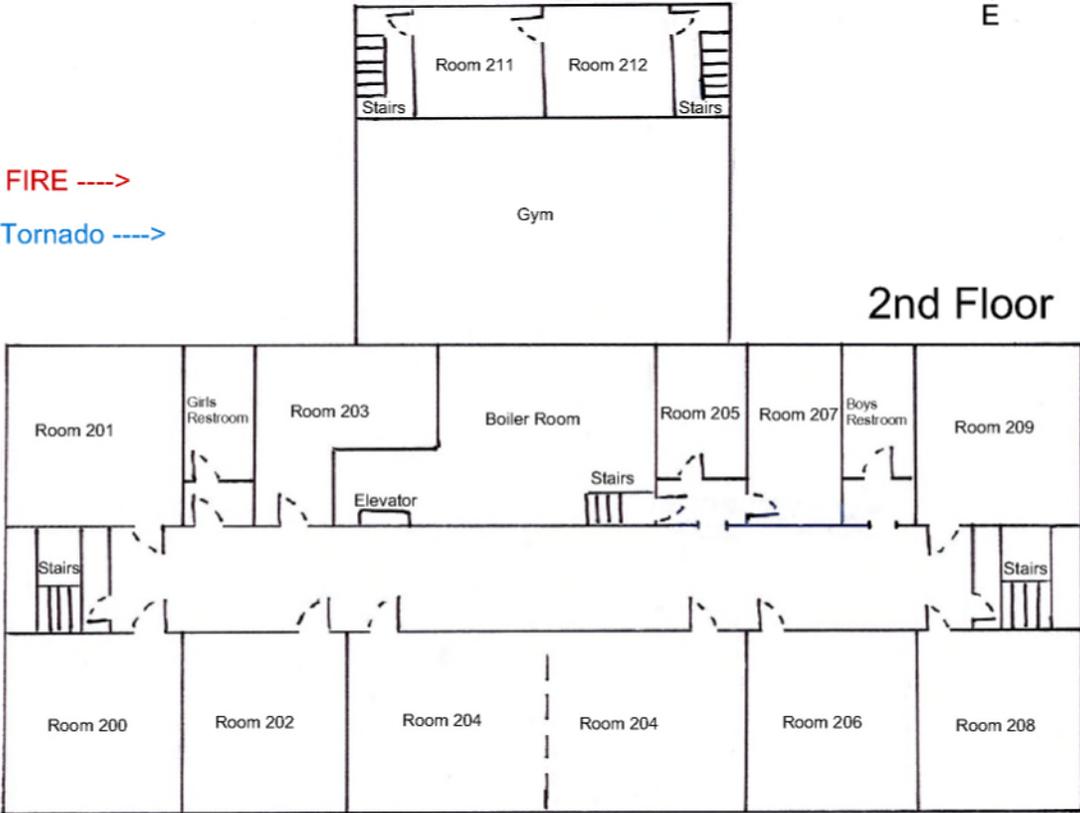
September 25, 2017

# Bay City Academy Farragut Campus



FIRE ---->

Tornado ---->



**WARRANTY DEED**

**Corporate**  
(Unplatted Land)

**Drafted By:**  
Sandra J. Oliver, CEO  
Farragut Schoolhouse LLC  
1562 Burlington Road  
Two Harbors, MN 55616

**Return To:**  
Michigan ALN Properties, LLC  
1562 Burlington Road  
Two Harbors, MN 55616

**Send Tax Bills To:**  
Michigan ALN Properties, LLC  
1562 Burlington Road  
Two Harbors, MN 55616

Recording Fee: \$30.00  
File Number: 956652

State Transfer Tax: Exempt MCL  
County Transfer Tax: 207.526(a)  
Exempt MCL  
207.505(a)

Tax Parcel No.: 09-160-028-237-001-00

*Know All Persons by These Presents:* That **Farragut Schoolhouse LLC, a Michigan limited liability company** whose address is 1562 Burlington Road, Two Harbors, MN 55616

Convey(s) and Warrant(s) to **Michigan ALN Properties, LLC, a Michigan limited liability company** whose address is 1562 Burlington Road, Two Harbors, MN 55616

the following described premises situated in the City of **Bay City**, County of **Bay**, State of Michigan, to wit:

(SEE ATTACHED EXHIBIT A)

More commonly known as: **301 N Farragut Street, Bay City, MI 48708**

for the full consideration of: **One Dollars (\$1.00) and other good and valuable consideration.**

**Subject To:**

Existing building and use restrictions, easements of record, and zoning ordinances, if any.



