

**FERRIS  
STATE  
UNIVERSITY**

A

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

BETWEEN

**BLENDED LEARNING ACADEMIES CREDIT  
RECOVERY HIGH SCHOOL**  
(A PUBLIC SCHOOL ACADEMY)

AND

**FERRIS STATE UNIVERSITY  
BOARD OF TRUSTEES**  
(AUTHORIZING BODY)

AUTHORIZATION PERIOD:

JULY 1, 2024 – JUNE 30, 2029

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## **POLICIES**

As per **Article XII, Section 12.15** of the *Terms and Conditions* of the Charter School Contract, the Ferris State University Board or Charter Schools Office (CSO) has the right to enact policies that become part of the Contract. All policies automatically apply thirty (30) days after Academy Board notification.

It is the responsibility of the Academy Board to make certain that the Contract Policy section is kept up-to-date whenever changes or additional policies are issued by the CSO. Contact the Charter Schools Office with any questions at (231) 591-5802.

# FERRIS STATE UNIVERSITY

FERRIS FORWARD

## CHARTER SCHOOLS OFFICE POLICY

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Revised: January 31, 2025

### EDUCATIONAL SERVICE PROVIDER

Pursuant to the Terms and Conditions of the Contract to Charter a Public School Academy (“Contract”) issued by the Ferris State University Board of Trustees (“University Board”), these Educational Service Provider Policies (“ESP Policies”) have been prepared by the University’s Charter Schools Office (CSO). These ESP Policies now become part of the Contract and apply immediately to all academies being authorized or re-authorized pursuant to Contracts issued by the University Board, and prospectively to any existing academy that enters into an agreement with an Educational Service Provider (“ESP”) on or after the date set forth above. A public school academy board of directors (“Academy Board”) must comply with these ESP Policies in addition to other Contract provisions that apply to an Academy contracting with an ESP. Failure by the Academy Board to comply with these Policies may result in the non-issuance of a Contract, or for existing Academies, the initiation of suspension, termination or revocation proceedings under the Contract.

The Academy Board may enter into a management agreement with an ESP to contract out its administrative and/or educational functions and personnel (hereafter, a “Management Agreement” or “ESP Agreement”), subject to the terms of this ESP Policy and the Contract. The Revised School Code requires that a public school academy authorizer must review and may disapprove any ESP Agreement before it is executed. These Policies are to be incorporated into all ESP Agreements entered into by any public school academy authorized by the University Board.

#### A. Academy Board Due Diligence

1. Prior to approving and/or executing an ESP Agreement, the Academy Board shall perform sufficient due diligence to establish that the ESP and its key personnel has the appropriate financial resources, educational services, and managerial experience to provide the contracted services. Prior to contracting with an ESP, the Academy Board shall obtain sufficient information to conclude that the ESP Agreement, on the terms to be approved, is in the best financial and educational interest of the Academy. At a minimum, and prior to the execution of an ESP Agreement, the Academy Board shall provide the following information to the Charter Schools Office via Epicenter **in addition to the proposed ESP Agreement:**

- List of all ESP owner(s), directors, officers, and key stakeholders. This list shall disclose all and any known conflicts of interest that any ESP owner, director, officer, and/or stakeholder may have in regard to Academy Board members, administrators, and employees, as well as other vendors contracting with the Academy. Conflict of interests include, but are not limited to, close familial (defined as mother, mother in law, father, father in law, son, son in law, daughter, daughter in law, brother or sister, brother or sister in law, spouse, or domestic partner) and/or social relationships. Here are some examples of conflicts of interest:
  - **Familial Relationships**--An ESP owner or director has a close familial relationship with an Academy Board member or school administrator. This could lead to potential biases in decision-making regarding contracts, services, or employment opportunities.
  - **Employment of Immediate Family Members**--An ESP officer employs persons in a close familial relationship in a position at the Academy or a vendor providing services to the Academy. This could result in preferential treatment, unequal access to resources, or conflicts in personnel decisions.
  - **Personal Relationships with Academy Leadership**--An ESP director has a personal, non-familial relationship (e.g., long-standing friendship, romantic relationship, or social ties) with an Academy Board member or senior administrator, which could influence decisions regarding the award of contracts or hiring processes.
  - **Board Membership Overlap**--An ESP owner or officer serves on the Academy's Board of Directors or has a close familial relationship with individuals on the Academy's Board, which is prohibited.
  - **Shared Financial or Business Interests**--An ESP key stakeholder has an ownership stake or significant financial interest in a business or organization that provides educational services, resources, or products to the Academy, potentially influencing the award of contracts or procurement decisions.
  - **Gifts or Favored Treatment**--An ESP officer or director receives gifts, favors, or other benefits from Academy staff or other vendors that could influence their professional actions or decisions relating to the Academy's operations or contracting.
  - **Consulting Agreements with Vendors**--An ESP director or officer has a personal consulting agreement with a third-party vendor providing services to the Academy. This could lead to biased recommendations or decisions regarding vendor selection or contract negotiations.
  - **Shared Ownership or Investment in Real Estate or Facilities**--An ESP officer or key stakeholder has ownership or a financial interest in the real estate, facilities, or equipment used by the Academy, leading to potential conflicts in leasing, facilities management, or construction decisions.
  - **Referral Relationships**--An ESP stakeholder or officer directs the Academy to use a specific vendor or service provider with whom they have a personal or financial relationship, which may not align with the Academy's best interests or competitive bidding processes.
- Type or form of entity (for-profit corporation, non-profit corporation, limited-liability company, etc.).

- Name of the ESP's primary banking institution.
  - Legal counsel for the ESP. Name, address, and telephone number of firm and name of contact person.
  - Accounting firm for the ESP. Name, address, and telephone number of firm and name of contact person.
  - A written statement regarding the ESP's experience in providing educational services and a description of the types of educational service to be provided to the Academy.
  - A mission, vision, and values statement of the ESP.
  - List all persons or entities with whom the ESP plans to subcontract for services provided to the Academy, along with a disclosure of the ESP's ownership in any such subcontractor and any known conflicts of interest that any ESP owner, director, officer, and/or stakeholder may have in regard to such subcontractors. Conflicts of interest include, but are not limited to, close familial and/or social relationships.
  - List of the public school academies or other schools (public or private) to which the ESP provides services.
  - List of any lease, license, contract or other agreement between the ESP (or its affiliates) and the Academy.
  - Identification of any start-up funding being provided by the ESP.
  - Fees to be charged by the ESP for management, including educational services, administrative services, and other services.
  - List of any services the ESP plans to provide to the Academy with regard to cash flow borrowings, including any fees for such services.
  - List of any materials, equipment or supplies the Academy will purchase or lease from the ESP.
  - Criminal history of the ESP's owners, officers, directors, managers, and employees.
2. The Academy Board must perform sufficient due diligence regarding whether any principal or officer of the ESP, or the ESP (including any related organizations or organizations in which a principal or officer of the ESP served as a principal or officer) as a corporate entity, has filed for bankruptcy protection within the five (5) years prior to execution of an ESP Agreement.
  3. Academy Board members, Academy employees, and persons in a close familial relationship may not have any direct or indirect ownership, employment, contractual or management interest in any ESP that has a contract with the Academy.
  4. The Academy Board must perform sufficient due diligence to ensure an ESP Agreement that provides employees to the Academy qualifies as employee leasing.
  5. In accordance with the Contract, an Academy Board shall timely notify the CSO of any proposed ESP Agreement between that Academy and an ESP before the proposed ESP Agreement becomes binding. If an Academy proposes to enter into a new, amended or renewal agreement with an ESP to provide persons to perform work at the Academy, or to extend the term of an existing agreement, the Academy shall, not later than thirty (30) days prior to the proposed date of execution thereof, submit the proposed agreement to the CSO Director for review along with a detailed description of the methods by which the ESP will

be held accountable to the Academy Board. Earlier submission is strongly encouraged and may accelerate the review process.

6. Unless the CSO Director extends the review period, within thirty (30) days of receiving a copy of a proposed ESP Agreement and detailed description in compliance with this Policy and the Terms and Conditions of the Contract, the CSO Director shall notify the Academy if the proposed agreement is disapproved. The CSO Director may disapprove the proposed ESP Agreement in his or her sole discretion, and reserves the right to disapprove an ESP Agreement that does not comply with the Contract, Applicable Law, or University policies, or where the proposed fees to be charged by the ESP are not a fair and reasonable fee for the services to be provided by the ESP. If the proposed Agreement is disapproved, such disapproval may, but shall not be required to, state one or more conditions which, if complied with by the Academy and/or the Educational Service Provider, would cause such disapproval to be deemed withdrawn. No agreement described in this policy may be entered into that is disapproved by the CSO Director. By not disapproving a proposed agreement, the CSO Director is in no way giving approval of the proposed agreement, or any of the terms or conditions thereof. No ESP Agreement may be entered into unless the Academy receives from the CSO Director notice of a non-disapproval.
7. The Academy Board shall retain legal counsel to review and advise it during the negotiation of the ESP Agreement. Legal counsel for the Academy shall not also represent the ESP or an ESP owner, director, officer, or employee, or have provided recent or significant representation to the ESP or its principals in the past. The ESP Agreement shall be an arms-length, negotiated agreement between an informed Academy Board and the ESP. Prior to the Academy Board's approval of the ESP Agreement, the Academy Board shall obtain a written legal opinion from its legal counsel, which includes the representations that legal counsel has reviewed the Proposed Management Agreement, the ESP Policies and the Contract, and which opines that:
  - a. The Academy Board has the power and authority to enter into the proposed ESP Agreement;
  - b. The Academy is duly organized, validly existing and in good standing under the laws of the State of Michigan;
  - c. Execution of the proposed ESP Agreement does not violate any term or provision of the ESP Policies, the Contract, or Applicable law; and
  - d. Entering into the ESP Agreement does not permit or require improper delegation of the Academy Board's statutory and fiduciary responsibilities under applicable law, or obligations and duties under the Contract.
8. The Academy Board shall not approve an ESP Agreement until all Academy Board members have been given a reasonable opportunity to review the proposed ESP Agreement with the Academy's legal counsel.
9. The Academy Board shall only approve an ESP Agreement with a formal vote at a public board meeting. Prior to the Academy Board's vote on the ESP Agreement, the Academy

Board shall provide a reasonable opportunity for public comment on the proposed Management Agreement. The fully executed ESP Agreement along with the above-referenced legal opinion from the Academy's legal counsel shall be submitted to the Charter Schools Office.

**B. Academy Board Administrative and Fiduciary Responsibilities**

1. In negotiating the ESP Agreement, the Academy Board shall budget adequate resources to fulfill its Contract requirements, which may include, but are not limited to: oversight of the Academy's ESP; negotiation and fulfillment of the Contract and any amendments; payment of staff costs; insurance required under the Academy's lease, ESP Agreement and the Contract; annual financial audit; the Academy Board's legal counsel, consultants, recording secretary and any other such cost necessary for Academy Board operations.
2. The Academy Board shall be responsible for determining the budget reserve amount included as part of the Academy's annual budget. In addition, the Academy Board is responsible for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount.
3. The ESP shall present to the Academy Board, on a frequency established by the Academy Board, a detailed reconciliation of budgeted to actual revenues and expenditures, with an explanation of variances. Also, the ESP shall present to the Academy Board, on a frequency determined by the Academy Board, a detailed schedule of expenditures at object level for review and approval by the Academy Board.
4. The Academy Board shall be informed of the level of compensation and fringe benefits provided to employees of the ESP assigned to the Academy.
5. Pursuant to the Uniform Budget and Accounting Act, MCL 141.422b (the "UBAA"), the Academy Board is responsible for designating the Chief Administrative Officer for the Academy as the official responsible for budget preparation and administration, and other responsibilities under the UBAA. If the Academy employs a superintendent, then the Academy Board may (but is not required to) designate the superintendent as the Chief Administrative Officer of the Academy. If the Academy contracts with a superintendent, then the Academy Board shall designate an Academy Board member as the Chief Administrative Officer of the Academy. No ESP or ESP owner, officer, director, employee or agent shall be designated as the Chief Administrative Officer of the Academy, but an ESP employee may assist an Academy Board member who is the Chief Administrative Officer in carrying out their responsibilities.
6. ESP Agreements shall provide that the financial, educational and student records pertaining to the Academy are Academy property, and that such records are subject to the provisions of the Michigan Freedom of Information Act. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. Except as permitted under the Contract and Applicable Law, no ESP Agreement shall restrict the University's or the public's access to the Academy's records.

7. ESP Agreements shall address the requirement that not later than November 1, of each year, the following information must be posted on a website that is available to the public: (i) the average salary for new teachers (i.e., an individual who has held a teaching certificate for less than 5 years) and for veteran teachers (i.e., an individual who has held a teaching certificate for 5 or more years) employed by the Academy or employed by the ESP and assigned to the Academy, or, if there are fewer than 5 new teachers or 5 veteran teachers at the Academy, the average salary for all teachers employed by the Academy or the ESP and assigned to the Academy, and (ii) the average salary for support staff (including but not limited to student-facing paraprofessionals, food service workers, bus drivers, and literacy coaches) employed by the Academy or employed by the ESP and assigned to the Academy.

### **C. Management Agreement Provisions**

1. An ESP Agreement under which an Educational Service Provider provides persons to perform work at the Academy may not contain a non-competition, no-hire, or similar provision prohibiting or restricting the Academy from hiring instructional staff that perform work at the Academy.
2. An ESP Agreement shall contain a representation and warranty by the ESP to the Academy that no non-competition, no-hire, or similar provisions are included in the ESP's employment contracts or other agreements with instructional staff that perform work at the Academy, nor will any such provisions be included in any such contracts or agreements for the duration of the ESP Agreement.
3. An ESP Agreement under which an Educational Service Provider provides persons to perform work at the Academy shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including without limitation, but not limited to the information described in Schedule 8, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under the Contract. Except as permitted under the Contract and Applicable Law, no ESP Agreement shall restrict the University's or the public's access to the Academy's records.
4. No provision of an ESP Agreement shall interfere with the Academy Board's duty to exercise its constitutional, statutory, contractual and fiduciary responsibilities governing the operation of the Academy. No provision of an ESP Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.
5. An ESP Agreement shall not restrict an Academy Board from waiving its governmental immunity or require an Academy Board to assert, waive or not waive its governmental immunity.
6. No provision of an ESP Agreement shall alter the Academy Board treasurer's legal obligation to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required by law. The signatories on the depository account shall solely be Academy Board members and/or individuals properly designated

annually by Board resolution. Interest income earned on Academy depository accounts shall accrue to the Academy.

7. An ESP Agreement shall require the ESP to cooperate with the Academy's audits and shall contain a provision that all finance and other records of the ESP related to the Academy will be made available to the Academy's independent auditor.
8. An ESP agreement shall not permit the ESP to select or retain the independent auditor for the Academy.
9. If an ESP purchases equipment, materials and supplies on behalf of or as the agent of the Academy, the ESP agreement shall provide that such equipment, materials and supplies shall be and remain the property of the Academy. The ESP will comply with the Revised School Code (including sections 1267 and 1274, MCL 380.1267 and MCL 380.1274) as if the Academy were making these purchases directly from a third party supplier.
10. An ESP Agreement shall contain a provision that if the ESP procures equipment, materials and supplies at the request of or on behalf of the Academy, the ESP shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties.
11. An ESP Agreement shall contain a provision that clearly allocates the respective proprietary rights of the Academy Board and the ESP to curriculum or educational materials. At a minimum, ESP Agreements shall provide that the Academy owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by the ESP at the direction of the Academy Board with Academy funds dedicated for the specific purpose of developing such curriculum or materials. ESP Agreements may also include a provision that restricts the Academy's proprietary rights over curriculum or educational materials previously developed or copyrighted by the ESP, or curriculum or educational materials that are developed by the ESP using funds from the Academy that are not dedicated for the specific purpose of developing Academy curriculum or educational materials. All ESP Agreements shall recognize that the ESP's educational materials and teaching techniques used by the Academy are subject to disclosure under the Code and the Freedom of Information Act.
12. An ESP Agreement under which an Educational Service Provider provides persons to perform work at the Academy shall be clear about which persons or positions are employees of the ESP, and which persons or positions are employees of the Academy, if any. If the ESP leases employees to the Academy, the ESP Agreement shall provide that the leasing company accepts full liability for benefits, salaries, worker's compensation, unemployment compensation and liability insurance for its employees leased to the Academy or working on Academy operations, irrespective of whether the employee leasing company receives an advancement of its costs or the payment for services from the Academy. If the Academy is staffed through an employee leasing agreement, legal confirmation shall be provided to the Academy Board that the employment structure qualifies as employee leasing. The ESP shall provide information to the Academy sufficient for the Academy to comply with

requirements under the Code to post average salary information for teachers and support staff.

13. An ESP Agreement shall contain insurance and indemnification provisions outlining the coverages the ESP will obtain, and provide detail regarding the amount of such required coverage. The insurance provision shall state that the ESP shall maintain such policies of insurance as required by the Contract and the Michigan Universities Self-Insurance Corporation (“M.U.S.I.C.”), and that in the event the University or M.U.S.I.C. requests any change in coverage by ESPs, the ESP agrees to comply with any change in the type of or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change. The ESP’s insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract.
14. If the ESP Agreement includes financial reporting services provided by the ESP, then the ESP Agreement shall require the ESP to provide the Academy Board monthly financial statements that (at a minimum) include: a balance sheet, an object-level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information and an explanation of variances. The foregoing presentations shall be in a form and format acceptable to the Academy Board and are to be provided to all Academy Board members not less than five (5) working days prior to the Academy Board meeting at which the information will be presented and discussed.
15. ESP Agreements shall contain at least one of the following methods for paying fees or expenses: (i) the Academy Board may either pay or reimburse the ESP for approved fees or expenses upon properly presented documentation and approval by the Academy Board; or (ii) the Academy Board may advance funds to the ESP for the fees or expenses associated with the Academy’s operation provided that documentation for the fees and expenses are provided for Academy Board ratification at its next regularly scheduled meeting. No corporate costs or “central office” personnel costs of the ESP shall be charged to, or reimbursed by, the Academy, and such corporate costs or “central office” personnel costs shall be paid out of the management fee paid by the Academy.
16. ESP Agreements shall clearly state which of the ESP’s services will be included in the management fee paid by the Academy. All additional services that are to be provided by the ESP that are not included in the management fee and are to be reimbursed by the Academy shall be clearly stated in the ESP Agreement and shall not be payable by the Academy unless preapproved by the Academy. Any services to be provided by the ESP that are included in the management fee but are performed by a subcontractor shall not be charged to, reimbursed by, or passed through as an additional cost to the Academy. No corporate costs of the ESP shall be charged to, or reimbursed by, the Academy.
17. Where the ESP is responsible for both administrative services and staff and educational and instructional services or staff, the ESP Agreement for such ESP shall require that the names of the University and the ESP appear and be verbally provided, as applicable, on (i) signage that is on the Academy’s school property erected, repaired, or installed after April 2, 2025, (ii) promotional material created, modified, or distributed after April 2, 2025 (including billboards, internet advertisements, television advertisements, and radio advertisements), (iii) the footer of

the Academy's website pages, and (iv) the school application that the student must submit to enroll in the public school academy.