**First American Title Insurance Company**

**(Attached to and becoming a part of Warranty Deed dated: April 20, 2022 between Farragut Schoolhouse LLC, a Michigan limited liability company, as Seller(s) and Michigan ALN Properties, LLC, a Michigan limited liability company, as Purchaser(s).)**

**If the property conveyed is unplatted, the following applies:**

The grantor grants to the grantee the right to make \_\_\_\_\_ division(s) under section 108 of the land division act, Act No. 288 of the Public Acts of 1967. **(If no number is inserted, the right to make divisions stays with the portion of the parent tract retained by the grantor; if all of the parent tract is conveyed, then all division rights are granted.)** This property may be located within the vicinity of farmland or a farm operation. Generally accepted agricultural and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

**Seller(s):**

Farragut Schoolhouse LLC, a Michigan limited liability company, a Michigan limited liability company

By: Sandra J. Oliver

Sandra J. Oliver, Authorized Signatory

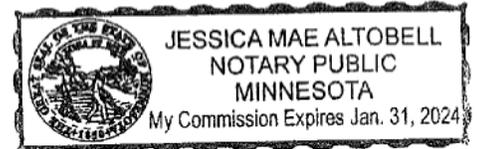
Dated this April 20, 2022.

State of MN  
County of Lake

The foregoing instrument was acknowledged before me this April 20, 2022 by Sandra J. Oliver, Authorized Signatory of Farragut Schoolhouse LLC, a Michigan limited liability company.

Jessica Mae Altobell

Notary Public:  
Notary County/State: /  
County Acting In:  
Commission Expires:



***(Attached to and becoming a part of Warranty Deed dated: April 20, 2022 between Farragut Schoolhouse LLC, a Michigan limited liability company, as Seller(s) and Michigan ALN Properties, LLC, a Michigan limited liability company, as Purchaser(s).)***

## **EXHIBIT A**

Land situated in the City of Bay City, County of Bay, State of Michigan, described as follows:

A parcel of land situated and being 300 feet square bounded on the North by the South line of 9th Street; on the South by the North line of Tenth Street; on the East by the West line of Farragut Street; and on the West by the East line of Grant Street, being a part of Out Lots 12 and 13, ADDITION TO LOWER SAGINAW, according to the plat thereof as recorded in Liber 1 of Plats, page 8, of Bay County Records (a/k/a unnumbered Block, PLAN OF BIRNEYS ADDITION TO BAY CITY).

Tax Parcel Number: 09-160-028-237-001-00

**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.

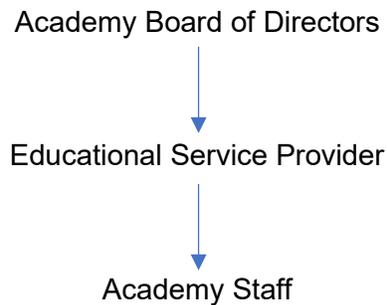
**SECTION A**  
**GOVERNANCE STRUCTURE**

## 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 (5), but no more than nine (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 Bay City Academy Board of Directors currently consists of five (5) members. The Lake Superior State University Board of Trustees appointed each of the following individuals as Academy Board members. The term of office for each individual was decided by resolution of the Academy Board.

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

<b>Name</b>	<b>Office</b>	<b>Term</b>
Lena Jankowiak	President	June 30, 2024
Louis Castillo	Vice President	June 30, 2024
Amy Lee	Treasurer	June 30, 2026
Tricia Coonan	Secretary	June 30, 2026
Jen Grandmaison	Trustee	June 30, 2025

**SECTION B**

**EDUCATIONAL GOALS**

## Educational Goals

Bay City Academy and North Central Academy are committed to providing academic excellence and character education in a caring environment.

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 set by the authorizer. 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 2<sup>nd</sup> through 8<sup>th</sup> will be assessed using the following metrics and growth targets.