18. The ESP Agreement shall contain the specific provisions that are incorporated into the Contract as required provisions for all ESP Agreements.
19. Without limiting the foregoing, the ESP Agreement shall contain the following provisions:

“Indemnification of Ferris State University. The parties acknowledge and agree that the Ferris State University Board of Trustees, Ferris 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 gross negligence of the University, which arise out of or are in any manner connected with Ferris State University Board of Trustees’ approval of the Academy’s application, Ferris 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, Ferris 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 Ferris 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. The 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 Ferris State University Board of Trustees. The provisions of the Academy’s Contract shall supersede any competing or conflicting provisions contained in this Agreement.

“ESP Breach. Without limiting the remedies available to the Academy or the University by this Agreement, the Contract, or under applicable law, any action or inaction by the Educational Service Provider that is not cured within 60 days of notice which causes the Contract to be revoked, terminated, suspended or which causes the Contract to be put in jeopardy of revocation, termination or suspension is a material breach.”

“Compliance with Section 503c. On an annual basis, the ESP agrees to provide the Academy Board with the same information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within fifteen (15) days of receipt of this information, the Academy Board shall make the information available through a link on the Academy’s website homepage, in a form and manner prescribed by the Michigan Department of Education. The defined terms in Section 503c 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 for implementing such site closure or reconstitution.”

“Except as permitted under the Code, [insert name of Educational Service Provider] shall not sell or otherwise provide to a business entity any personally identifiable information that is a party of an Academy student’s education records. If [insert name of Educational Service Provider] receives information that is party of an Academy student’s education records, [insert name of Educational Service Provider] shall not sell or otherwise provide the information to any other person except as permitted under the code. For purposes of this section, the terms “education records” and “personally identifiable information” shall have the same meaning as those terms in Section 1136 of the Code, MCL 380.1136.”

20. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program, and shall not include any costs for the marketing and development of the ESP.
21. The maximum term of an ESP Agreement shall not extend beyond the term of the Academy’s Contract.
22. The University reserves the right to terminate an ESP Agreement for cause, in accordance with the terms of the Contract, relevant state law, and this policy. The University may

exercise this authority when it is determined that the ESP is failing to meet the academic, financial, or operational expectations outlined in the Contract, or if the ESP is in violation of applicable laws, regulations, or the terms of the ESP Agreement. An ESP Agreement shall provide that any action or inaction by the ESP which causes the Contract of the Academy to be revoked, terminated or suspended, or which results in the Academy receiving official notification from the CSO, University Board, Superintendent of Public Instruction, or other authorized body or official, of the commencement or an intent to initiate proceedings for the termination, revocation or suspension of the Contract, shall be designated a material breach, which shall be grounds for termination of the ESP Agreement by the Academy or the University. The ESP Agreement shall also provide for termination if directed by the University Board as part of the process of reconstitution or as a corrective action, as provided by the Revised School Code.

23. If the Academy intends to enter into an agreement with the ESP for the Academy's learning platform (e.g., virtual technology/curriculum, etc.), then such agreement must be separately documented, separately approved, and cannot be part of or incorporated into the ESP Agreement. Neither the ESP Agreement nor the agreement for the platform may contain a cross-default provision that allows the ESP to terminate the agreement for the learning platform upon termination of the ESP Agreement.
24. An ESP Agreement shall contain a provision that the Academy designates the ESP and the ESP employees as agents of the Academy having legitimate educational interest such that they are entitled to access to educational records under 20 U.S.C. Section 1232g, the Family Educational Rights and Privacy Act ("FERPA").
25. Any arbitration clause(s) contained with the ESP Agreement shall require a cause opinion (written explanation) as to the final decision. The CSO shall be notified of such decision, and the cause opinion shall be made available to the University Board and/or CSO upon request.
26. ESP Agreements shall not be assignable without prior notification to the CSO and without the consent of the Academy Board. Any assignable party shall be considered an ESP, as defined by these ESP Policies. As such, any assignable party shall follow the requirements set forth in these ESP Policies, including all due diligence and vetting requirements set forth above.
27. Consistent with the Academy's data breach response plan, an ESP Agreement shall contain a provision addressing how the Academy and ESP will handle a data breach of personally identifiable information (PII) from Academy education records or other information not suitable for public release.
28. The ESP Agreement shall contain language that any termination of the ESP Agreement by the ESP for cause or without cause shall not take effect until the earlier of (i) an approved agreement by the Academy with another ESP (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. A change in ESP (or a decision to self-manage) in mid school year is strongly discouraged and will be disapproved by the CSO with absent compelling circumstances and a clear demonstration that the new

ESP (or transition to self-management) can seamlessly assume management and operations of the school without disrupting the school's operations. The Academy Board and ESP should make all efforts necessary to remedy a breach of the ESP Agreement in-order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Academy Board and ESP agree to work cooperatively to transition management and operations of the school without disrupting the school's operations.

29. The ESP shall notify the Academy Board if any principal or officer of the ESP, or the ESP (including any related organizations or organizations in which a principal or officer of the ESP served as a principal or officer) as a corporate entity, files for bankruptcy protection or, at the time the ESP Agreement is executed, has filed for bankruptcy protection within the last five (5) years .
30. The ESP Agreement shall contain a provision that states upon termination or expiration of the ESP Agreement, or the ESP Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, the ESP shall, without charge: (i) close the books on the then-current school fiscal year; (ii) organize and prepare the Academy's records for transition to the new ESP, self-management or dissolution; (iii) provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy) to the ESP, if any; (v) the amount owed by the ESP to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the cause of a school closure, transfer to a student's new school as designated by the student's parent / legal guardian or to a person or entity authorized to hold such records; (vii) ensure the closeout of existing grants and the transfer of grant funded property to Academy, if applicable; and (viii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by the ESP to the Academy. This includes any keys, login information and passwords related to any Academy asset.
31. ESP Agreements shall require that the ESP provide to the Academy Board at least annually all of the same information that a school district is required to disclose under section 18(2) of the state school aid act of 1979, MCL 388.1618, for the most recent school fiscal year for which that information is available.
32. ESP Agreements shall provide that the financial, educational and student records pertaining to the Academy are Academy property, and that such records are subject to the provisions of the Michigan Freedom of Information Act. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. **To the extent the ESP manages and/or holds the Academy's financial, educational, and/or student records (whether electronically or physically), the ESP Agreement shall provide that the Academy Board shall have immediate access to such records, upon request, including electronic access to any database holding such records.** Except as permitted under the Contract and Applicable Law, no ESP Agreement shall restrict the University's or the public's access to the Academy's records.

33. ESP Agreements shall not contain terms inconsistent with this Policy.

**D. Lease and Loan Agreement Provisions**

1. If the Academy intends to enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationships with the ESP, then such agreements shall be separately documented and not be a part of or incorporated into the ESP Agreement. All such agreements must comply with the Contract, as well as any University Board and CSO policies and guidelines. In all cases, the Director of the CSO shall be provided copies of all such documents and agreements for review prior to execution by the Academy Board.

**E. Timeliness and Board Best Practices**

1. All Board members as well as FSU Field Representatives assigned to the Academy should receive a complete board packet no later than three (3) days in advance of the meeting. Packets may be delivered in hard copy or electronically, based upon the preference of the Board.
2. Members of the Board should not be given new information and asked to vote on that material at the same meeting unless extreme circumstances warrant this action.
3. The Board President should have the final review and decision as to the meeting agenda.
4. Special Board meetings (meetings outside of the official Board calendar) may be called for specific agenda items that cannot wait until the next regularly scheduled meeting or items that are of an emergency nature. In all cases, special meetings should not be a replacement for the full agenda of a regularly scheduled meeting.
5. The Board should conduct an annual review of the ESP to determine the Academy's progress towards goals, and the status of meeting the conditions set forth in the charter contract.

**F. Amendments**

1. The CSO may, from time to time, amend this ESP Policy, and such amended ESP Policy shall automatically apply to the Academy. Contract Amendments are identified further in the Contract Terms and Conditions.

# FERRIS STATE UNIVERSITY

FERRIS FORWARD

## CHARTER SCHOOLS OFFICE POLICY

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Adopted: April 2008

Revised: January 31, 2025

### **FACILITY FINANCE & PROPERTY ACQUISITION**

Pursuant to the Terms and Conditions of the Contract to Charter a Public School Academy ("Contract") issued by the Ferris State University Board of Trustees ("University Board"), these Facility Finance & Property Acquisition Policies ("FF&PA Policies" or these "Policies") have been prepared by the Charter Schools Office (CSO). They now become part of the Contract and apply immediately to all academies being authorized or re-authorized pursuant to Contracts issued by the University Board, and prospectively to any existing academy that enters into an agreement for Facility Finance & Property Acquisition ("FF&PA") on or after the date set forth above. These Policies shall be considered "Lease Policies" as that term is defined by the Contract. Failure by the Academy Board to comply with these Policies may result in the non-issuance of a Contract, or for existing Academies, the initiation of suspension, termination or revocation proceedings under the Contract.

The University Board does not intend to become a party to real property agreements or to negotiate such agreements on the Academy Board's behalf. Instead, these Policies are intended to assist Academy Boards in the process of conducting due diligence so that the Academy Board members can fulfill their fiduciary duties in evaluating such agreements prior to approval.

#### **A. Academy Board Due Diligence**

1. Before an Academy Board votes to approve an agreement to lease or purchase real property, the Academy Board must perform sufficient due diligence to establish that the lessor/seller of the facility ("Lessor" or "Seller") and the facility are suitable for the Academy. Prior to executing an agreement to lease or purchase real property ("Acquisition Agreement"), the Academy Board must obtain sufficient information to conclude that the Acquisition Agreement, on the terms to be approved, is in the best financial and educational interest of the Academy. At a minimum, and prior to the execution of the Acquisition Agreement, the Academy Board shall provide the CSO with the following information:
  - a. Identify the current party holding the real property interest (whether through fee title ownership or leasehold interest) in the real property that the Academy Board proposes to acquire. If the Lessor/Seller is not an individual, identify all individual owners, shareholders, members, etc., as well as the Lessor's/Seller's directors, officers and

management level employees. This list shall disclose any close familial relationship (defined as mother, mother in law, father, father in law, son, son in law, daughter, daughter in law, brother or sister, brother or sister in law, spouse, or domestic partner), business, or social relationships with Academy Board members, Academy employees, and owners and employees of the Academy’s Educational Service Provider (“ESP”), if any.

- b. Identify whether the Acquisition Agreement transaction involves a related party. Related parties include the ESP, ESP owners, ESP employees, family members of ESP owners and employees, parent, subsidiary or affiliates of the ESP, as well as with Academy Board members, Academy employees and family members of Academy Board members and Academy employees. Academy Board members, Academy employees, entities owned by Academy Board members, Academy employees, and family members of Academy Board members and Academy employees are prohibited from having any ownership, contractual, or monetary interest in the Lessor/Seller.
- c. Identify all known conflicts of interest that the Lessor/Seller’s owners, directors, officers or employees may have in regard to Academy Board members, Academy employees, as well as other vendors contracting with the Academy. Conflict of interests include, but are not limited to, close familial and/or business relationships.
- d. Identify whether the Lessor/Seller is an individual or an entity and, if an entity, the type or form of entity that owns the property (for-profit corporation, non-profit corporation, limited liability company, special purpose entity, etc.).
- e. Identify the type of property that the Lessor/Seller owns—if it is a church, parochial school, or other religious institution, the Academy Board will have to take appropriate steps to ensure separation of Church and State.
- f. Identify whether the facility is in close proximity to an existing University charter school, and if so, disclose such proximity to the CSO.
- g. Identify whether other tenants will occupy the physical plant, and if so, identify the other tenants and their relationship to the landlord, any ESP, and the Academy Board members.
- h. Identify the Lessor/Seller’s legal counsel who is involved in negotiating the Acquisition Agreement: name, address, and telephone number of firm and name of contact person.
- i. Identify the Academy’s anticipated total costs during the term of the proposed Acquisition Agreement, including:
  - i. Rent/Purchase Price, including cost per square foot for the physical plant
  - ii. Fixture costs
  - iii. Taxes
  - iv. Utilities and Assessments
  - v. Interest
  - vi. Insurance

- vii. Renovation, Repair and Maintenance
- viii. Transaction fees
- ix. Broker fees
- x. Other fees or costs (please identify)

j. Identify whether the Acquisition is classified as a capital or operating lease and the cost per square foot for the physical plant.

2. Before an Academy Board votes to approve an Acquisition Agreement, the Academy Board must:

a. Aside from public utility easements, determine whether other individuals and entities will have an ongoing right to use or occupy the Academy's physical plant. If so, the Academy Board should identify those other individuals and entities and determine whether their relationship to the Lessor/Seller, the ESP, Academy Board members or employees would create a conflict of interest prohibited by the Contract or this Policy.

b. Identify who presented the proposed site to the Academy Board. In other words, was the site identified by a real estate agent, the Academy's Educational Service Provider, an Academy Board member, the Lessor, or any other person.

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

d. Confirm that the Academy Board determined that the proposed Acquisition Agreement provides for a fair market value for the Academy. Suggestions for determining fair market value include:

- Colliers International Market Report
- Area chamber of commerce reports
- CB Richard Ellis Market Index
- Charter School Facilities Report from a National Survey of Charter Schools, prepared by Charter Friends National Network
- Independent appraisal
- Market analysis by independent real estate professional
- Analysis of comparable properties by independent real estate professional
- Comparison of other similar public school academies using the Michigan Department of Education's Bulletin 1014

- e. Confirm that the anticipated acquisition cost (including the lease or purchase of the Academy's land, building, and other physical facilities) will not exceed 20% of the amount received annually under Sections 22a and 22b of the State School Aid Act of 1979, as amended, MCL 388.1601, et seq., under the School Aid Act, or such other amount provided in the Contract.
- f. Confirm that the Academy retained a real estate, architect, or other professional to advise the Academy Board regarding the decision to lease the property, and identify that professional. If the Academy Board did not engage such experts, explain why no expert was engaged. If the Academy retained its ESP to engage such professionals, confirm that the ESP explained to the Academy Board at a public meeting prior to the Academy Board approving the Acquisition Agreement the process utilized to reach its recommendation regarding the property.
- g. Confirm the Academy Board considered other properties prior to agreeing to terms of an Acquisition Agreement. If so, explain what factor(s) compelled the Academy Board to select the site? If not, explain why the other properties were not considered? If the Academy retained its ESP to evaluate property options, confirm that the ESP explained to the Academy Board at a public meeting, prior to the Academy Board approving the Acquisition Agreement, the process utilized to identify the site selected.
- h. Where the Academy decided to lease, confirm whether the Academy considered purchasing the proposed site and, if so, why the Academy Board ultimately decided to lease instead of pursuing the purchase of the facility. Analyze whether the Academy's cost to acquire, construct, renovate, or occupy the building during the lease term exceed the amount for which the Academy could expect to purchase the building. If the lease term is one year, the Academy should use the annual lease cost contemplated in the Acquisition Agreement multiplied by the years remaining under the Contract. If the Academy is renewing an existing lease, the Academy should analyze whether the amount the Academy has paid under the expiring lease, together with the amount the Academy will pay under the new lease, exceeds the amount for which the Academy could expect to purchase the building.
- i. Confirm that the Academy Board has inspected the proposed physical plant and that the use and condition of the proposed physical plant, including the interior and exterior walls, restrooms, technology infrastructure, roof, HVAC, and other structures is sufficient for the intended use.
- j. Confirm the total square footage of the building and the number acres at the physical plant. Is there adequate space and acreage for subsequent expansion of the building, if necessary?
- k. Confirm whether the Lessor owns or leases the building. If the Lessor leases the building, obtain a copy of the underlying Lease Agreement and review with Academy

legal counsel to ensure the parties understand all obligations thereunder that may be assumed pursuant to the sublease.

3. Confirm that Academy Board members, Academy employees, and persons in a close familial relationship may not have any direct or indirect ownership, employment, contractual, management, or other monetary interest in any Lessor/Seller that leases or sells to the Academy. The relationship between the Academy and the Lessor/Seller shall be consistent with the conflicts of interest and prohibited familial relationship provisions set forth in the Contract and this Policy.
4. The Academy Board must retain independent legal counsel to review and advise on the negotiation of the Acquisition Agreement. Legal counsel for the Academy shall not represent the Lessor/Seller or the Lessor/Seller's owners, directors, officers, or employees. The Acquisition Agreement must be an arms-length, negotiated agreement between an informed Academy Board and the Lessor/Seller. Prior to the Academy Board's approval of the Acquisition Agreement, the Academy Board must obtain a legal opinion from its legal counsel, which includes the representation that legal counsel has reviewed the proposed Acquisition Agreement, this Policy and the Academy's Contract, and that in their opinion:
  - a. The Academy Board has the power and authority to enter into the proposed Acquisition Agreement;
  - b. Execution of the proposed Acquisition Agreement does not violate any term or provision of the Contract (including this Policy) and applicable law; and
  - c. Entering into the proposed Acquisition Agreement does not authorize or require an improper delegation by the Academy Board.
5. The Academy Board shall not approve an Acquisition Agreement until all Academy Board members have been given the opportunity to review the proposed Acquisition Agreement with the Academy's legal counsel.
6. The Academy Board shall only approve an Acquisition Agreement with a formal vote at a public board meeting. Prior to an Academy Board's vote on the Acquisition Agreement, the Academy Board shall provide an opportunity for public comment on the proposed Acquisition Agreement.

**B. Academy Board Administrative and Fiduciary Responsibilities**

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

2. The Academy Board shall be responsible for ensuring that the budget reserve amount included as part of the Academy's annual budget is adequate for any anticipated facility improvements required under the Acquisition Agreement.
3. The Acquisition Agreement shall contain the specific provisions, if any, that are incorporated into the Contract as required provisions for all Acquisition Agreements.
4. For Contracts entered into, extended, renewed, or modified on or after April 2, 2025, the Academy shall ensure that the name of the University and any Educational Service Provider responsible for both administrative services or staff and educational and instructional services or staff (where relevant) appear and be verbally provided on signage on the Academy's property erected, repaired, or installed on or after April 2, 2025, pursuant to Section 503 of the Revised School Code, MCL 380.503(6)(q), and unless prohibited by a local ordinance or zoning authority.

### **C. Lease Agreement Provisions**

1. The Lease Agreement must clearly state the length or term of the Lease. A Lease Agreement cannot exceed the term of the Academy's Contract. A Lease Agreement may be concurrent with the term of Academy's Contract provided that the last day of the Contract term shall be the last day of the Lease Agreement term. The Lease Agreement shall provide that, in the event the Contract is revoked, suspended, terminated, or expires by its terms, the Lease Agreement and all obligations thereunder shall immediately and automatically terminate.
2. The Lease Agreement shall clearly explain the disposition of pre-paid rent and security deposits upon termination of the Lease Agreement.
3. The Lease Agreement shall clearly state the total amount the Academy must pay to the Lessor each month.
4. The Lease Agreement shall clearly state which parties are responsible for utilities, taxes, maintenance, snow removal, repairs, and any other costs associated with the building.
5. If the Lease Agreement provides for a security deposit to be paid by the Academy, the Lease Agreement must make clear whether the Lessor must repay that security deposit to the Academy at the end of the Lease Agreement term.
6. The Lease Agreement shall provide that the Academy has no liability or obligation to investigate, clean, remove, remediate, or otherwise deal with hazardous material present at the site prior to the Academy occupying the site. Such liabilities should be the responsibility of the Landlord and the Lease Agreement must explicitly delineate the Lessor's responsibility.
7. The Lease Agreement shall provide that no party other than the Academy shall have an ongoing right to occupy the building, site, or physical plant without providing written notice to the CSO Director 30 days prior to such occupancy. If another school will occupy the Academy's building, site, or physical plant, the Academy must provide to the CSO a written

analysis regarding any potential implications of such occupancy, including potential security, school safety, and church-state issues.