Grade(s)	Metric	Target
2 <sup>nd</sup> -8 <sup>th</sup>	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 <sup>th</sup> percentile

## Measure 2: Student Achievement

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

Grade(s)	Metric	Target
2 <sup>nd</sup> -8 <sup>th</sup>	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 <sup>1</sup> will achieve scores equal to or greater than the grade-level reading and math targets identified in this schedule
2 <sup>nd</sup> -8 <sup>th</sup>  8 <sup>th</sup> , 9 <sup>th</sup> , 10 <sup>th</sup>  11 <sup>th</sup>	The median subject scores in math and reading as measured by performance on NWEA’s MAP®  The median subject scores as measured by performance on the PSAT® or successor test  The median subject scores as measured by performance on the SAT® or successor test	Cohort students will achieve subject scores greater than that of non-cohort students <sup>2</sup>

<sup>1</sup>Cohort students are those students who have attended an academy for three or more consecutive academic years. <sup>2</sup>Non-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 <sup>nd</sup>	185.57	189.42
3 <sup>rd</sup>	197.12	201.08
4 <sup>th</sup>	204.83	210.51
5 <sup>th</sup>	210.98	218.75
6 <sup>th</sup>	215.36	222.88
7 <sup>th</sup>	218.36	226.73
8 <sup>th</sup>	221.66	230.30

NOTE: The targets are based on NWEA MAP’s 2020 spring targets set at the 50<sup>th</sup> percentile. These targets do not necessarily denote college and career readiness. Targets will be automatically adjusted each time NWEA updates its norm study with no need for a contract amendment.

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

**Measure 4: Academy Specific Goals**

Academy specific goals are optional but encouraged. Measure 4 goals are unique to each academy, must be measurable, not conflict with the already existing authorizer measures on student growth, student achievement, with federal/state accountability, and be authorizer approved.

\*Bay City Academy and North Central Academy choose to opt out of any additional goals under academy specific goals.

**SECTION C**

**EDUCATIONAL PROGRAMS**



## Description of Educational Program

At Bay City Academy we value “Action Over Words, and Service Over Self.” We believe that inquiry-based curriculum helps all students become self-motivated and competent lifelong learners who are critical thinkers, demonstrating confidence and creativity. We believe that all students can achieve high standards even though they may enter our school with different strengths, abilities and life experiences. Therefore, we put action behind these beliefs and purchased two research-based curriculums that align with the Common Core State Standards.

The Academy serves students with the proven best practices in education, melding together brain science, character education and effective instruction.

Our students not only learn to appreciate the arts, but have rich opportunities to actively participate in creative work and learn relationship building. We develop students' minds and bodies with a focus on character education.

The Academy takes steps to ensure that the curriculum aligns with the Common Core Standards. Through stakeholder surveys, observations and data, it was clear that a new curriculum was needed in order to close learning gaps and accelerate learning. Research was conducted for a year to compare a variety of curriculum in both math and reading in order to determine the best research based, standards aligned curriculum to benefit all students. Curriculum was purchased through ESSER funds. The Academy will continue to provide professional development opportunities to teachers throughout the term of the new contract in order to continue to enhance student learning. Additionally, district Curriculum Coaches purposefully dive into the curriculum, mentor teachers, and use data to drive instruction consistently across the district.

### **Curriculum Overview**

#### **English/Language Arts:**

- Includes reading, writing, speaking, and listening.
- Aligned to Common Core State Standards.
- Bookworms ELA curriculum that includes integrated reading and writing units based on research and best practices.
- Computer aided programs, such as MobyMax and SuperKids, are used to supplement reading skills and enhance comprehension.
- Leveled books from Learning A-Z are used to enhance small group differentiated reading instruction to fill learning gaps.

#### **Mathematics:**

- Includes computation, number sense, problem solving, statistics, algebra, geometry, and measurement.
- Aligned to the Common Core State Standards.
- Everyday Math 4 curriculum is used in a way that balances conceptual understanding, visual learning, and problem solving through hands-on and real world experiences.
- Computer aided programs, such as MobyMax and Khan Academy, are used to supplement math skills and enhance math proficiency.

- Basic math facts are reinforced through daily practice.

**Science:**

- Includes Earth/Space, Life, Physics, Engineering, Chemistry, and Application of Science.
- Project-based, inquiry learning is emphasized.
- Aligned to Next Generation Science Standards that is based on engaging in scientific investigation.
- K-6 uses Mystery Science and Generation Genius to explore concepts, enhance their knowledge, and demonstrate their learning.