8. No provision of a Lease Agreement shall interfere with the Academy Board's exercise of its statutory, contractual and fiduciary responsibilities governing the operation of the Academy. No provision of a Lease Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.
9. The Lease Agreement shall not restrict an Academy Board from waiving its governmental immunity or require an Academy Board to assert, waive or not waive its governmental immunity.
10. The Lease Agreement may not provide for an automatic increase in rental amount unless the rent escalator is fair and reasonable for the market at the time the Lease Agreement is executed.
11. A Lease Agreement must contain a provision that all lease and physical plant records of the Lessor related to the Academy will be made available to the Academy's independent auditor and the CSO.
12. The Lease Agreement must provide that any amendments to the Lease Agreement must be reviewed by the CSO before execution, however, for certain types of non-substantive amendments to the Lease Agreement, the CSO Director may decide to waive in writing the Lease Policy.
13. The Lease Agreement must provide that fixtures purchased with the Academy's funds are owned by the Academy.
14. If the Lessor procures equipment, materials and supplies at the request of or on behalf of the Academy, the Lease Agreement shall contain a provision requiring the Lessor to follow applicable competitive bidding laws and prohibiting the Lessor from including any added fees or charges with the cost of equipment, materials and supplies purchased from third parties (except that the Lessor may assess actual costs, such as taxes, shipping, permits, installation, or other similar expenses).
15. The Lease Agreement must provide that the Lessor will indemnify the Academy Board for damages or litigation caused by the condition of the physical plant, if those damages or litigation are caused by the Lessor's use or prior use of hazardous material at the physical plant.
16. 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 the Contract. The provision shall also provide that the lessor/landlord shall have no recourse against the Academy, the University, 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.

17. Any lease agreement entered into by the Academy shall include aforementioned provision that allows termination of the lease upon the lessor's uncured breach of the lease agreement, without limiting the remedies available to the Academy or the University under the Contract, the Lease Agreement, or applicable law.

**D. University Board Approval of Condemnation**

1. 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 CSO Director describing the proposed acquisition and the purpose for which the Academy desires to acquire the property and a request for a contract amendment. The CSO Director will generate a recommendation for consideration by the University Board with regard to the proposed acquisition. The request and the CSO Director's recommendation will be submitted by the CSO 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.

**E. CSO Director Review of Certain Financing Transactions**

1. If the Academy proposes to (i) finance the acquisition, by lease, purchase, or other means, of facilities or equipment, in excess of \$150,000, pursuant to arrangements calling for payments over a period greater than one (1) year, and which include a pledge 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 Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit the transaction for prior review by the CSO 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 for review to the CSO Director describing the proposed transaction and the facilities or equipment to be acquired with the proceeds thereof (if any) together with a copy of the proposed lease, deed or bill of sale for any facilities or equipment to be acquired in the transaction, 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 University Charter Schools Office; and (c) copies of such other documentation regarding the transaction which is the subject of the proposed direct intercept as the University Charter Schools Office may request. Unless the CSO Director

extends the review period, within thirty (30) days of receiving a written request in compliance with this Section, the CSO Director shall notify the Academy if the proposed transaction is disapproved (the CSO Director may disapprove the proposed transaction in his or her sole discretion). 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 CSO Director. By not disapproving a proposed transaction, the CSO Director is in no way giving approval of the proposed transaction, or any of the terms or conditions thereof.

**F. Other Transactions Requiring CSO Director Review**

1. If the Academy desires to enter into a lease agreement for real property, purchase agreement, multi-year lease, or transaction requiring bid documents with respect to (i) the Academy's facilities described in Schedule 6, (ii) Academy facilities that are in addition to or intended to replace the Academy's facilities described in Schedule 6, or (iii) capital assets valued in excess of \$150,000, the Academy shall, not later than thirty (30) days prior to the proposed date of execution of the proposed agreement, lease or bid documents (as applicable), submit a written request for review to the CSO Director describing the proposed transaction and the facilities or capital assets to be purchased, leased or which are otherwise the subject of the transaction, together with a copy of the proposed lease, deed or bill of sale for such facilities or assets. Unless the CSO Director extends the review period, within thirty (30) days of receiving a written request in compliance with this Section, the CSO Director shall notify the Academy if the proposed transaction is disapproved (the CSO Director may disapprove the proposed transaction in his or her sole discretion). 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 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 CSO Director. By not disapproving a proposed transaction, the CSO Director is in no way giving approval of the proposed transaction, or any of the terms or conditions thereof.
2. A copy of the Academy's Acquisition Agreement shall be included at Schedule 6 of the Contract. Any subsequent amendments to any Academy real estate lease agreement shall only be incorporated into the Contract pursuant to Article IX of the Contract.

**G. Disapproval of Certain Transactions**

1. Due to the uncertain status of an Academy's Contract where the Academy has been placed in Intensified Monitoring status by the CSO pursuant to the CSO's Reinvigorating Excellence Initiative, a transaction that is required to be submitted for review by the CSO Director pursuant to these Facility Finance and Property Acquisition Policies by such an Academy will be disapproved by the CSO Director if the transaction would require payments to be made by the Academy after the Academy's existing Contract expiration date, except that the CSO Director may elect not to disapprove such a transaction where the CSO Director determines in his or her sole discretion that all of the following conditions are met:

- a. The Academy is not in Intensified Monitoring;
- b. The Academy has an unrestricted fund balance that is not less than fifteen percent (15%) of its projected annual expenditures;
- c. Entering into the proposed financing transaction will not cause the Academy to expend more than an amount equal to twenty percent (20%) of the funds to be received by the Academy annually from the State of Michigan pursuant to the State School Aid Act of 1979, as amended, being MCL 388.1601 et seq., on discharging its annual obligations in connection with the lease or purchase of the Academy's land, building and other physical facilities;
- d. The facilities or equipment to be acquired with the proceeds of the proposed financing transaction are replacements for existing facilities or equipment and are necessary for continued safe operation of the Academy and the achievement of its educational goals; and
- e. Any other conditions deemed relevant by the CSO Director.

#### H. Amendments

- 1. Any subsequent amendment to the Acquisition Agreement shall be submitted to the CSO in the same form and manner as a new Acquisition Agreement.
- 2. The CSO may, from time to time, during the term of the Contract, amend these Policies and such amended Policies shall automatically apply to the Academy without the need for a Contract amendment. Contract amendments are identified further in the Contract Terms and Conditions.

# CHARTER SCHOOLS OFFICE POLICY

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Adopted: March 2009

Revised: January 31, 2025

## DISSOLUTION

Pursuant to the Terms and Conditions of the Contract to Charter a Public School Academy (“Contract”) issued by the Ferris State University Board of Trustees (“University Board”), these Dissolution Policies (“Dissolution Policies”) have been prepared and adopted by the University’s Charter Schools Office (CSO). These Dissolution Policies now become part of the Contract and apply immediately to all Public School Academies now authorized, and prospectively to all Public School Academies hereafter authorized or re-authorized, pursuant to Contracts issued by the University Board. A Public School Academy Board of Directors (“Academy Board”) must comply with these Dissolution Policies in addition to other Contract provisions that apply to an Academy.

### **A. Academy Board Obligations Relating to Termination of Contract**

1. **Contract Ending Notice.** When given by the Director of the Charter Schools Office (“CSO Director”) or the University Board, each of the following written notices to the Academy Board shall constitute a “Contract Ending Notice”: (a) that the University Board will not be renewing the Contract or extending it beyond its then existing term; (b) that the University Board is exercising its right to terminate the Contract; or (c) that the University Board has revoked the Contract. A notice of termination from the Academy and a notice from the Michigan Department of Education that an Academy site is subject to closure shall also constitute a “Contract Ending Notice” for purposes of this Dissolution Policy.

2. **Notice to State of Michigan.** Within ten (10) days of receipt of a Contract Ending Notice, the Charter Schools Office (CSO) shall give written notice to the Michigan Department of Education and the Michigan Department of Treasury of the non-renewal, non-extension, termination, or revocation of the Contract, as the case may be. Unless otherwise expressly provided in writing by the CSO Director or the University Board, the CSO shall request the Michigan Department of Education’s guidance and procedures on the dissolution, liquidation and winding up of the Academy. The notice given by the CSO shall advise the Michigan Department of Education and the Michigan Department of Treasury of the Contract Ending Date. The “Contract Ending Date” is (a) the date the term of the Contract ends, if the Contract is not being renewed or extended, (b) the effective date of termination, if the Contract is being terminated, or (c) the effective date of revocation, if the Contract is being revoked. The CSO shall simultaneously send the Academy Board a copy of its notice.

3. Plan of Dissolution and Liquidation.

a. When a Contract Ending Notice is received, then, unless otherwise expressly provided in writing by the CSO Director or the University Board, at least forty-five (45) days prior to the Contract Ending Date, the CSO Director shall submit to the Academy Board a plan of dissolution, liquidation and winding up for the Academy that is in full compliance with the Contract and all Applicable Law, regulations, rules, orders and governmental procedures.

b. The Academy shall immediately comply with the proposed plan of dissolution, liquidation and winding up provided by the CSO Director (the “Plan of Dissolution and Liquidation”). The Academy Board shall not alter the plan of dissolution, liquidation and winding up except by written permission of the CSO Director.

c. If not already in place in accordance with the Contract, the Academy shall cooperate in establishing an Academy Dissolution Administrative Account. If not so provided by existing Contract, beginning thirty (30) days after receipt of a Contract Ending Notice by either party, the University may direct up to ten thousand dollars (\$10,000) from each subsequent School Aid Fund payment, not to exceed a combined total of thirty thousand dollars (\$30,000) to a separate Academy account (“Academy Dissolution Administration Account”) to be used exclusively to pay the costs associated with the wind up and dissolution of the Academy, including but not limited to the expense of audits, inventory, appraisal, sale of unencumbered property, legal and other professional expenses, expenses of winding up corporate existence, the transfer of records, and the placement of students, and other administrative expenses related to dissolution. Within five (5) business days of the CSO’s notice, the Academy Board Treasurer shall provide the CSO Director, in a form and manner determined by the CSO, with account detail information and authorization to direct such funds to the Academy Dissolution Administrative Account. The Academy Dissolution Administrative 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 the wind up and dissolution administrative expenses have been satisfied. The University Board may also direct that a portion of the Academy’s state school aid funds be directed to the Academy Dissolution Administration Account. 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 Administration Account in accordance with these Policies and the 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. If the Academy does not cooperate in establishing the Academy Dissolution Administrative Account as directed, then the CSO may proceed to segregate such funds to be held by the University and separately accounted for, to be paid on behalf of or released to the Academy for the purposes described in this Section.

d. In the event that the Michigan Department of Education provides notification that all Academy sites are included in a Contract Ending Notice, unless the MDE rescinds such notification, wind-up and dissolution of the Academy should occur at the end of the then-current school year.

e. Without limiting the above, 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.

4. Appointment of a Receiver. If requested to do so by the CSO Director or the University Board at any time following a Contract Ending Notice, the Academy Board shall cause the Academy to petition the appropriate Circuit Court of the State of Michigan for the appointment of a receiver to administer the dissolution, liquidation and winding up of the affairs of the Academy. To the extent necessary, the Plan of Dissolution and Liquidation shall thereafter be deemed modified to accommodate the appointment of a receiver. The CSO may, at its option, offer assistance for the Plan of Dissolution by providing services of Wind Up and Dissolution Manager at the CSO's expense.

### **B. Academy Board Best Practices**

The Academy Board shall follow the wind-up and dissolution actions set forth at Attachment A, which may be updated from time to time and circulated to the Academy Board without revising these Policies.

### **C. Amendments**

The CSO may, from time to time, amend these Dissolution Policies, and such amended Dissolution Policies shall automatically apply to the Academy. Contract Amendments are addressed further in the Contract.

# ATTACHMENT A

## WIND-UP & DISSOLUTION PROCEDURE ACTIONS

Item	Action	Responsible Party	Status
#1	MCL 450.2804(2) PSA board adopts resolution to dissolve corporation and plan of distribution of assets to be implemented. The PSA authorizer must be notified & approval obtained from the authorizer if not already completed.	Click or tap here to enter text.	Click or tap here to enter text.
#1	Board to appoint group or person to be responsible for the wind-up activities.	Click or tap here to enter text.	Click or tap here to enter text.
#1	The board must approve the operating plan with timetables for completion of wind-up & dissolution tasks. Funds must be set aside to complete the required inventory, appraisal, and sale of assets at fair market value, as well as completion of the final audit. UCC search should be ordered to determine if there are any secured creditors.	Click or tap here to enter text.	Click or tap here to enter text.
#1	Building, property, equipment, and all assets must be secured against theft, misappropriation, and deterioration. Insurance should be maintained on assets until disposed of according to the plan for disposition of assets.	Click or tap here to enter text.	Click or tap here to enter text.
#2	Establish a temporary office or base of operation: <ol style="list-style-type: none"> <li>a. Publish notice of the location of the office and hours of operation.</li> <li>b. Install telephone with voice message stating hours of operation.</li> <li>c. Hire an individual to act as custodian of and maintain and disburse student files, and other documents, files, and records.</li> <li>d. Perform day-to-day wind-up duties as required and maintain custody of business records until all business and transactions are completed.</li> </ol>	Click or tap here to enter text.	Click or tap here to enter text.

Item	Action	Responsible Party	Status
	e. Terminate all leases, service agreements, and other contracts not required for completion of wind-up.		
#3	<p>The PSA must notify all interested parties of the dissolution and the closing of operations in <u>writing</u>, including the following:</p> <p>Parent or guardian of any student and any student 18 years of age or older within seven days of the date of the adoption of the resolution to dissolve the PSA.</p> <p>Advise the parent, guardian, or student 18 of age or older to contact the school where the student intends to enroll and to have the student’s new school contact the PSA to have the student’s educational record, commonly known as the CA-60, transferred to the new school. MCL 380.1135(4).</p> <p>Establish a follow-up procedure to determine where any student who has not attained the age of 16 will be continuing his or her schooling. MCL 380.1561. The follow-up procedure should begin no later than 28 days after the adoption of the resolution to dissolve the PSA.</p> <p>If the PSA is not contacted by a school requesting that the student’s record be transferred within 49 days of the adoption of the resolution to dissolve, the PSA must notify the Intermediate School District’s (ISD) attendance officer. MCL 380.1586.</p>	Click or tap here to enter text.	Click or tap here to enter text.
#3	Notify Intermediate School District (ISD) and all school districts within the ISD within 3 days of the adoption of the resolution to dissolve the PSA.	Click or tap here to enter text.	Click or tap here to enter text.
#3	Notify creditors and any others with whom the PSA has transacted business and each agency or other entity from whom the PSA receives funds within 14 days of the adoption of the resolution to dissolve the PSA. Advise that creditors file claims with the Board or its designee	Click or tap here to enter text.	Click or tap here to enter text.
#3	The Attorney General’s office must be notified of the dissolution by registered	Click or tap here to enter text.	Click or tap here to enter text.

Item	Action	Responsible Party	Status
	mail within 60 days after the date of dissolution. MCL 450.251(3). (Also see Item #8.)		
#3	If a PSA has issued bonds, the bond attorney should be contacted ASAP following the board resolution to dissolve and be advised of the dissolution process regarding final closeout issues.	Click or tap here to enter text.	Click or tap here to enter text.
#3	The PSA shall notify all banks and other financial institutions that all previously executed authorizations permitting individuals who are not members of the PSA board to draw on an account shall be immediately revoked. Only delegated members of the board shall be able to draw funds from the PSA's accounts.	Click or tap here to enter text.	Click or tap here to enter text.
#4	Any unencumbered assets must be liquidated. (All unencumbered assets should be sold in a manner to ensure that the highest possible price is obtained.) If an asset is subject to a security interest, the secured party must be contacted. Assets of the PSA shall not be given away, except as authorized by law.	Click or tap here to enter text.	Click or tap here to enter text.
#4	<b>NOTE:</b> Board members should not purchase any asset of the PSA unless the purchase is disclosed to the board of directors the disclosure is made a matter of record in the board's official proceedings and a roll call vote is taken on the matter. This process must also be used if any close relative of a board member, employee, or student of the PSA purchases an asset of the PSA.	Click or tap here to enter text.	Click or tap here to enter text.
#4	The assets (net proceeds) of the PSA must be applied and distributed pursuant to law as follows:	Click or tap here to enter text.	Click or tap here to enter text.
#4	All liabilities and obligations of the PSA must be paid and discharged, or adequate provision must be made, therefore. MCL 450.2855(1)(a).	Click or tap here to enter text.	Click or tap here to enter text.
#4	Assets held subject to written conditions or limitations must be disposed of in accordance with those conditions or limitations. MCL 450.2855(1)(b).	Click or tap here to enter text.	Click or tap here to enter text.

Item	Action	Responsible Party	Status
#4	Assets received and held by the PSA subject to limitations permitting their use only for charitable, eleemosynary, benevolent, educational, or similar purposes, but not held upon a condition requiring return, transfer, or conveyance because of the dissolution, shall be transferred or conveyed in accordance with any provisions in the articles of incorporation or bylaws which designate 1 or more recipients or a mechanism for determining 1 or more recipients which are domestic or foreign corporations, societies, or organizations, including governmental agencies, engaged in activities furthering such purposes. MCL 450.2855(1)(c).	Click or tap here to enter text.	Click or tap here to enter text.
#4	If the articles of incorporation or bylaws of the PSA do not contain such provisions, such assets shall be transferred or conveyed to 1 or more domestic or foreign corporations, societies, or organizations, including governmental agencies, engaged in activities substantially similar to or consistent with those of the dissolving PSA. An itemized receipt must be obtained from each recipient of an asset. The receipt must contain the name, address, and telephone number of the recipient. MCL 450.2855(1)(c).	Click or tap here to enter text.	Click or tap here to enter text.
#4	Close out any federal grant and account for any federal grant funds, property owned by the federal government, or property acquired under a federal grant. See 2 CFR Part 200, subpart D (Post Federal Award Requirements) and subpart E (Closeout).	Click or tap here to enter text.	Click or tap here to enter text.
#4	Any remaining fund balance, including funds from the liquidation of assets, are to be sent via check made out to the State of Michigan and mailed to the Michigan Department of Treasury, Receipt Processing Division, Attention: Mr. Tom Sharpe, P.O Box 30788, Lansing, Michigan 48909 within 30 days of dissolution of the Academy. MCL 388.1618b. A letter should accompany the check explaining the return	Click or tap here to enter text.	Click or tap here to enter text.

Item	Action	Responsible Party	Status
	of the funds for deposit to the School Aid Fund and identify the public school academy and a contact person representing the board.		
#5	The board should continue to hold public meetings, in accordance with the law, to administer the various actions involved in the wind-up and dissolution process.	Click or tap here to enter text.	Click or tap here to enter text.
#6	Before filing the certificate of dissolution with the Department of Consumer and Industry Services, the PSA must take the following steps:	Click or tap here to enter text.	Click or tap here to enter text.
#6	Close out any state grants, including filing the required Final Expenditure Reports (FER), which can only be filed via Cash Management System (CMS) and Final Program Performance Reports.	Click or tap here to enter text.	Click or tap here to enter text.
#6	Close out any federal grants, including filing the required Final Expenditure Reports (FER), which can only be filed via Cash Management System (CMS) and Final Program Performance Reports.	Click or tap here to enter text.	Click or tap here to enter text.
#6	Submit documentation regarding funds received directly from the United States Department of Education, if relevant and if required.	Click or tap here to enter text.	Click or tap here to enter text.
#6	File Notice of Discontinuance with the Department of Treasury. (Treasury Form 163).	Click or tap here to enter text.	Click or tap here to enter text.
#6	File a final withholding tax return. (Treasury Form 165).	Click or tap here to enter text.	Click or tap here to enter text.
#6	File a tax clearance request for corporate dissolution with the Department of Treasury. (Treasury Form 501). (A certificate of dissolution will not be accepted for filing by the Michigan Department of Consumer & Industry Services, Bureau of Commercial Services, or Corporation Division unless the corporation has paid in full all taxes owed to the State of Michigan or that the corporation is exempt from the provisions of various tax statutes administered by Treasury.)	Click or tap here to enter text.	Click or tap here to enter text.

Item	Action	Responsible Party	Status
#6	File a final school meal claim via MEIS within 60 days of the last month in which meals were served. Additionally, conduct a final inventory of all United States Department of Agriculture commodities and arrange, through the Michigan Department of Education, Food and Nutrition Program, to transfer those commodities to another school.	Click or tap here to enter text.	Click or tap here to enter text.
#6	File a final expenditure report FER for special education state funds. (MDE form SE-4096).	Click or tap here to enter text.	Click or tap here to enter text.
#6	File a final return with IRS. (Form 990 and Schedule A).	Click or tap here to enter text.	Click or tap here to enter text.
#6	Make final federal tax payments. Every employer, including a tax-exempt organization, that pays wages to employees, is responsible for withholding, depositing, paying, and reporting federal income tax, social security taxes (FICA), and federal unemployment tax (FUTA) for such wage payments.	Click or tap here to enter text.	Click or tap here to enter text.
#6	If applicable, notify the Office of Retirement Services or other benefit providers of the effective date of the dissolution of the PSA.	Click or tap here to enter text.	Click or tap here to enter text.
#6	File its annual comprehensive financial report, known as “FID” for its last year of operations. MCL 388.1618(3).	Click or tap here to enter text.	Click or tap here to enter text.
#6	File its annual progress report, known as the “PA 25 report.” MCL 380.1204a; MCL 388.1619.	Click or tap here to enter text.	Click or tap here to enter text.
#7	The board must arrange for the final independent audit of the dissolution period and file with the MDE, Office of Audits. MCL 388.1618(4).	Click or tap here to enter text.	Click or tap here to enter text.
#8	Notify the Department of the Attorney General, Charitable Trust Division of the dissolution by registered mail at least 45 days before the desired date of dissolution, per MCL 450.251. Cassie Beebe may be contacted for questions at <a href="mailto:BeebeC@michigan.gov">BeebeC@michigan.gov</a> . To obtain the Attorney General’s approval letter the PSA must submit the following:	Click or tap here to enter text.	Click or tap here to enter text.

<b>Item</b>	<b>Action</b>	<b>Responsible Party</b>	<b>Status</b>
#8	A completed and signed Dissolution Questionnaire must be submitted to the Attorney General's office. (The questionnaire may be obtained from the Attorney General's office).	Click or tap here to enter text.	Click or tap here to enter text.
#8	A complete copy of the articles of incorporation. The articles must show evidence of being filed with the State of Michigan.	Click or tap here to enter text.	Click or tap here to enter text.
#8	If the PSA is a tax-exempt corporation, copy of the IRS determination letter and IRS returns for the last 3 years.	Click or tap here to enter text.	Click or tap here to enter text.
#8	Audited financial statements for the last 3 years.	Click or tap here to enter text.	Click or tap here to enter text.
#8	An inventory of assets currently held. (Note if the organization still holds assets at the time the questionnaire is submitted, the Attorney General's approval will not be given. However, the PSA may still submit the Dissolution Questionnaire so that the Attorney General's office may begin its review. The Attorney General will send a letter asking for additional information including a final financial report and receipt for distributions of assets.)	Click or tap here to enter text.	Click or tap here to enter text.
#8	Receipts or copies of canceled checks, for distribution of assets to the State of Michigan, Department of Treasury.	Click or tap here to enter text.	Click or tap here to enter text.
#8	Receipts for distribution of unliquidated assets to qualifying entities under 501(c)(3) of the Internal Revenue Code.	Click or tap here to enter text.	Click or tap here to enter text.
#8	A statement of the board treasurer regarding the PSA's debts and obligations. The records of the PSA should be deposited with the final repository of its records.	Click or tap here to enter text.	Click or tap here to enter text.
#8	A copy of the final independent audit of the dissolution period.	Click or tap here to enter text.	Click or tap here to enter text.
#9	The PSA must negotiate with appropriate legal entities to determine what entity will be the final repository of its records. Such entities might include the Intermediate School District or local school district in which the PSA is located, the authorizing entity, or other public educational entity.	Click or tap here to enter text.	Click or tap here to enter text.

<b>Item</b>	<b>Action</b>	<b>Responsible Party</b>	<b>Status</b>
#10	The records of the PSA must be deposited with the repository of its records as follows:	Click or tap here to enter text.	Click or tap here to enter text.
#10	All PSA business records and records relating to federal grants must be kept in accordance with 2 CFR 200.333.	Click or tap here to enter text.	Click or tap here to enter text.
#10	In the event that student records have not been requested by another school and there is no record of the student's transfer to another district in the Michigan Student Data System (MSDS), the student or student's family, within 60 days of the closure of the PSA, a notice shall be sent to the last known address of the student as soon as possible after the 60th day following the closure of the PSA, advising them where the record is on file.	Click or tap here to enter text.	Click or tap here to enter text.
#10	The final repository for all PSA student records (that are not transferred to a student's new school) should retain those records in accordance with the "Schedule for the Retention and Disposal of Public School Records."	Click or tap here to enter text.	Click or tap here to enter text.
#10	The final repository of all teacher records must retain a record of the teacher's dates of employment with the PSA and what courses he or she taught while in the employ of the PSA	Click or tap here to enter text.	Click or tap here to enter text.
#11	The final repository of all business records of the PSA should retain business records in accordance with the Schedule for the Retention and Disposal of Public School Records.	Click or tap here to enter text.	Click or tap here to enter text.
#12	Obtain an approval letter from the Attorney General.	Click or tap here to enter text.	Click or tap here to enter text.
#13	File certificate of dissolution (DLEG Form BCS/CD 531), the Attorney General's approval letter, and tax clearance from the Treasury Department with the Department of Labor & Economic Growth, Bureau of Commercial Services, Corporation Division.	Click or tap here to enter text.	Click or tap here to enter text.
#13	Final dissolution and wind-up actions:	Click or tap here to enter text.	Click or tap here to enter text.

<b>Item</b>	<b>Action</b>	<b>Responsible Party</b>	<b>Status</b>
#13	Contract with the authorizer is dissolved in writing, signed by the authorizer and the board.	Click or tap here to enter text.	Click or tap here to enter text.
#13	Public School Academy Board of Directors tender resignations.	Click or tap here to enter text.	Click or tap here to enter text.

# FERRIS STATE UNIVERSITY

FERRIS FORWARD

## CHARTER SCHOOLS OFFICE POLICY

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Adopted: December 2010  
Revised: January 31, 2025

### **NONESSENTIAL ELECTIVE COURSE**

Pursuant to the Terms and Conditions of the Contract to Charter a Public School Academy (“Contract”) issued by the Ferris State University Board of Trustees (“University Board”), this Nonessential Elective Course Policy has been prepared by the University’s Charter Schools Office (CSO). It now becomes part of the Contract and applies immediately to all academies being authorized or re-authorized pursuant to Contracts issued by the University Board, and prospectively to any existing academy that is interested in providing nonessential elective courses to pupils at a non-public school site on or after the date set forth above. Failure by the Academy Board to comply with this Policy may result in the non-issuance of a Contract, or for existing Academies, the initiation of suspension, termination or revocation proceedings under the Contract.

- I. A public school academy (“Academy”) that is interested in providing nonessential elective courses to pupils at a non-public school site shall submit documentation sufficient to qualify for part-time pupil funding under the State School Aid Act.
- II. Without limiting the foregoing, the Academy shall provide the following documentation and information to the Ferris State University Charter Schools Office:
  - a. A draft copy of a Contract amendment with all attachments. See attached Contract Amendment form.
  - b. The name of the non-public school requesting the nonessential elective courses.
  - c. The name of the public school district in which the non-public school is located. (Note: In order for the Academy to provide nonessential elective courses to students at the non-public school, the Academy must be located in either (i) the same school district in which the non-public school requesting nonessential elective courses is located; (ii) the same intermediate school district in which the non-public school requesting nonessential elective courses is located; or (iii) an intermediate district that

is contiguous to the intermediate school district in which the non-public school requesting nonessential elective courses is located.)

- d. A copy of the non-public school's written request to the school district requesting that certain nonessential elective courses be provided.
- e. A copy of the district's written response to the non-public school notifying them that the district will/will not provide certain nonessential elective courses.
- f. The names and certification documents of each teacher providing instruction for a nonessential elective course.
- g. The names of all the mentors and teacher aides that will be assisting certified teachers during the instruction of the nonessential elective courses.
- h. The official enrollment records for all courses offered including every student's corresponding school district ID number.
- i. A copy of any agreement between the Academy and non-public school relative to the provision of nonessential elective courses to students at the non-public school site.
- j. A list of the nonessential elective courses being provided by the Academy to the non-public school, and the Academy's full schedule of courses including all nonessential elective courses.
- k. Confirmation that the non-public school is registered with the Michigan Department of Education and meets all the necessary reporting requirements for a non-public school under applicable law.
- l. Confirmation that the Academy has confirmed with its insurance carrier that the nonessential elective courses being provided by the Academy to pupils at the non-public school is an activity or program covered under the Academy's existing insurance policy.
- m. A written legal opinion from the Academy's legal counsel confirming that nonessential elective courses provided by the Academy to students at a non-public school (a) is not in violation of the single site requirements under section 504(1) of the Revised School Code ("Code"), MCL 380.504(1) and (b) is in compliance with section 166b of the State School Aid Act of 1979, as amended, MCL 388.1166b. If the Academy contracts with an educational service provider and nonessential elective course instruction is to be provided by educational service provider employees, then the written legal opinion shall also confirm that the Academy's provision of such services through employees of an educational service provider is permitted under applicable law.

- n. A copy of any Academy waiver request submitted to the Superintendent of Public Instruction (and any response received from the Superintendent) in connection with the Academy providing nonessential elective courses to students at a non-public school.
  - o. A copy of the Academy Board resolution(s) approving the Contract amendment and authorizing the Academy to provide nonessential elective courses to students at the nonpublic school site.
- III. The Academy shall maintain a record of the course schedule for each nonessential elective offered, detailing the number of instructional hours, days, and duration of the course. Such documentation should confirm that each part-time student is attending the nonessential elective course during the established times.
- IV. The Academy shall maintain sufficient documentation to demonstrate compliance with the funding criteria under MCL 388.1766b, including any supporting documentation required by the Michigan Department of Education or other governing bodies to substantiate the eligibility for part-time pupil funding, and shall ensure that all documentation is available for review by the University and in the event of an audit by state or federal agencies. The Academy will submit all required documentation to the Michigan Department of Education or other governing bodies.
- V. The Contract amendment shall not take effect until it is approved by the University Board, and once so approved the Contract amendment will be in effect only for the current school year in which the nonessential elective courses are requested and offered, unless an annual written extension to a subsequent school year is issued by the CSO Director after the Academy has once again submitted the information required by Section II of this Policy.

## AMENDMENTS

DATE

SECTION

TITLE

## **RESOLUTIONS**

# FERRIS STATE UNIVERSITY

## BOARD OF TRUSTEES

### FERRIS STATE UNIVERSITY CERTIFICATE OF SECRETARY TO THE BOARD OF TRUSTEES

I, Karen K. Huisman, Secretary to the Board of Trustees of Ferris State University, a constitutional body corporate of the State of Michigan, hereby certify that the attached is a true, complete and correct copy of the Resolution duly adopted by the Board of Trustees at a formal meeting of the Board of Trustees held on **December 14, 2023**, that said formal meeting was open to the public as prescribed by Mich. Const. 1963, art. 8, sec. 4, that said formal meeting was otherwise called and conducted in accordance with applicable provisions of Michigan law and the Bylaws of the Board of Trustees of Ferris State University then in effect, and that the minutes of said formal meeting were kept and are available for public inspection.

I FURTHER CERTIFY that the following Trustees were in attendance and constituted a quorum of the Board of Trustees: **Michael B. Fisher, George K. Heartwell, Kurt A. Hofman, Michael D. Ryan, Amna P. Seibold, Ronald E. Snead, Vivian TerMaat, and LaShanda R. Thomas.**

I FURTHER CERTIFY that the **motion passed unanimously** with regard to adoption of the attached Resolution.

IN WITNESS WHEREOF, I have hereunto set my hand this 15th day of December, 2023.



A handwritten signature in blue ink, appearing to read 'Karen K. Huisman', is written over a horizontal line.

Karen K. Huisman, RP  
Secretary to the Board of Trustees

1201 S. State Street, CSS 301  
Big Rapids, MI 49307-2747

Phone: (231) 591-2505  
Web: [www.ferris.edu](http://www.ferris.edu)

December 14, 2023

4c.1. Charter Contract Reauthorization - Blended Learning Academies Credit Recovery High School

Moved by **Trustee Snead**, supported by **Trustee TerMaat**, and **unanimously carried** that the Ferris State University Board of Trustees hereby approves the following Resolution, as submitted on this date:

**RESOLUTION**

WHEREAS, the Ferris State University Board of Trustees (the "University Board") granted conditional approval to a Resolution (the "Initial Resolution") dated December 13, 2013, for Blended Learning Academies Credit Recovery High School (the "Academy"), which conditionally authorized the execution of a contract with the Academy to charter an academy ("Original Charter Contract") and conditionally authorized the Chairperson of the University Board to execute the Original Charter Contract between the Academy and the University Board; and,

WHEREAS, on December 13, 2013 the University Board authorized the Academy for five years through June 30, 2019; and,

WHEREAS, on December 14, 2018 the University Board authorized the Academy for five years through June 30, 2024; and,

WHEREAS, on February 19, 2021 the University Board approved a charter contract amendment for the Academy to add an additional campus in Livonia, Michigan; and,

WHEREAS, the Academy is an alternative school and as such focuses on credit recovery for high school dropouts and students in jeopardy of not graduating due to a shortage of credits; and,

WHEREAS, the Academy's enrollment has steadily grown to 154 students in grades 9-12 with 61% of them receiving free and reduced lunch rate and reports a 26% special education rate; and,

WHEREAS, the Academy shows a high school completion rate of 76%; and,

WHEREAS, the Academy is fiscally sound with a 30% fund balance; and,

WHEREAS, the University Board desires to reauthorize the Academy pursuant to the terms of a new contract to charter an academy ("New Charter Contract") in substantially the form provided to the University Board in connection with its consideration of this reauthorization resolution (the "Reauthorization Resolution") for five years through June 30, 2029; and,

WHEREAS, the University Board intends that the New Charter Contract shall supersede and replace the Original Charter Contract in all respects.

NOW THEREFORE BE IT RESOLVED:

1. The application for the reauthorization of Blended Learning Academies Credit Recovery High School (the "Academy") submitted to the Ferris State University Charter Schools Office (FSU CSO) for a term ending on June 30, 2029, is approved contingent upon the Academy Board approving the New Charter Contract (including without limitation the Terms and Conditions and all of the Schedules incorporated therein) and its execution, delivery and filing of the same in the name of and on behalf of the Academy.

The University Board establishes the method of selection, length of term, number of members, qualification of members, the procedure for removal of members, and other matters pertaining to the Academy's Board of Directors, as follows:

a. Method of Selection. The University Board shall prescribe the methods of appointment for members of the Academy Board. Ferris State University's Director of Charter Schools ("CSO Director") is authorized to administer the University Board's academy board selection and appointment process (including a Public School Academy Board Member Questionnaire or School of Excellence Board Member Questionnaire or Strict Discipline Academy Board Member Questionnaire, as applicable, and required background checks), as provided below:

1. The University Board shall appoint initial and subsequent members of the Academy Board of Directors by formal resolution, except as prescribed by subparagraph (4) of this subparagraph (a). The CSO Director shall recommend nominees to the University Board based upon a review of the applicable Academy Board Member Questionnaire, required background checks and each nominee's resume. Each nominee shall be available for interview by the University Board or the CSO Director. The University Board may reject any or all Academy Board nominees.
2. The Academy Board shall be provided an opportunity to nominate its subsequent members, by resolution and majority vote, except as provided herein. The Academy Board shall recommend at least one nominee for each vacancy. The Academy Board's nominees shall submit the applicable Academy Board Member Questionnaire for review by the Ferris State University Charter Schools Office ("CSO"). If the University Board elects not to appoint any of the Academy Board's nominees for a vacant position on the Academy Board or elects to make its own nomination(s), it may nominate and appoint an Academy Board member of its own choosing for that vacant position, or it may request additional nominees from the Academy Board.
3. An individual appointed to fill a vacancy created other than by expiration of the term shall be appointed for the unexpired term of that vacant position.

4. Under exigent conditions, and with the approval of the University Board's Chair, the CSO Director may appoint a qualified individual to the Academy Board. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled formal session. The University Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under the exigent conditions provision.

b. Length of Term. Each member of the Academy Board shall serve at the pleasure of the University Board. The initial terms of the members of the Academy Board shall be staggered in a manner determined by the CSO Director, but no individual member's term shall exceed a period of four (4) years. The subsequent term of each member of the Academy Board shall be for a period of four (4) years. The terms for each position shall begin on July 1st and end on June 30th of the pertinent year.

c. Number of Directors. The number of board positions shall be seven (7), which may be reduced to five (5) or increased back to seven (7) if requested by the Academy and approved by the CSO Director. If the Academy Board fails to attain or maintain its full membership by making appropriate and timely nominations, the University Board or the CSO Director may deem that failure an exigent condition.

In order to legally transact business, the Academy Board shall have a quorum 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)

A board member may participate in a meeting virtually only if unable to attend a meeting in person due to military duty, or in other circumstances where virtual attendance is permitted by law, and that member's virtual presence shall count towards the required quorum and allow the virtual attendee to participate and vote on business before the board.