**Social Studies:**

- Includes Geography, History, Civics, Economics, and Government.
- Aligned to Michigan State Standards
- Studies Weekly and MI Open Book are curricula used to balance disciplinary content, processes and skills that contribute to responsible citizens.
- Effective social studies instruction and assessment incorporate methods of inquiry, involve public discourse and decision making and provide opportunities for citizen involvement.

**Character Education:**

- Includes the skills necessary to be successful and happy, both in the classroom and in life beyond the school environment.
- Students practice and learn tools to use for building Respect, Responsibility, Kindness, Getting Along, Optimism, Work Ethic, Honesty, and Citizenship.
- Second Step is a research-based social-emotional learning curriculum used to teach and support K-12 students with age specific character skills.

**Technology:**

- Students have the opportunity to use Chromebooks to learn word processing skills, database management, spreadsheet development, and internet safety.

**Fine Arts:**

- Students in all grades have access to fine arts opportunities in the

form of music, theater, and visual art.

**BAISD/Northwest Education Career Center:**

- All 11th and 12th graders that attend Bay City Academy are required to attend the BAISD or Northwest Education Career Center.

**SECTION D**  
**CURRICULUM**

**CURRICULUM  
TO BE UPLOADED SEPARATELY**

**SECTION E**

**METHODS OF PUPIL ASSESSMENT**



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## **ReAuthorization 2023**

### **Schedule 7e - Methods of Pupil Assessment**

#### **K-8 Pupil Assessment**

##### **3-6th, 8th, 11th grades Michigan Student Test of Educational Progress (“M-STEP”)**

The M-STEP is a 21<sup>st</sup> Century test given primarily online each spring and is designed to gauge how well students are mastering state standards. These standards, developed *for* educators *by* educators, broadly outline what students should know and be able to do in order to be prepared to enter the workplace, career education training and college. M-STEP results, when combined with classroom work, report cards, local district assessments and other tools, offer a comprehensive view of student progress and achievement.

- 3, 4, 6 ELA, Math
- 5 ELA, Math, Social Studies, Science
- 8, 11 Science and Social Studies

##### **8th, 9th, 10th Grade PSAT / 11th Grade SAT**

The PSAT/SAT is a multiple-choice, pencil-and-paper test created and administered by the College Board. The purpose of the PSAT/SAT is to measure a high school student's readiness for college, and provide colleges with one common data point that can be used to compare all applicants.

##### **11th Grade ACT WorkKeys**

ACT WorkKeys measure foundational skills required for success in the workplace, and help measure the workplace skills that can affect job performance.

##### **K-11th Grade NWEA (Northwest Evaluation Association)**

This assessment is used to gain baseline, interim and end of year data points. Data is utilized to measure student growth as well as create student groups for instructional differentiation in reading and math classes.

## **Assessment Overview**

One of the most important elements of ensuring student success is to use assessments that can drive instruction. At Bay City Academy, we use ongoing progress monitoring as well as classroom, district, and state assessments to help measure student progress.

**Here are the ways we measure student learning at Bay City Academy:**

### **Teacher Developed Tests:**

- All teachers routinely give assessments to their students on various lessons and units that they are teaching.
- These assessments are graded and make up the report card grade that parents receive.

### **Reading Tests:**

- All students in grades K-6 are tested several times per year with the DRA or BAS and MLPP assessments.
- These are nationally normed tests of reading fluency and comprehension that indicate which grade level an individual student can currently read and comprehend successfully.
- These results are reported to parents on our report cards.

### **Cooperative and Individual Projects**

- Students are assigned projects in various subjects that are assessed by teachers.
- These are designed for students to demonstrate learning within our curriculum.

**SECTION F**

**APPLICATION AND ENROLLMENT OF STUDENTS**

# Application and Enrollment Requirements

## Bay City Academy

### **Enrollment Limits**

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

### **Requirements**

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

- Academy enrollment shall be open to all individuals who reside in Michigan. Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a Michigan resident.
- Academy admissions may be limited to pupils within a particular age range/grade level or on any other basis that would be legal if used by a Michigan public school district.
- The Academy Board may establish a policy providing enrollment priority to siblings of currently enrolled pupils. 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 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.

## **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.

## **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.

**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.