Notwithstanding any academy board bylaw to the contrary, any decision or action of the board must be approved by three directors if the board has five authorized positions, and four directors if the board has seven authorized positions. Procedural motions such as a motion to adjourn, table or postpone a matter, to schedule a meeting, or a motion to request a reduction in the number of authorized board positions or nominate persons to fill vacancies, may be approved by a majority of a quorum.

d. Qualifications of Members. To be qualified to serve on the Academy Board, a person shall, among other things: (1) be a citizen of the United States; (2) be a resident of the State of Michigan; (3) submit all materials requested by the CSO including, but not limited to, the applicable Academy Board Member Questionnaire which must include authorization to process a criminal background check of the nominee; and (d) submit annually a conflicts of interest disclosure as prescribed by the CSO.

The Academy Board shall include as a member (1) at least one parent or guardian of a child attending the Academy; and (2) one professional educator, preferably a person with school administrative experience. The Academy Board shall include representation from the local community in which the Academy serves.

The members of the Academy Board shall not include (1) any member appointed or controlled by another profit or non-profit corporation; (2) Academy employees or independent contractors performing services for the Academy; (3) any current or former director, officer, or employee of an educational management company that contracts with the Academy; and (4) Ferris State University officials or employees.

e. Oath. Before beginning his/her service, each member of the Academy Board shall take and sign the constitutional oath of office before a justice, judge, or clerk of a court, or before a notary public. The Academy shall cause a copy of such oath of office to be filed with the CSO. No appointment shall be effective prior to the taking, signing and filing of the oath of public office.

f. Removal of Members. The University Board may remove an Academy Board member with or without cause at any time by notifying the affected Academy Board member. The notice shall specify the date when the Academy Board member's service ends. Any Academy Board member may also be removed by a two-thirds (2/3) vote of the Academy Board for cause.

With the approval of the University Board Chair, the CSO Director may suspend an Academy Board member's service, if in his/her judgment the member's continued presence would constitute a risk to persons or property, or would seriously impair the operations of the Academy. Any suspension made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any suspension made under this provision.

g. Tenure. Each member of the Academy Board shall hold office until such member's replacement, death, resignation, removal or until the expiration of the term, whichever occurs first.

h. Resignation. Any member of the Academy Board may resign at any time by providing written notice to the Academy or the CSO. Notice of resignation will be effective upon receipt or at a subsequent time designated in the notice. Any Academy board member who fails to attend three (3) consecutive Academy board meetings without prior

notification to the Academy Board President, may, at the option of the Academy Board, the University Board, or the CSO Director, be deemed to have resigned, effective at a time designated in a written notice sent to the resigning Academy board member. A successor shall be appointed as provided by the method of selection adopted by the University Board.

i. Board Vacancies. An Academy Board vacancy shall occur because of death, resignation, removal, failure to maintain United States citizenship or residency in the State of Michigan, disqualification, enlargement of the Academy Board, or as specified in the Code.

j. Compensation. An Academy Board member shall serve as a volunteer director and without compensation for his/her services. By resolution of the Academy Board, the Academy Board members may be reimbursed for their reasonable expenses incidental to their duties as an Academy Board member.

k. Current Members of the Board of Directors. The University Board re-confirms the appointments of the following persons to their existing terms set forth below as members of the Academy's Board of Directors:

Marcus Kirkpatrick  
3620 Donamere Drive  
Lansing, MI 48906  
Term Expiration: June 30, 2027

Darin Southworth  
PO Box 92  
Bath, MI 48808  
Term Expiration: June 30, 2026

Louis Schiavone III  
707 Prudden Street  
Lansing, MI 48906  
Term Expiration: June 30, 2027

Amy Hovey  
4933 Hawk Hollow Drive E  
Bath, MI 48808  
Term Expiration: June 30, 2025

William Jaconette  
13075 Apple Tree Lane  
DeWitt, MI 48820  
Term Expiration: June 30, 2025

Phillip McKinney  
109 Manchester Drive  
DeWitt, MI 48837  
Term Expiration: June 30, 2024

Meagan Mahoney-Lamson  
554 Meade Drive  
Lansing, MI 48917  
Term Expiration: June 30, 2024

2. The University Board hereby approves the New Charter Contract in substantially the form provided to the University Board in connection with its consideration of this Reauthorization Resolution, and upon being presented with the counterpart of the same that has been fully executed by a duly authorized representative of the Academy Board

in its name and on its behalf, the President of the University, or his designee, is hereby authorized to execute the same in the name of and on behalf of the University Board, and the New Charter Contract shall thereupon take immediate effect and supersede and replace the Original Charter Contract in all respects.

**TERMS AND CONDITIONS**

**TERMS AND CONDITIONS  
OF CONTRACT**

**DATED: July 1, 2024**

**BETWEEN**

**BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL  
(A PUBLIC SCHOOL ACADEMY)**

**AND**

**FERRIS STATE UNIVERSITY BOARD OF TRUSTEES  
(AUTHORIZING BODY)**

**CONFIRMING THE STATUS OF**

**BLENDED LEARNING ACADEMIES  
CREDIT RECOVERY HIGH SCHOOL**

**AS A**

**PUBLIC SCHOOL ACADEMY**

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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 Legislature has authorized a 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 Legislature has delegated to the governing boards of state public universities, community college boards, intermediate school district boards and local school district boards, or such agencies acting jointly, the responsibility for authorizing the establishment of public school academies; and

WHEREAS, the University Board has considered the Application for the re-authorization of **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL** (the "Academy"), considered the academic progress of students attending the Academy and its fiscal operation and has approved the re-authorization of the Academy's operation under this Contract, which shall supersede the original contract (as amended) under which the Academy was established;

NOW, THEREFORE, pursuant to the Code the University Board re-authorizes the Academy pursuant to the terms and conditions of this Contract under which certain rights, franchises, privileges, and obligations of a public school academy are conferred upon the Academy and the status of the Academy as a public school academy in this state is confirmed. 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 non-profit corporation named **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL** which is re-authorized as a public school academy pursuant to this Contract.

(b) "Academy Board" means the Board of Directors of **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL**.

(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 most recent public school academy application or amended application and supporting documentation submitted to the University for the establishment or for the re-authorization of the Academy.

(e) “Authorizing Resolution” means the Resolutions adopted by the University Board on December 13, 2013.

(f) “Charter Schools Director” or “CSO Director” means the person designated at the University 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 the University Board’s designee for the purpose of administering the University Board’s responsibilities under the Contract. The CSO has authority to interpret the Resolution and the Policies on behalf of the University Board.

(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 (MCL).

(i) “Conservator” means an individual appointed by the University President in accordance with Section 10.10 of these Terms and Conditions.

(j) “Contract” means, in addition to the definition set forth in the Code, these Terms and Conditions, the Authorizing Resolution, the Resolution, the Schedules, and the Application.

(k) “Director” means a person who is a member of the Academy Board of Directors.

(l) “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 CSO Director for review as provided in Section 3.9 and has not been disapproved by the CSO Director, and is consistent with the CSO Educational Service Provider Policies, as they may be amended, and Applicable Law.

(m) “Educational Service Provider Policies” or “ESP Policies” means those policies adopted by the Charter Schools Director 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. 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.

(n) “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 Board, then such gift or grant shall not constitute a financial borrowing or contribution for purposes of determining a Fund Balance Deficit.

(o) “Lease Policies” means those policies adopted by the Charter Schools Director 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. 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.

(p) “Management Agreement” or “ESP Agreement” means a management 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 CSO Director for review as provided in Section 3.9 and has not been disapproved by the CSO Director, and is consistent with the CSO Educational Service Provider Policies, as they may be amended, and Applicable Law.

(q) “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.

(r) “President” means the President of Ferris State University or his or her designee.

(s) “Probationary Status” means the status the Academy is placed in when conditions indicate a going concern risk for the Academy.

(t) “Resolution” means the authorization or re-authorization Resolution adopted by the Ferris State University Board of Trustees on December 14, 2023, establishing the method of selection, length of term, number of Directors, qualification of Directors, the procedure for removal of Directors and the names of the initial Directors under this Contract.

(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, Schedule 7: Required Information for Public School Academy, and Schedule 8: Information Available to the Public.

(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, 2024, Between **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL** (A Public School Academy) And Ferris State University Board of Trustees Confirming The Status Of **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL** As A Public School Academy.”

(z) “University” or “FSU” means Ferris State University established pursuant to Article 8, Sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.801 *et seq.*

(aa) “University Board” means the Ferris State University Board of Trustees.

(bb) “University Board Chairperson” means the Chairperson of the Ferris State University Board of Trustees or his or her designee.

(cc) “University Charter Schools Hearing Panel” or “Hearing Panel” means such persons as designated by the President.

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 and supporting documentation are incorporated into, and made part of, this Contract.

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;
- (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 Ferris State University. Ferris State 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 Ferris State University. If applicable, the University Board has provided to the Michigan Department of Education (MDE) 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. It is organized and shall operate as a public school academy and a nonprofit corporation. It is not a division or part of Ferris State University, and the Academy is not empowered to act on behalf of Ferris State University or the University Board with respect to any matter whatsoever. 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 formal written agreements between the University Board and the Academy.

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 or otherwise 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 FERRIS STATE UNIVERSITY BOARD OF TRUSTEES AS AUTHORIZING BODY

Section 3.1 Method of Selection, Length of Term, Number of Directors, Qualification of Directors, Procedure for Removal of Directors, and Other Matters. The University Board has adopted a Resolution providing for the method of selection, length of term, number of members, qualification of members, the procedure for removal of members, other matters pertaining to Directors and the names of the current Directors. The University Board passed an Authorizing Resolution approving the issuance of the Contract on December 14, 2023. The Resolution is hereby incorporated into this Contract and made a part hereof. The University Board may, from time to time, amend the Resolution changing the method of selection, length of term, number of Directors, qualification of Directors, the procedure for removal of Directors and other matters pertaining to Directors. Any subsequent resolution of the University Board changing the Resolution shall be deemed incorporated into this Contract as an amendment, with like effect as though it had been approved by the Academy Board and by the University Board under Section 9.4 of Article IX hereof.

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 Board, 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 ten (10) 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 incorporated herein as Schedule 4.

Section 3.4 Reimbursement of University Board Costs. The Academy shall pay the University Board an administrative fee to reimburse the University Board for the cost of its executing its 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 CSO Director describing the proposed acquisition and the purpose for which the Academy desires to acquire the property. The CSO Director will generate a recommendation for consideration by the University Board with regard to the proposed acquisition. The request and the CSO Director's recommendation will be submitted by the CSO 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. The Academy may contract with an Educational Service Provider to provide persons to perform work at the Academy so long as (a) the agreement complies with the requirements of Section 3.9 of these Terms and Conditions; (b) the Academy has first complied with the Charter Schools Office Educational Service Provider Policies, if any, as then in effect; and (c) the CSO Director has not disapproved the agreement. A copy of the agreement between the Academy and the Educational Service Provider (ESP) shall be made available by the authorizer. ESP job descriptions are included as a part of Schedule 5 of the charter contract.

Section 3.7 CSO Director Review of Certain Financing Transactions Involving Pledge of State Aid. If the Academy proposes to (i) finance the acquisition, by lease, purchase, or other means, of facilities or equipment, 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 acting as fiscal agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit the transaction for prior review by the CSO 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 CSO Director 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 CSO Director; and (c) copies of such other documentation regarding the transaction which is the subject of the proposed direct intercept as the University Charter Schools Office may request. Unless the CSO Director extends the review period, within thirty (30) days of receiving a written request in compliance with this Section, the CSO Director shall notify the Academy if the proposed transaction is disapproved (the CSO Director may disapprove the proposed transaction in his or her sole discretion). If no response is made during that period, this transaction shall be considered not to have been disapproved. 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 CSO Director. By not disapproving a proposed transaction, the CSO Director is in no way giving approval of the proposed transaction, or any of the terms or conditions thereof.

### Section 3.8 University Board Contract Authorization Process.

(a) 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 without any further action of either the Academy or the University Board.

(b) An Academy seeking a renewal of its Contract shall make a formal request to the Charter Schools Office prior to the end of the current Contract term through the Reauthorization Application. Reauthorization packets are sent to academies and Boards of Directors in the beginning of the final contractual academic year. The Charter Schools Office 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 extending the contract, or consider reauthorization of the Academy and issue a contract for a fixed term.

(c) A “reauthorization” shall generally consist of a contractual renewal period of three (3) or more years as granted by the University Board.

(d) The decision to recommend reauthorization or contract extension to the FSU Board of Trustees shall be determined solely by the CSO Director. Such decisions shall be made in consultation with appropriate CSO staff, visitation reports, and other relevant data for the contractual period or extension period. Academic achievement for all groups of pupils as measured by assessments and other objective criteria shall be the most important factor in the decision whether to reauthorize or extend a contract.

Section 3.9 CSO Director Review of ESP Agreement.

(a) The Academy may enter into an ESP Agreement with an Educational Service Provider to contract out its administrative, educational, management, and/or instructional functions and personnel. For purposes of this Contract, an employee leasing agreement shall be considered an ESP Agreement, and an employee leasing company shall be considered an ESP. The ESP policies of the CSO are incorporated into and deemed part of this Contract. The CSO may, from time to time during the term of this Contract, amend the ESP policies and the amended policies shall apply to the Academy in accordance with Section 12.16 of the Contract, without any amendment under Article IX of this Contract. If the Academy proposes to enter into a new or renewal ESP Agreement, or to extend the term of an existing ESP Agreement, the Academy shall, not later than thirty (30) days prior to the proposed date of execution thereof, submit the proposed ESP Agreement and a detailed description of the means by which the Educational Service Provider will be held accountable to the Academy Board for the day-to-day performance of the Educational Service Provider's obligations under the ESP Agreement for review by the CSO Director. Unless the CSO Director extends the review period, within thirty (30) days of receiving a copy of a proposed agreement and detailed description in compliance with this Section, the CSO Director shall notify the Academy if the proposed ESP Agreement is disapproved (the CSO Director may disapprove the proposed ESP Agreement if the ESP Agreement is contrary to this Contract or Applicable Law). No ESP Agreement is approved unless the Academy receives from the CSO Director notice of a non-disapproval. If the proposed ESP Agreement is disapproved, such disapproval may, but shall not be required to, state one or more conditions which, if complied with by the Academy and/or the Educational Service Provider, would cause such disapproval to be deemed withdrawn. No ESP Agreement may be entered into that is disapproved by the CSO Director. By not disapproving a proposed ESP Agreement, the CSO Director is in no way giving approval of the proposed ESP Agreement, or any of the terms or conditions thereof. Any subsequent amendment to an ESP Agreement shall be submitted for review by the CSO Director in the same form and manner as a new ESP Agreement.

(b) An ESP Agreement:

- (i) may not contain a non-competition, no-hire, or similar provision prohibiting or restricting the Academy from hiring instructional staff that perform work at the Academy;
- (ii) shall contain a representation and warranty by the Educational Service Provider to the Academy that no non-competition, no-hire, or similar provisions are included in the Educational Service Provider's employment contracts or other agreements with instructional staff that perform work at

the Academy, nor will any such provisions be included in any such contracts or agreements for the duration of the ESP Agreement;

- (iii) shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including without limitation but not limited to the information described in Schedule 8, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under the Contract;
- (iv) shall not be for a term extending beyond the term of the Contract;
- (v) shall not contain terms inconsistent with the CSO's Educational Service Provider Policies, if any, in effect at the time that the ESP Agreement is entered into, renewed or extended; and
- (vi) shall contain the following provisions:

“Indemnification of Ferris State University. The parties acknowledge and agree that the Ferris State University Board of Trustees, Ferris 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 gross negligence of the University, which arise out of or are in any manner connected with Ferris State University Board of Trustees’ approval of the Academy’s application, Ferris 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, Ferris 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 Ferris 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. The 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 Ferris State University Board of Trustees. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement."

"Compliance with Section 503c. On an annual basis, the ESP agrees to provide the Academy Board with the same information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 380.1618, for the most recent school fiscal year for which 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 Michigan Department of Education. 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.

Section 3.10 Certain Other Transactions Requiring Review by the CSO Director. If the Academy desires to enter into a purchase agreement, multi-year lease, or transaction requiring bid documents with respect to (i) the Academy's facilities described in Schedule 6, or (ii) capital assets valued in excess of \$150,000, the Academy shall, not later than thirty (30) days prior to the proposed date of execution of the proposed agreement, lease or bid documents (as applicable), submit the same for review and comment by the University Charter Schools Office. Unless the CSO Director extends the review period, within thirty (30) days of receiving a copy of a proposed agreement, the CSO Director shall notify the Academy if the proposed agreement is disapproved (the CSO Director may disapprove the proposed agreement in his or her sole discretion). If no response is made during that period, the transaction shall be considered not to have been disapproved. If the proposed agreement is disapproved, such disapproval may, but shall not be required to, state one or more conditions which, if complied with by the Academy and/or other party to the agreement, would cause such disapproval to be deemed withdrawn. No agreement described in this Section may be entered into that is disapproved by the CSO Director.

Section 3.11 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. Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. With the exception of agreements that require prior submittal to the CSO Director or the University Board (or its designee) for review and (a) have not been submitted for review to the CSO Director, (b) have not been submitted for review and disapproved by the CSO Director, or (c) are not contrary to this Contract or Applicable Law, the Academy may enter into agreements with other public schools, public school academies, schools of excellence, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.

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 Contract.

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 any 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.

(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 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;

(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 sub-Section, 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 operate as a nonprofit corporation organized under the Michigan Nonprofit Corporation Act, Act No. 162 of the Public Acts of 1982, MCL 450.2101 *et seq.* Notwithstanding any provision of the Michigan Nonprofit Corporation Act, as amended, the Academy shall not take any action inconsistent with the provisions 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 Restated Articles of Incorporation shall automatically be incorporated into this Contract. 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. Upon Academy Board approval, the Amended Bylaws shall automatically be incorporated into this Contract. Any subsequent amendments to the Academy's Bylaws shall only be incorporated into this Contract pursuant to Article IX of these Terms and Conditions.

## 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 2. The Academy shall have four officers: president, vice president, secretary and treasurer. The officer positions shall be filled by persons who are also members of the Academy Board. A description of their duties is included in Schedule 2.

Section 6.2 Educational Goals, Programs and Curriculum. The Academy shall pursue the educational goals, deliver the educational programs and implement and follow the curriculum identified in Schedule 7. The educational goals shall include demonstrated improved pupil academic achievement for all groups of pupils.

Section 6.3 Method of Pupil Assessment. The Academy shall evaluate pupils' work based on the assessment strategies identified in Schedule 7. The Academy also shall assess pupil

performance using all applicable testing that the Code or the Contract require. The Academy shall annually administer a nationally-normed test to each grade or grouping level, except that the CSO Director may exempt grades K-1 from this requirement at his or her discretion. The Academy shall provide the CSO 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 CSO; and

(b) An annual education report in accordance with the Code.

Section 6.4 Application and Enrollment of Students; School Calendar and School Day Schedule. The Academy shall evaluate pupils' work based on the assessment strategies identified in Schedule 7d. 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 6.5 Age/Grade Range of Pupils Enrolled. The Academy is authorized to serve students in the age/grade range specified in Schedule 7.

Section 6.6 Collective Bargaining Agreements. Collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 6.7 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 6.8 Annual Financial Audit. The Academy shall conduct an annual financial statement audit prepared and reviewed by an independent (with respect to both the Academy and its ESP, if any) certified public accountant with public school auditing experience. 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. By November 1 of each year, the Academy shall submit one (1) copy of the annual financial statement audit and auditor's management letters (and any responses thereto) to the University Charter Schools Office.

Section 6.9 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 5, 6 and 7. Upon receipt of a complete contract amendment, the CSO 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 CSO Director of the contract amendment shall include a determination by the CSO Director that the Academy is operating in compliance with the Contract and is making measurable progress toward meeting the Academy's educational goals. The University Board may consider the Academy Board's site expansion request contract amendment following submission by the CSO 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 6.10 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 Ferris State University.

Section 6.11 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 6.12 Reporting Student Performance Levels. The Academy shall provide the CSO with full access to the State of Michigan secured student performance data site. Unless otherwise directed by the CSO, the Academy shall furnish the CSO Director with:

(a) An assessment of student performances at the end of academic periods or at such other times as the CSO deems appropriate; and

(b) An objective evaluation of student performances and the Academy's operations and procedures, not less frequently than at three (3) year intervals or at such other times as the CSO Director may otherwise request. The evaluation shall be done by a visitation team selected by the CSO. The visitation team shall include members of the CSO staff, and may include outside evaluators selected by the CSO in its sole discretion. All expenses of the visitation team shall be borne by the CSO. The methodology to be used for the evaluation shall be shared with the Academy Board of Directors prior to the evaluation visit. The visitation team shall compile a comprehensive report for presentation to the Academy Board and posted on the CSO website. Such evaluation report may constitute grounds for the University Board to continue, suspend, terminate or revoke the Contract, or not issue a new Contract at the end of the term of the Contract, or reconstitution of the Academy according to Applicable Law.

Section 6.13 Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Contractual Educational Goals. 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 6.14 Matriculation Agreements. Matriculation agreements shall be subject to the requirements and approval procedures in Schedule 7e. Until the matriculation agreement is reviewed and not disapproved, the Academy is prohibited from granting an enrollment priority to any student pursuant to the matriculation agreement.

Section 6.15 Posting 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 6.16 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 MCL 380.1280c(1) or MCL 380.1280g(3), as applicable, during the immediately preceding three (3) 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 LAWS

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 and 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 appropriate 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 the CSO Director. The University Board shall review, consider and vote upon all changes and amendments to this Contract that are proposed by the Academy.

Section 9.3 Process for Amendment Initiated by the University Board. The University Board, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of 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.

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 the rights, responsibilities, or obligations of either the Academy or the University Board, this Contract shall be deemed altered or amended to reflect the change in existing law as of the effective date of such change without action by either party; however, the University Board, acting through the CSO, may provide written notice of the change to the Academy. To the extent possible, the responsibilities and obligations of the Academy Board and the University Board shall conform to and be carried out in accordance with the change in Applicable Law.

Section 9.6 Partnership Agreement. If the Michigan Department of Education (MDE) and State Reform Office impose a partnership agreement on the Academy, the Academy shall work collaboratively with MDE, 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. The Partnership Agreement shall be incorporated into this Contract by amendment pursuant to Article IX of these Terms and Conditions and shall be included as a Schedule. The CSO shall propose to the University Board any amendments to this Contract that are needed to ensure the Partnership Agreement is consistent with this Contract.

Section 9.7 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

### TERMINATION, SUSPENSION AND REVOCATION

Section 10.1 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 10.2 Automatic Amendment of Contract; Automatic Termination of Contract If All Academy Sites Closed; Economic Hardship Termination. Except as otherwise provided in this Section 10.2, if the University Board is notified by the Michigan Department of Education (MDE) 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 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 MDE rescinding the State's Automatic Closure Notice ("Pupil Hardship Exemption"), shall be directed to the MDE, in a form and manner determined by the MDE.

If the MDE 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 MDE's school improvement plan, if applicable, for the identified site(s).

If the Michigan Department of Education 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 MDE 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.

Section 10.3 Grounds and Procedures for University Termination of Contract. The University Board, in its 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, or (iii) if exigent circumstances exist that the University Board, in its sole discretion, determines necessitate termination of this Contract to protect the health, safety, or welfare of the Academy students, property, or funds that cannot be cured in a reasonable period as determined solely by the University Board 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 10.2, the revocation procedures in Section 10.4 shall not apply.

Section 10.4 Statutory Grounds for Revocation. In addition to the other grounds for revocation in Section 10.5 and the grounds for an automatic revocation of the Contract as set forth in Section 10.2, this Contract may also be revoked by the University Board upon a determination by the University Board, pursuant to the procedures set forth in Section 10.6, 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 set forth in the 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 10.5 Other Grounds for University Board Revocation. In addition to the statutory grounds for revocation set forth in Section 10.4 and the grounds for an automatic revocation set forth in Section 10.2, 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 is insolvent, has been adjudged bankrupt, or has operated for two (2) or more school fiscal years with a fund balance deficit;

(b) 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;

(c) The Academy defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;

(d) 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 University Board's approval;

(e) The University Board or its designee 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

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

(g) The Academy fails to achieve or demonstrate measurable progress toward achieving the educational goal and related measures identified in this Contract.

(h) The Academy fails to properly implement, consistently deliver, and support the educational programs or curriculum identified in this Contract.

Section 10.6 University Board Procedures for Revoking Contract. Except for the automatic revocation process set forth in Section 10.2, or the termination of Contract by the University Board pursuant to Section 10.3, the University Board's process for revoking the Contract is as follows:

(a) Notice of Intent to Revoke. The CSO 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 CSO Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response shall also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall

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

(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 CSO Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the CSO Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the CSO Director shall develop a plan for correcting the non-compliance ("Plan of Correction"). In developing a Plan of Correction, the CSO Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be closed if the CSO Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction.

(d) Plan of Correction May Include Conditions to Satisfy University Board's Contract Reconstitution Authority. As part of the Plan of Correction, the CSO Director may reconstitute the Academy in an effort to improve student educational performance and to avoid interruption of the educational process. An attempt to improve student educational performance may include, but is not limited to, one of the following actions: (i) removal of one (1) or more members of the Academy Board; (ii) termination of at-will board appointments of one or more Academy Board members; (iii) withdrawal of the Academy's authorization to contract with an ESP; (iv) a requirement that the Academy Board terminate the existing ESP Agreement; or (v) the appointment of a new Academy Board or a trustee to take over operations of the Academy. The CSO shall notify the Superintendent of Public Instruction of any Plan of Correction that includes a reconstitution of the Academy to ensure that the Academy is not included on the list of school buildings subject to automatic closure.

(e) Request for Revocation Hearing. The CSO Director may initiate a revocation hearing before the University Charter Schools Hearing Panel if the CSO 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 CSO Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the CSO Director determines that a Plan of Correction cannot be formulated;

- (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 CSO 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 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 University 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 CSO 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 CSO Director and shall not last more than three (3) hours. The hearing shall be transcribed by a court reporter and the cost of the court reporter shall be divided equally between the University and the Academy. The CSO Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel may, however, question the CSO Director and 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 sub-section. A copy of the Hearing Panel's recommendation shall be provided to the University 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 formal session, the University Board shall consider the Hearing Panel's recommendation at its next regular formal session 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 formal session to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the

University Charter Schools Office, the Academy Board and the Michigan Department of Education.

(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) Charter Schools Office Director Action. If the CSO Director determines, in his or her sole discretion, that probable cause exists to believe 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 this Contract; (v) has willfully or intentionally violated this Contract or Applicable Law; or (vi) has violated Section 10.5(e) or (f), the CSO Director may immediately suspend the Contract. 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 CSO 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 Section 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 Mecosta 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 proceeding is brought in accordance with this Section. 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 11.21 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. 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 State Board of Education Revocation Procedures. As required by the Code, any legal remedy adopted by the State Board of Education shall automatically apply to this Contract. If any legal remedy adopted by the State Board of Education alters or supersedes existing provisions of this Contract, the remedy of the State Board of Education shall apply.

Section 10.11 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 or their designee, 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 or his or her designee may temporarily take action on behalf of the University Board with regard to the Academy Board or any aspect of the Contract, so long as such action is in the best interests of the University Board. When acting during an emergency situation, the University President or their designee shall have the authority to act in place 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 either the University Board or University Board Executive Committee. The University President shall immediately report such action to the University Board for confirmation at the next meeting of either the University Board or the University Board Executive Committee. The University Board or the University Board Executive Committee may confirm the emergency action taken by the University President or their designee so that the emergency action continues or, upon confirmation by the University Board, becomes permanent.

Section 10.12 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 termination by either party or Academy Board, 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 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 Employment Qualifications for Classroom Teachers. The Academy or EPS shall employ classroom teachers, administrators and chief business officers who meet the certification requirements set forth in Part 22 of the Code, and other Applicable Law. In any other situation as deemed necessary in which the Academy is permitted under the Code, use of non-certified teachers is permitted.

Section 11.2 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 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 11.3 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 1) 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 ten (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 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 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 thirty (30) days after making notification under subdivision (d)(i), the Academy shall submit to the Superintendent in the form and manner prescribed by the Michigan Department of Education 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 report in a form and manner prescribed by the State Treasurer and post such monthly reports on the Academy website.

Section 11.4 Security Procedures. The Academy Board shall establish security procedures for the maintenance and protection of the Academy student body, its personnel and its property. The security plan shall be in written form and kept on the Academy premises.

Section 11.5 Student Conduct and Discipline. The Academy shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline, such policies to be in compliance with Applicable Law.

Section 11.6 Professional Development of the Academy Faculty. The Academy shall ensure that professional development of its faculty is provided as required by the Code. The Academy shall also encourage the development of new teaching techniques or methods or significant revisions to known teaching techniques or methods. The Academy shall report new developments or innovations in teaching techniques or methods to the University Board or its designee for dissemination to the public.

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.*, and other Applicable

Law 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 Americans With Disabilities Act. The Academy shall comply with subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC § 12101 *et seq.* or any successor law.

Section 11.9 Insurance. The Academy Board shall secure and maintain at all times insurance coverages that comply with the most current Michigan University Self-Insurance Corporation (M.U.S.I.C.) standards.

The insurance shall be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan with an AM Best Rating of “A-VII” or better. 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. The Academy shall list the University on the insurance policies as an additional insured on insurance coverages. The Academy shall have a provision included in all policies requiring notice to the University at least thirty (30) days in advance, upon termination or non-renewal of the policy.

The Charter Schools Office may periodically contract with an outside vendor to audit Academy Insurance Policies. The Academy shall provide to the University Board or its designee copies of all insurance policy binder sheets for the policies required by this Contract, and will provide the actual policies upon request. 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.

The University’s self-insurance program periodically reviews the types and amounts of insurance coverages that the Academy shall secure in order for the University to maintain coverage for the authorization and oversight of the Academy. In the event that the University’s self-insurance program requests additional changes in coverage identified in this Section 11.9, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University’s self-insurance program within thirty (30) days after notice of the coverage change.

Section 11.10 Transportation. The Academy Board may enter into contracts with other school districts or other persons, including municipal and county governments, for the transportation of the Academy students to and from school and for field trips. In addition, the Academy Board may use funds received from state school aid payments to pay for student transportation.

Section 11.11 Intramural and Interscholastic Sports. The Academy is authorized to join any organization, association, or league which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 11.12 Teacher Tenure. Except as required by law, the Academy shall not be required to establish or maintain a teacher tenure system.

Section 11.13 Library Services. The Academy Board may enter into contracts with other local school districts or intermediate school districts for use of library services.

Section 11.14 Use of Information Technologies. The Academy is encouraged to use modern information technologies, in its educational programs.

Section 11.15 Cooperation with Other Educational Organizations, Libraries and Museums. The Academy Board may enter into contracts or cooperate with other school districts or communities for the use of educational and vocational facilities, including libraries and museums.

Section 11.16 Accreditation. If and when available, the Academy shall apply for, and satisfy the applicable accreditation requirements of the State Board of Education.

Section 11.17 Role of Parents and Guardians. The Academy shall encourage the active participation of parents and guardians in the education of its student body. Parents and guardians may volunteer or be selected to serve on committees established by the Academy Board.

Section 11.18 School and Community Relations. The Academy Board may adopt policies and establish programs that (i) encourage the free flow of information between the Academy Board and the community, and (ii) provide for and encourage community input into all matters considered by the Academy Board.

Section 11.19 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 11.20 Equal Opportunity Policies. The Academy agrees to operate at all times as an equal opportunity employer and to establish and implement a written sexual harassment policy and such other policies as required by Applicable Law.

Section 11.21 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 or otherwise. 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, revoking, suspending or

terminating of this Contract or as a result of not issuing a new Contract at the end of the term of the Contract, or placing the Academy on Probationary Status.

Section 11.22 Non-Endorsement. No action taken by the University Board with respect to the Academy shall be taken as an endorsement in any way by the University of the Academy or any aspect thereof.

Section 11.23 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 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 11.24 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, and maintains compliance with this Section 11.24. The Academy shall provide to the CSO Director the following:

- (a) A copy of the final building occupancy inspection letter from the Michigan Department of Licensing and Regulatory Affairs (LARA) Office of Fire Safety;
- (b) An acknowledgment from the Academy that the building has been continuously occupied as a school since the time of the final building occupancy inspection;

(c) Copy of the Academy's approval letter from the local department of public health indicating that the Academy's facilities meet or exceed all applicable sanitation requirements; and

(d) An acknowledgment from the Academy that the building is in compliance with all fire, health and safety standards applicable to schools and that the Academy possesses the necessary occupancy and safety certificates for the Academy's physical facilities.

A current copy of the Academy's safety permits shall be kept on file at the Charter Schools Office and at the Academy.

Section 11.25 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 Academy and the Management Agreement must detail the 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 of the Charter Schools Office which are incorporated into and be deemed part of this Contract. 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 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 11.26 Environmental Matters.

(a) Representations and Warranties Relating to Environmental Matters. The Academy represents to the University Board that:

- (i) the Academy's building and other physical facilities are not in violation of or subject to any existing, pending or threatened investigation by any governmental authority under any Environmental Law. The Academy's building and other physical facilities are and will continue to be free of friable asbestos and other sources of contamination and in full compliance with all Environmental Laws.
- (ii) the Academy has obtained any and all permits and licenses to construct or use any improvements, fixtures and equipment forming a part of the building and other physical facilities.

- (iii) the Academy has made inquiry into previous uses and ownership of building and other physical facilities, and, after such inquiry, has determined that no Hazardous Substance (as defined below) has been disposed or released on or in the building and other physical facilities.
  - (iv) the Academy's intended and future use of the building and other physical facilities will not result in the disposal or release of any Hazardous Substance on or in the building or other physical facilities in violation of any Environmental Law.
- (b) Definitions.
- (i) "Environmental Law" means any federal, state or local law, statute, ordinance, or regulation pertaining to health, industrial hygiene, or the environmental conditions on, under or about the building including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA) as amended, 41 U.S.C. Sections 9601 *et seq.* the Resource Conservation and Recovery Act of 1976 (RCRA), 42 U.S.C. Sections 6901 *et seq.*, and the Natural Resources and Environmental Protection Act (NREPA), MCL Sections 324.101 *et seq.*
  - (ii) "Hazardous Substance" means any toxic or hazardous substance, material or waste which is or becomes regulated by any local governmental authority, the State of Michigan or the United States Government. The term "Hazardous Substance" includes without limitation:
    - A. those substances included within the definitions of "hazardous substances," "hazardous material," "toxic substances," or "solid waste" in CERCLA, RCRA, and the Hazardous Materials Transportation Act, 49 U.S.C. Sections 1801 *et seq.*, and in the regulations promulgated pursuant to said laws;
    - B. petroleum;
    - C. asbestos;
    - D. those substances designated as a hazardous "substance" pursuant to Section 311 of the Federal Water Pollution Control Act (33 U.S.C. §1317);
    - E. those substances defined as a "regulated substance" pursuant to Subchapter IX, Solid Waste Disposal Act (42 U.S.C. §6991 *et seq.*); and
    - F. those substances defined as a "hazardous substance" under §324.11103 of the Michigan Compiled Laws.
- (c) No underground storage tanks will be placed upon or installed within the Academy's building or other physical facilities, nor shall the Academy allow the release or disposal of any Hazardous Substance on or in the building or other physical facilities in violation of any Environmental Law.

Section 11.27 Information Available to the Public; 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 8, 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.

Section 11.28 Limitation on Expenditures for Lease, Purchase, or Debt Service for Facilities.

(a) Subject to (b) below, the Academy may expend not more than an amount equal to twenty percent (20%) of total amount received annually under Sections 22a and 22b of the State School Aid Act of 1979, as amended, MCL 388.1601, *et seq.*, for the lease or purchase of the Academy's land, building, and other physical facilities described in Schedule 6 or any amendment thereto, including transfers to a capital projects fund or debt retirement fund for debt service.

(b) If Section 18(1) of the School Aid Act, which limits transfers to a capital projects fund or debt retirement fund to twenty percent (20%) of amounts received under Sections 22a and 22b is amended after the date of this contract, the University Board or CSO may, but are not required to, clarify the procedures and requirements for applying this limitation by implementation of a policy in accordance with this Contract.

Section 11.29 Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants with Public Entities statute, Act No. 317 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding and in addition to 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 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 11.30 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 domestic partner:

- (i) is employed by the Academy;
- (ii) works at or is assigned to the Academy;
- (iii) has an ownership, officer, policymaking, managerial, administrative non-clerical, or other significant role with the Academy's ESP or employee leasing company;
- (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 domestic partner.

Section 11.31 Dual Employment Positions Prohibited. Any person working at the Academy is prohibited by law from being employed at the Academy in more than one (1) full-time position and simultaneously being compensated for each position.

Section 11.32 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 the appropriate Schedule of this Contract by amendment pursuant to these Terms and Conditions.

## ARTICLE XII

### GENERAL TERMS

Section 12.1 Notices. Any and all notices permitted or required to be given under this Contract shall be deemed duly given by registered or certified mail with return receipt requested

(or by Federal Express or United Parcel Service next day delivery). 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 Board of Trustees of Ferris State University:

Director of Charter Schools  
Ferris State University  
1020 Maple St  
Big Rapids, MI 49307

with a copy to:

Miles Postema  
Ferris State University  
Office of the General Counsel  
McKessy House  
120 East Cedar St  
Big Rapids, MI 49307

If to Academy Board:

Marcus Kirkpatrick  
3620 Donamere Drive  
Lansing, MI 48906

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 any local, state or federal 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 the Academy without the prior written consent of 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 a period of five (5) academic years as determined by resolution of Ferris State University and shall terminate on June 30, 2029 unless sooner revoked or terminated according to the terms hereof.

Section 12.10 Indemnification of University. 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 trustees, officers, employees, agents or representatives harmless from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss, defamation, economic loss, or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss, defamation, economic loss, or damage or any other losses of any kind whatsoever and not caused by the sole gross negligence of the University, which arise out of or are in any manner connected with the Academy's operation or 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 expressly 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 and CSO Policies 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 and amendments to University Board or CSO Policies that are required by Applicable Law which shall apply immediately, University Board or CSO 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 after thirty (30) days' notice, provided they are not inconsistent with provisions of this Contract.

Section 12.16 Survival of Provision. The terms, provisions, and representations contained in Section 11.9, Section 11.21, Section 12.11, Section 12.15, and other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.17 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 12.18 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 sub-paragraph (a).

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 sub-section does not apply to any of the following situations:

- (i) for students enrolled in the Academy, providing such information to any 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 sub-section 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 Michigan Department of Education 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 eighteen (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 one (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 Michigan Department of Education (MDE) and State Reform Office imposes a partnership agreement on the Academy, the Academy shall work collaboratively with the MDE, 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 1310 of the Code, MCL 380.1310. 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 one (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 Michigan Department of Education (MDE), in a form and manner determined by the MDE, notice of the adoption of any 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. 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:

- (i) 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;

- (ii) 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
- (iii) 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.

The undersigned have read, understand and agree to comply with and be bound by the terms and conditions set forth in this Contract.

**BLENDED LEARNING ACADEMIES  
CREDIT RECOVERY HIGH SCHOOL**

By:   
\_\_\_\_\_  
Its: Marcus Kirkpatrick  
President

Date: 6-11-24

**FERRIS STATE UNIVERSITY  
BOARD OF TRUSTEES**

By:   
\_\_\_\_\_  
University President  
or his/her designee

Date: 6/17/2024

**CONTRACT SCHEDULES**

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**CONTRACT SCHEDULE 1**

**ARTICLES OF INCORPORATION**



Form Revision Date 07/2016

## ANNUAL REPORT

For use by **DOMESTIC NONPROFIT CORPORATION**  
(Required by Section 911, Act 162, Public Act of 1982)

The identification number assigned by the Bureau is: 800938346

Annual Report Filing Year: 2023

1. Corporation Name:

BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL

On behalf of the corporation, I certify that no changes have occurred in required information since the last year filed report.

This document must be signed by an authorized officer or agent:

Signed this 26th Day of June, 2023 by:

Signature	Title	Title if "Other" was selected
Kathleen Travis	Authorized Agent	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

Decline  Accept

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**

**FILING ENDORSEMENT**

**This is to Certify that the 2023 ANNUAL REPORT**

**for**

**BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL**

**ID Number: 800938346**

**received by electronic transmission on June 26, 2023, is hereby endorsed.**

**Filed on June 26, 2023, by the Administrator.**

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



**In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 26th day of June, 2023.**

*Linda Clegg*

**Linda Clegg, Director**

**Corporations, Securities & Commercial Licensing Bureau**

<b>MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES - CORPORATION, SECURITIES &amp; LAND DEVELOPMENT BUREAU</b>		
		# 2000
<p><b>FILED</b></p> <p><b>APR 03 2014</b></p> <p><b>ADMINISTRATOR CORPORATIONS DIVISION</b></p> <p>EFFECTIVE DATE:</p>		

<small>Name</small>		
<b>BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL</b>		
<small>Address</small>		
1754 E. CLARK RD.		
<small>City</small>	<small>State</small>	<small>Zip Code</small>
Lansing	MI	48906

Document will be returned to the name and address you enter above

**71401D**

**ARTICLES OF INCORPORATION  
For Use by Domestic Nonprofit Corporations**

**OF**

**BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL**

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

**ARTICLE I**

The name of the corporation is **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL**.

The authorizing body for the corporation is Ferris State University Board of Trustees.

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS**  
**CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**  
**CORPORATION DIVISION**  
P. O. Box 30054  
Lansing, Michigan 48909-7554

BLENDLED LEARNING ACADEMIES REDIT  
RECOVERY HS  
1754 E CLARK RD  
LANSING MI 48906

Comments: AZ

LARA is an equal opportunity employer/program.  
Auxiliary aids, services and other reasonable accommodations are available upon request to individuals with disabilities.

## ARTICLE II

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

1. 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 Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.
2. The corporation, including all activities incident to its purposes, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

## ARTICLE III

The corporation is organized on a nonstock, directorship basis.

The value of assets which the corporation possesses is:

Real Property: \$0

Personal Property: \$0

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

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

#### ARTICLE IV

The address of the registered office is 1754 E. Clark Rd Lansing MI 48906

The mailing address of the registered office is 1754 E. Clark Rd Lansing MI 48906

The name of the resident agent at the registered office is Dr. Timothy Brannan

#### ARTICLE V

The name and address of the incorporator is as follows: Dr. Timothy Brannan  
1754 E. Clark Rd Lansing MI 48906

#### ARTICLE VI

The corporation is a governmental entity.

#### ARTICLE VII

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

#### ARTICLE VIII

Pursuant to the terms of a contract to charter a public school academy between the corporation and the Ferris State University Board of Trustees (the "University Board"), the method of selection, length of term, number of members, qualification of members, the procedure for removal of members, and other matters pertaining to the Board of Directors of the corporation have been established by a resolution of the University Board as required by the Code. The University Board may, from time to time, amend the resolution changing the method of selection, length of term, number of members, qualification of members, the procedure for removal of members and other matters pertaining to the Board of Directors of the corporation.

#### ARTICLE IX

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

## ARTICLE X

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

## ARTICLE XI

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

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

## ARTICLE XII

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

The corporation, by a majority vote of its Board of Directors, may, at any time, propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision to these Articles of Incorporation. The proposal will be made to the University Board through its Director of Charter Schools. The University Board reviews, considers and votes upon all changes or amendments to these Articles of Incorporation.

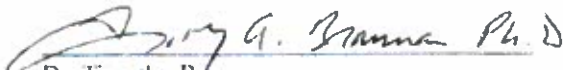
The University Board may, at any time, propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision. The corporation's Board of Directors may delegate to an officer of the corporation the review and negotiation of changes or amendments to these Articles of Incorporation. The Articles of Incorporation shall be amended

as requested by the University Board upon a majority vote of the corporation's Board of Directors.

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

These Articles of Incorporation shall become effective upon filing.

I, the Incorporator sign my name April 1, 2014.

  
Dr. Timothy Brannan

**CONTRACT SCHEDULE 2**

**BYLAWS**

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CREDIT RECOVERY HIGH SCHOOL**

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**BYLAWS**  
**OF**  
**BLENDED LEARNING ACADEMIES**  
**CREDIT RECOVERY HIGH SCHOOL**  
**1754 E. Clark Rd**  
**Lansing MI 48906**

**ARTICLE I**

**NAME**

This organization shall be called the **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL** (the "Academy" or the "corporation").

**ARTICLE II**

**FORM OF ACADEMY**

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

**ARTICLE III**

**OFFICES**

Section 1. Principal Office. The principal office of the Academy shall be located in the State of Michigan.

Section 2. Registered Office. The registered office of the Academy may be the same as the principal office of the Academy, but in any event must be located in the State of Michigan, and be the business office of the registered agent, as required by the Michigan Nonprofit Corporation Act. Changes in the resident agent and registered address of the Academy must be reported to the Michigan Department of Consumer and Industry Services and to the Ferris State University (the "University") Charter Schools Office (the "CSO").

**ARTICLE IV**

**BOARD OF DIRECTORS**

Section 1. General Powers. The business, property and affairs of the Academy shall be managed by the Academy Board of Directors ("Academy Board"). 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 Charter Contract and Applicable Law.

Section 2. Method of Selection and Appointment, Etc. 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 and other matters pertaining to members of the Academy Board shall comply with the Resolution adopted by the University Board on December 14, 2023.-

## ARTICLE V

### MEETINGS

Section 1. Annual Organizational and Regular Meetings. The Academy Board shall hold an annual organizational meeting each year prior to the first regular meeting of the year. The Academy Board must provide, by resolution, the time and place, within the State of Michigan, for the holding of regular monthly meetings. Prior to October 15th of each year, the Academy Board shall publicly present the Academy's Annual Report. The Academy Board shall provide notice of the annual organizational and all regular meetings as required by the Open Meetings Act. The regular meeting schedule may be altered, or regular meeting rescheduled, only by action of the Directors and with prior approval of the CSO.

Section 2. Special Meetings. A special meeting, which is a meeting in addition to a regular monthly meeting, may be called (a) by the President, or (b) by the Directors acting at a duly noticed and convened meeting. The place of the special meeting shall be the same place as the place designated for the holding of regular monthly meetings, or such other place as directed by the President or Directors. Special meetings shall not be used to take the place of regularly scheduled meetings, and business conducted shall be confined to subjects such as those which require immediate attention or additional study. Business which may be conducted at the meeting shall be limited to that stated in the notice of meeting. The holding of a special meeting shall be subject to prior review and approval of the CSO.

Section 3. Notice; Waiver. The Academy Board must comply with the public notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each Director stating the time and place of the meeting, delivered personally or mailed or sent by facsimile or email to each Director at the Director's business address or email address. Any Director may waive notice of any meeting by written statement sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. A number of Directors equal to a majority of the number of board member positions on the Academy Board as determined by resolution of the University Board,

constitutes a quorum for the transaction of business at any meeting of the Board of Directors. If less than a quorum is present at a meeting which had been duly noticed and convened, then the Directors present, by action of a majority, may adjourn and provide a time and place for reconvening the meeting, but shall have no authority to take other action. Notice of such reconvened meeting shall be given as provided by the Open Meetings Act.

Section 5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Academy Board. No member of the Board of Directors may vote by proxy or by way of a telephone conference.

Section 6. Open Meetings Act. All meetings of the Academy Board shall at all times be in compliance with the Open Meetings Act.

Section 7. Presumption of Assent. A Director of the Academy Board who is present at a meeting of the Academy Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

## **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 in the officers of the Academy Board or committees created pursuant to this Section; (ii) amending the Articles of Incorporation or Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act, as applicable. 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 Academy shall be a President, Vice President, Secretary, Treasurer, and such assistant Treasurers and assistant Secretaries as may be selected by the Academy Board.

Section 2. Election and Term of Office. The Academy Board shall elect the initial officers at its first duly noticed meeting. Thereafter, the officers of the Academy shall be elected

annually by the Academy Board. If the election of officers is not held at the annual organizational 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, or until a successor is elected.

Section 3. Removal. Any officer or agent elected or appointed by the Academy Board may be removed 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.

Section 5. President. The President of the Academy 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 all standing committees and shall be Chairperson of those committees designated by the Academy Board. The President shall, in general, perform all duties incident to the office of President of the Board as may be prescribed by the Academy Board from time to time.

Section 6. Vice President. The Vice President of the Academy 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 Academy 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 Academy 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 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. However, no assistant shall be entitled to vote as a Director.

Section 10. Salaries. Officers of the Board, as Directors of the corporation, may not be compensated for their services. By resolution of the Academy Board, officers 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 Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the 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 Ferris State University or impose any liability on Ferris State University, 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 Academy, 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 Ferris State University or impose any liability on Ferris State University, its trustees, officers, employees or agents.

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 Academy, 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. All funds of the Academy 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 3 or 7 of Act No. 105 of the Public Acts of 1855, as amended, being sections 21.143 and 21.147 of the Michigan Compiled Laws.

Section 5. Voting of Gifted, Bequest or Transferred 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 in respect to any shares or other securities issued by any other corporation and owned by this corporation shall be executed in the name of this corporation by the President, the Secretary or the Treasurer of this corporation without necessity of any authorization by the 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. Any contract or proposed contract between a director, officer or employee of the Academy and the Academy shall be subject to Public Act 317 of 1968, MCL 50.321, *et seq.*, which governs contracts of public servants within the public entities in which they serve. For such contracts which may be permissible under the Act, the director, officer or employee shall comply with the public disclosure requirements of Act 317.

## **ARTICLE IX**

### **INDEMNIFICATION**

Each person who is or was a Director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Academy to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the corporation to the 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 of these bylaws and applicable law, and (b) the written approval of the changes or amendments by the University Board. These Bylaws and any amendments to them take effect only after they have been approved by both the Academy Board and by the University Board.

**CERTIFICATION**

The Academy Board certifies that these Bylaws were adopted as and for the Bylaws of a Michigan Public School Academy corporation in an open and public meeting, by the Academy Board on June 12, 2024.

Date

The Academy Board further certifies that these bylaws were provided to the Academy Board by the University Board and that a copy of the executed Bylaws is being presented to the University Board for approval.



\_\_\_\_\_  
Academy Board of Directors Secretary

APPROVED BY:

  
\_\_\_\_\_  
Designee of University Board

Dated: 6/17/2024

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

### SCHEDULE 3

#### FISCAL AGENT AGREEMENT

This Agreement is made and shall become effective as of the 1<sup>st</sup> day of July, 2024 by and among Ferris State University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code as amended, (the "Code"), the State of Michigan (the "State") and the Board of Directors of **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL** ("Academy"), a public school academy.

#### Preliminary Recitals

WHEREAS, pursuant to the Code and the Contract dated July 1, 2024, 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 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:

(a) "Account" means an account established by the Academy for the receipt of State School Aid Payments at a bank, savings and loan association, or credit union which is eligible to be a depository of surplus funds under Sections 5 or 6 of Act No. 105 of the Public Acts of 1855, being Sections 21.145 and 21.146 of the Michigan Compiled Laws.

(b) "Agreement" means this Fiscal Agent Agreement executed by the University Board, the Treasurer of the State of Michigan and the Academy.

(c) "Contract" means the contract to charter a public school academy which the University Board and the Academy are entering into on July 1, 2024.

(d) "Fiscal Agent" means the University Board or an officer or employee of Ferris State University as designated by the University Board.

(e) "Other Funds" means any other public or private funds which the Academy receives and for which the University Board may act as fiscal agent.

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

(g) "State" means the State of Michigan.

(h) "State Board" means State Board of Education.

(i) "State Treasurer" means the office responsible for issuing funds to public school academies for State School Aid Payments pursuant to the School Aid Act of 1979, as amended.

Section 1.02 Terms and Conditions Definitions. Capitalized terms not defined herein and defined in the Contract Terms and Conditions shall have the meaning given in the Contract Terms and Conditions.

## ARTICLE II

### FISCAL AGENT DUTIES

Section 2.01 Receipt of School Aid 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 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 of the Contract 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) days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable state board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the Board of Directors of the Academy and by a method of transfer acceptable to the Fiscal Agent.

Section 2.03 Limitation of Duties. The Fiscal Agent has no responsibilities or duties to verify the Academy's pupil 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 requests permission to direct that a portion of its State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit to the University Charter Schools Office: (i) a copy of the Academy Board's resolution authorizing the direct intercept of State School Aid

Payments; (ii) a copy of a State School Aid Payment Agreement and Direction document that is in a form acceptable to the Fiscal Agent; and (iii) copies of such other documentation regarding the transaction which is the subject of the proposed direct intercept as the University Charter Schools Office may request. No such State School Aid Payment Agreement and Direction document shall take effect unless receipt thereof is acknowledged by the Fiscal Agent.

### **ARTICLE III**

#### **STATE DUTIES**

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

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

### **ARTICLE IV**

#### **ACADEMY DUTIES**

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

Section 4.02 Expenditure of Funds. An Academy may expend funds from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and, subject to limitations contained in the Contract, may enter into contracts and agreements determined by the Academy as 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.

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

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

## ARTICLE V

### RECORDS AND REPORTS

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

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

## ARTICLE VI

### CONCERNING THE FISCAL AGENT

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

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

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

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

In the event that the State, the State Board of Education or the Superintendent of Public Instruction provides written instructions to the Fiscal Agent, requesting that the Fiscal Agent return to the Department of Treasury any State School Aid Funds allocated to the Fiscal Agent for the Academy, the Fiscal Agent shall not be liable to the Academy for returning such funds to the State.

Acknowledgment of Receipt

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement between Ferris State University Board of Trustees and the Board of Directors of **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL**.

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

Date: 4/10/24

**CONTRACT SCHEDULE 4**

**OVERSIGHT AGREEMENT**

## SCHEDULE 4

### OVERSIGHT AGREEMENT

This Agreement is made and shall become effective as of the 1<sup>st</sup> day of July, 2024, by and between Ferris State University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code as amended (the "Code"), and the Board of Directors of **BLENDED LEARNING ACADEMIES CREDIT RECOVERY HIGH SCHOOL** ("Academy"), a public school academy as defined by the Code.

#### 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:

(a) "Agreement" means this Oversight Agreement executed by the University Board and the Academy.

(b) "Applicable Law" means all state and federal laws applicable to public school academies.

(c) "Compliance Certification Duties" means the Academy's duties set forth in Section 2.02.

(d) "Contract" means the contract to charter a public school academy which the University Board and the Academy are entering into on July 1, 2024.

(e) "Oversight Responsibilities" means the University Board's oversight responsibilities set forth in Section 2.01.

(f) "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 School Aid Act of 1979 as amended.

Section 1.02 Terms and Conditions Definitions. Capitalized terms not defined herein and defined in the Contract Terms and Conditions shall have the meaning given in the Contract Terms and Conditions.

## ARTICLE II

### OVERSIGHT AND COMPLIANCE CERTIFICATION RESPONSIBILITIES

Section 2.01 Oversight Responsibilities. The University Board as it deems necessary to fulfill its oversight responsibilities, may undertake or delegate to others, the following responsibilities:

(a) Request that Ferris State University's chief financial officer 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) Direct a designee of the University Board to conduct a review of the records or operations of the Academy to determine compliance with Applicable Law and the Contract.

(c) Attend a meeting annually of the Academy Board of Directors and a designee of the University Board not less than annually. In addition, the Academic Affairs/Student Affairs Committee of the University Board may meet with the Academy Board and its School Administrator at such additional times as shall be determined by the University Board.

(d) Institute action pursuant to the terms of the Contract to terminate, 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, the Academy's performance in meeting its targeted educational goals.

(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 Consumer and Industry Services' Office of Fire Safety, the Bureau of Construction Codes and local health departments and the Michigan Department of Labor.

(h) Determine whether the Academy has failed to abide by or meet the educational goals 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 Michigan Educational Assessment Program(s), nationally recognized achievement test or other standardized tests, or other assessment programs selected by the Academy are or have been appropriately administered to the Academy's student population, goals and programs.

(k) Perform such other duties and responsibilities, in its sole discretion, which it deems necessary in order to conduct oversight of the academy's compliance with this Contract and Applicable Law.

(l) Will make available Board orientation that each new Board member must complete prior to being seated on the academy Board.

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

(a) Submit quarterly interim financial reports to the director of charter schools at Ferris State University.

(b) Permit inspection of the Academy's records and/or premises at any time by a designee of the University Board.

(c) Report any litigation or formal proceedings alleging violation of any Applicable Law by the Academy to the University Board, or its designee.

(d) Upon request, provide copies of information submitted to the Department of Education, the Superintendent of Instruction or the State Board to the University Board, or its designee.

(e) [Intentionally omitted.]

(f) Provide the University Board, or its designee, with a copy of the proposed annual budget for the upcoming fiscal year of the Academy as provided in the Contract.

(g) Provide minutes of all Academy Board of Directors' meetings to the University Board, or its designee, as the University Board may determine, no later than ten days after such minutes are approved.

(h) Submit within thirty (30) days to the University Board or its designee, copies of insurance policies binder sheets evidencing all insurance required by the Contract, and proof of naming of University as additionally insured. The Academy shall properly maintain the necessary insurance certificates evidencing the insurance required by the Contract.

(i) Following review but prior to approval by the Academy Board, a copy of the Academy's lease or deed for its physical facilities shall be submitted to the CSO for review and comment.

(j) Submit to the University Board or its designee, copies of all fire, health and safety approvals required by law for the operation of a school.

(k) Submit to the University Board or its designee, an inspection report regarding asbestos-containing materials in the building. The Academy must develop and adopt a management plan as required.

(l) Submit annually to the CSO a description of how the Academy will provide notice of the application process and enrollment period to persons most likely to be interested in the Academy. At a minimum, these notices must (i) include some evening and weekend time for enrolling students in the Academy, (ii) set forth the date for the holding of a random selection drawing if such a drawing becomes necessary, and (iii) comply with any applicable University Board or CSO policies from time to time in effect regarding this subject.

(m) Submit to the CSO a copy of any agreement with an Educational Service Provider to provide persons to perform work at the Academy, together with a detailed description of the means by which the Educational Service Provider will be held accountable to the Academy Board for the day-to-day performance of its obligations under such agreement.

(n) If the Academy desires to (i) finance the acquisition by lease, purchase, or other means, of facilities or equipment, in excess of \$150,000, pursuant to arrangements calling for payments over a period greater than one (1) year, and which include a pledge 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 Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit a written request to the CSO Director 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 paragraph, shall submit to the University Charter Schools Office: (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 University Charter Schools Office; and (c) copies of such other documentation regarding the transaction which is the subject of the proposed direct intercept as the University Charter Schools Office may request. The CSO Director may disapprove the proposed transaction in his or her sole discretion. 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. By not disapproving a proposed transaction, the CSO Director is in no way giving approval of the proposed transaction, or any of the terms or conditions thereof.

(o) By June 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 CSO of any changes to the Academy Board public meeting schedule.

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 Ferris State University or others.

### **ARTICLE III**

#### **RECORDS AND REPORTS**

Section 3.01 Records. The University Board shall keep records of all Oversight Duties conducted, and these records shall be available for inspection at reasonable hours and under reasonable conditions by the Academy. 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 University Board.

### **ARTICLE IV**

#### **MISCELLANEOUS**

Section 4.01 Administrative Fee. The Academy agrees to pay to the University Board an administrative fee of three percent (3%) of the state school aid payments (pupil foundation fee only) 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.

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.

**CONTRACT SCHEDULE 5**

**DESCRIPTION OF STAFF RESPONSIBILITIES**

## **SCHOOL LEADER**

### **General Purpose**

To direct and coordinate all facets of school operations, including educational programs, administration and budgetary planning, discipline and counseling services. In addition, assist in planning, organizing and implementation of appropriate instructional programs in a project-based, 1:1, blended learning environment that guides and encourages students to develop and fulfill their academic potential.

### **Main Job Tasks and Responsibilities**

- Articulate and maintain mission, beliefs and philosophy of Blended Learning Academies
- Attend Monthly Board meetings
- Direct curriculum development along with the Curriculum Director and ITS, EMG
- Attend initial IEPs
- Assist in the selection of, and supervise professional staff
- Responsible for staff development and evaluations in conjunction with ITS, EMG
- School improvement planning
- Oversee Gifted and Talented Program and meet Special Education Requirements
- Recruit students and maintain a stable student enrollment level
- Develop work-based internship sites for students
- Ensure compliance with Ferris State Charter Schools Office and Department of Education
- Monitor State and Federal academic compliance
- Assist in annual reporting and accreditation
- Provide students with support and advice related to academic and career planning
- Work with staff to assure student compliance with policies and procedures
- Student conduct issues, including behavioral issues and parent communications
- Promote professional growth and development for all staff
- Provide a safe and secure environment
- Perform other duties as directed by the ITS EMG President

### **EDUCATION AND EXPERIENCE REQUIREMENTS**

- M.A. in Education or related field preferred
- 5 + years teaching experience
- Satisfactory background check
- Must comply with all Department of Education requirements related to the Administrator's certificate
- Must meet Continuing Education requirements and report credits earned as prescribed by the State of Michigan

## **ASSISTANT SCHOOL LEADER**

### JOB SUMMARY:

To assist school leader and staff with all phases of school operations, including educational programs, administration, discipline and counseling services

Employed by ITS EMG and reports to the School Leader

### ESSENTIAL FUNCTIONS:

- Provide support to the school leader in providing a safe and secure environment for staff, students, parents and community
- Supervise students and implement appropriate disciplinary actions in compliance with the school wide procedures, if applicable
- Assist in evaluating instructional and non-instructional staff
- Provides support to instructional and non-instructional staff
- Provide leadership and assistance with curriculum development, goal setting and implementation of instructional strategies
- Assist with school reports, charter school documents and state level reports
- Managing the lunch program, when applicable
- Supervise and support paraprofessionals in their duties and responsibilities
- Participate in professional meetings, professional learning and other training as needed
- Assist with supervision regarding student transportation, when applicable
- Serve as Administrator-in-Charge of school in the absence of the School Leader
- Exhibit a professional attitude and demeanor regarding the school board, staff, students, and parents
- Performs other duties as assigned by the School Leader

### EDUCATION AND EXPERIENCE REQUIREMENTS

- M.A. in Education
- 5 + years teaching experience
- Satisfactory background check
- Must comply with all applicable law relegated to the Administrator's certificate
- Must meet Continuing Education requirements and report credits earned as prescribed by rules promulgated by the State of Michigan

## **Director of School Services**

### JOB SUMMARY:

To direct and coordinate all phases of school operations, including but not limited to human resources, contract management, budget, accounting, information systems, and personnel services, technology, state and federal resources, fiscal and business aspects of public school

### ESSENTIAL FUNCTIONS:

- Articulates and maintains mission, beliefs, philosophy, and methods
- Attend Board meetings and assists with agendas and minutes for those meetings
- Select and supervise professional staff
- Maintain school operations
- Contract Management
- Title One Program structure and implementation
- Assist with establishing school calendar
- Complete monthly reporting in EpiCenter
- Ensure compliance with Charter Schools Office Authorizer as well as the State Department of Education
- Ensure State and Federal compliance
- Determine the annual budget and oversee expenditures
- Assist in annual reporting and accreditation
- Oversee/Approve of equipment and supply purchases
- Acquire funding from state, federal and private sources, i.e. grant applications
- Work with staff to assure student compliance with policies and procedures
- Provide a safe and secure campus, including safety for students and staff
- Perform other reasonable duties as directed by the President of ITS, EMG

### EDUCATION AND EXPERIENCE REQUIREMENTS

- M.A. in Education
- 5 + years teaching experience
- Satisfactory background check
- Must comply with all applicable law relegated to the Administrator's certificate
- Must meet Continuing Education requirements and report credits earned as prescribed by rules promulgated by the State of Michigan

## **SCHOOL ADMINISTRATIVE ASSISTANT**

### JOB SUMMARY:

To assist school leader and staff with administrative duties for all phases of school operations

Employed by ITS EMG and reports to the School Leader

### ESSENTIAL FUNCTIONS:

- Maintains staff and student daily attendance records
- Receptionist for all visitors/phone calls and students
- Provides information and makes referrals to other staff when appropriate
- Creates and maintains files
- Open, sorts and distributes mail
- Drafts, types correspondence for school leader and staff when needed
- Schedules appointments and conferences for administration and staff
- Responsible for establishing positive relationships with staff and students
- Maintain confidentiality for all students and staff
- Responsible for parent correspondence
- Performs other duties as assigned by the School Leader

### EDUCATION AND EXPERIENCE REQUIREMENTS

- 2+ years of administrative experience
- Must have a satisfactory background check
- High School Degree/GED

## **CERTIFIED TEACHER**

Blended Learning Academies is seeking highly qualified Secondary Certified Teachers for a Credit Recovery Charter High School located in Lansing serving the needs of the tri-county area targeting at-risk and dropout students.

### **General Purpose**

To plan, organize and implement appropriate instructional programs in a project-based, 1:1, blended learning environment that guides and encourages students to develop and fulfill their academic potential.

### **Main Job Tasks and Responsibilities**

- plan, prepare and deliver instructional activities that facilitate active learning experiences in a blended learning, project based environment
- develop schemes of work and lesson plans to support a 1-to-1 technology learning environment
- establish and communicate clear objectives for all learning activities
- prepare learning environment for educational activities
- provide a variety of learning materials and resources for use in educational activities
- identify and select different instructional resources and methods to meet students' varying needs
- instruct and monitor students in the use of learning materials and equipment
- use relevant technology to support instruction
- observe and evaluate student's performance and development
- assign and grade coursework, homework, tests and assignments
- provide appropriate feedback on work
- encourage and monitor the progress of individual students
- maintain accurate and complete records of students' progress and development
- update all necessary records accurately and completely as required by laws, district policies and school regulations
- prepare required reports on students and activities
- manage student behavior in the classroom by establishing and enforcing rules and procedures
- maintain discipline in accordance with the rules and disciplinary systems of the school
- apply appropriate disciplinary measures where necessary
- perform certain duties including but not limited to student support, counseling students with academic problems and providing student encouragement
- participate in extracurricular activities such as social activities, sporting activities, clubs and student organizations
- participate in department and school meetings, parent meetings
- use appropriate evaluation measures determined by the school to assess data to increase student learning and achievement

- communicate necessary information regularly to students, colleagues and parents regarding student progress and student needs
- keep up to date with developments in subject area, teaching resources and methods and make relevant changes to instructional plans and activities

### **Education and Experience**

- Bachelors degree or higher from an accredited institution
- Meet professional teacher education requirements of school, district, state
- Single subject teaching credential or certification if teaching a specialized subject
- State certification
- Relevant teaching experience
- Knowledge of relevant technology
- Experience with Project Based Learning preferred but not necessary

### **Key Competencies**

- self motivation
- high energy level
- verbal and written communication skills
- attention to detail
- high work standards
- problem solving
- decision making
- organizing and planning
- learning orientation
- critical thinking
- stress tolerance
- flexibility
- adaptability
- initiative

## **PARAPROFESSIONAL**

### JOB SUMMARY

To provide assistance to the classroom teachers in regard to students who may need additional help in academic targeted area. This position is vital to the school improvement plan implementation and student achievement

### ESSENTIAL FUNCTIONS

- Supervise small groups of students in projects, skill development, testing, and other projects per teacher request
- Participates in meetings, conduct Intensive Pull-Outs (IPOs), follow assignments
- Assists individual children as needed
- Compiles resource materials for students
- Responsible for follow-up regarding individual plans for students, as assigned
- Assists in the reinforcement of classroom instruction
- Operates audio-visual equipment as needed
- Notifies teacher of any unusual situations or potential problems encountered in the course of performing assigned duties
- Notifies School Leader of any teacher and parent concerns
- Conducts and report on early intervention screenings
- Attend training
- Assists student testing
- Maintain confidentiality for all students and staff
- Demonstrate professional conduct, practices and demonstrates responsibility for the supervision of students at all times
- Performs other duties as assigned by the teacher and/or School Leader

### EDUCATION AND EXPERIENCE REQUIREMENTS

- Associate Degree or at least 2 Years (60 Credit hours) of study at an accredited university
- Must meet the NCLB standards
- Satisfactory completion of criminal history and criminal background check

**CONTRACT SCHEDULE 6**

**PHYSICAL PLANT DESCRIPTION**

## PHYSICAL FACILITIES ACKNOWLEDGEMENT – Site A

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) and (g), 380.512(3) (j) and 380.513(6) (d) and (g)]. Please collect and provide the following information for each separate physical facility.
2. Description and Address of Academy - Lansing

Description: DeWitt Township, Clinton County, and more commonly known as 1754 E. Clark Road, Lansing, MI 48906; Classroom space and common areas associated with rooms 105, 106, 107, 108, 110, 111, 113, 114, 125, 129, 131, 133 and access to rooms 122, 126, 128, 130, 109, & 135 based on reasonable need (approximately 14,500 square feet). Also included are outdoor common areas, ingress and egress to and from the property via Clark Rd. Such space comprises 50% of the rentable space of the entire building. Co-located on property with a 20-bed adult foster care facility (assisted living) and a preschool daycare.

Address: 1754 E Clark Rd Lansing MI 48906

Name of Local School District: Lansing Public Schools

Name of Intermediate School District: Ingham ISD

3. It is acknowledged and agreed that the following information about this site is provided on the following pages, and must be provided to the satisfaction of the University Board to continue to operate as a public school in this state:
  - A. Size of building – Approximately 26,000 square ft building – Use by the academy approximately 14,500.
  - B. Floor plan – See attached.
  - C. Description of rooms – Seven traditional (former elementary school building) classrooms with access to sink, four office spaces, storage/supply room and three separate bathroom facilities.
  - D. Copy of lease or purchase agreement – See attached.
  - E. Name of local school district in which school is located – Lansing Public Schools
  - F. Name of intermediate school district in which school is located – Ingham ISD

## PHYSICAL FACILITIES ACKNOWLEDGEMENT – Site B

2. 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) and (g), 380.512(3) (j) and 380.513(6) (d) and (g)]. Please collect and provide the following information for each separate physical facility.

3. Description and Address of Academy – Livonia

Description: 1400 square foot of remodeled space to create 1 large classroom, including two window/glass enclosed breakout spaces, storage space, kitchenette area and bathroom facilities located in Woodland Properties Shopping Center.

Address: 30218 Plymouth Rd. Livonia MI 48150

Name of Local School District: Livonia Public Schools

Name of Intermediate School District: Wayne RESA

4. It is acknowledged and agreed that the following information about this site is provided on the following pages, and must be provided to the satisfaction of the University Board to continue to operate as a public school in this state:

G. Size of building – 1400 square Ft

H. Floor plan – See attached.

I. Description of rooms – 1 large classroom with two glass/window enclosed breakout spaces.

J. Copy of lease or purchase agreement – See attached.

K. Name of local school district in which school is located – Livonia Public Schools

L. Name of intermediate school district in which school is located – Wayne RESA



# CITY OF LIVONIA

WAYNE COUNTY, MICHIGAN

MAUREEN MILLER BROSNAN

MAYOR

## CERTIFICATE OF REOCCUPANCY AND COMPLIANCE

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

**OF21-0283**

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

### 30218 PLYMOUTH BLENDED LEARNING ACADEMIES

Building Permit No.: PC21-0457

LAST USE: CHECK INTO CASH

Owner: WOODLAND PROPERTIES MGM      Contractor: WOODLAND PROPERTIES MGMT  
30200 PLYMOUTH      MI      48150      Applicant Name: WOODLAND PROPERTIES M

### Description:

ZONING COMPLIANCE FOR BLENDED LEARNING ACADEMIES

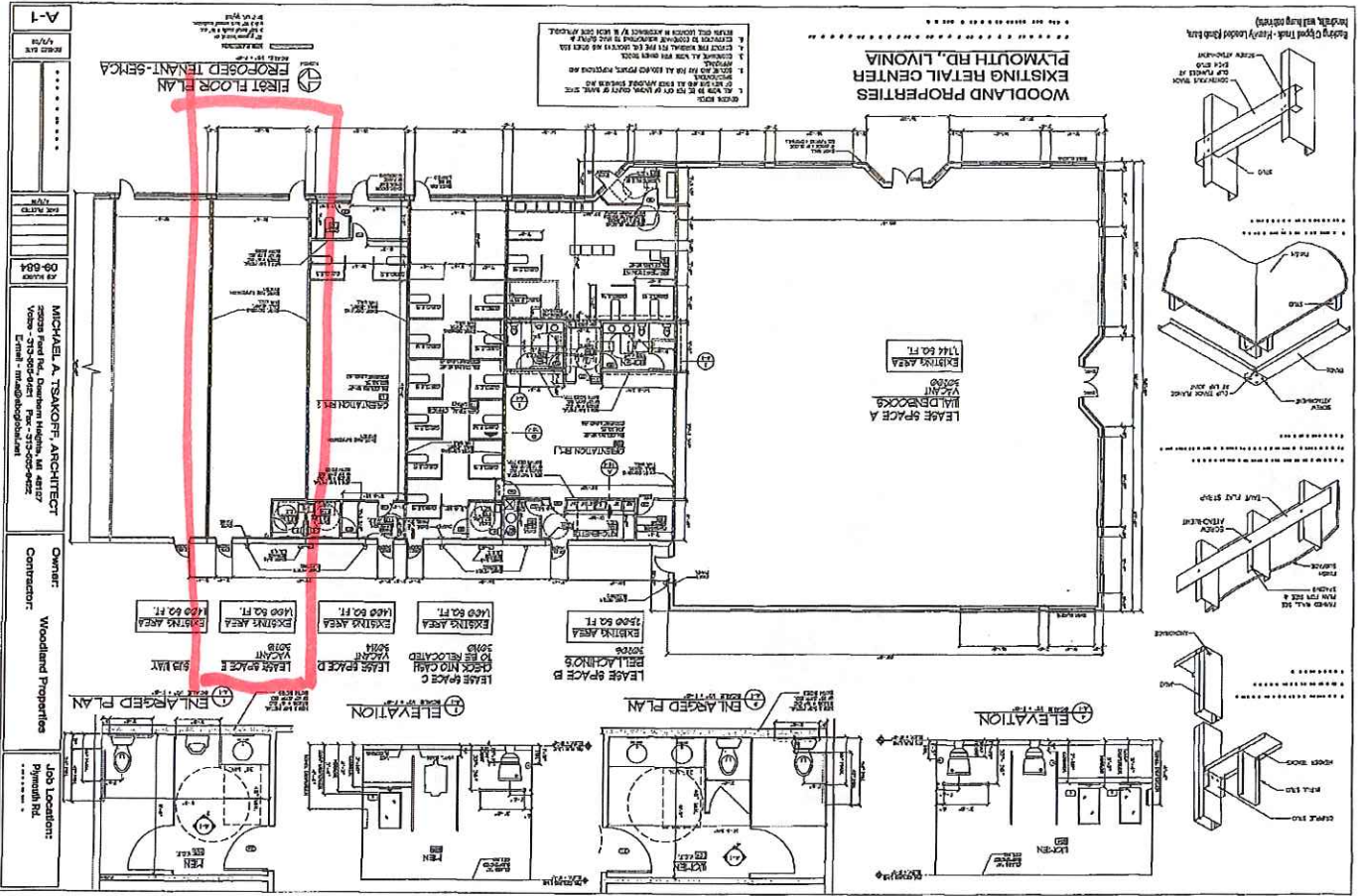
Other Conditions:      PC#      CR#      ZBA#  
Type of Construction      2B      Use:      B      Zoning C-2      Parcel #:      104 99 0001 007

This certificate is valid only for the structure and type of occupancy stated above. A new Certificate of Compliance, required under Ordinance No. 543, must be obtained from this department prior to any change in the use or occupancy of non-residential structures

Signed in Livonia, Michigan      08/06/21

NON-TRANSFERABLE

JEROME HANNA  
Building Official





**CERTIFICATE OF OCCUPANCY**  
**BUILDING DEPARTMENT**  
**COUNTY OF CLINTON, MICHIGAN**

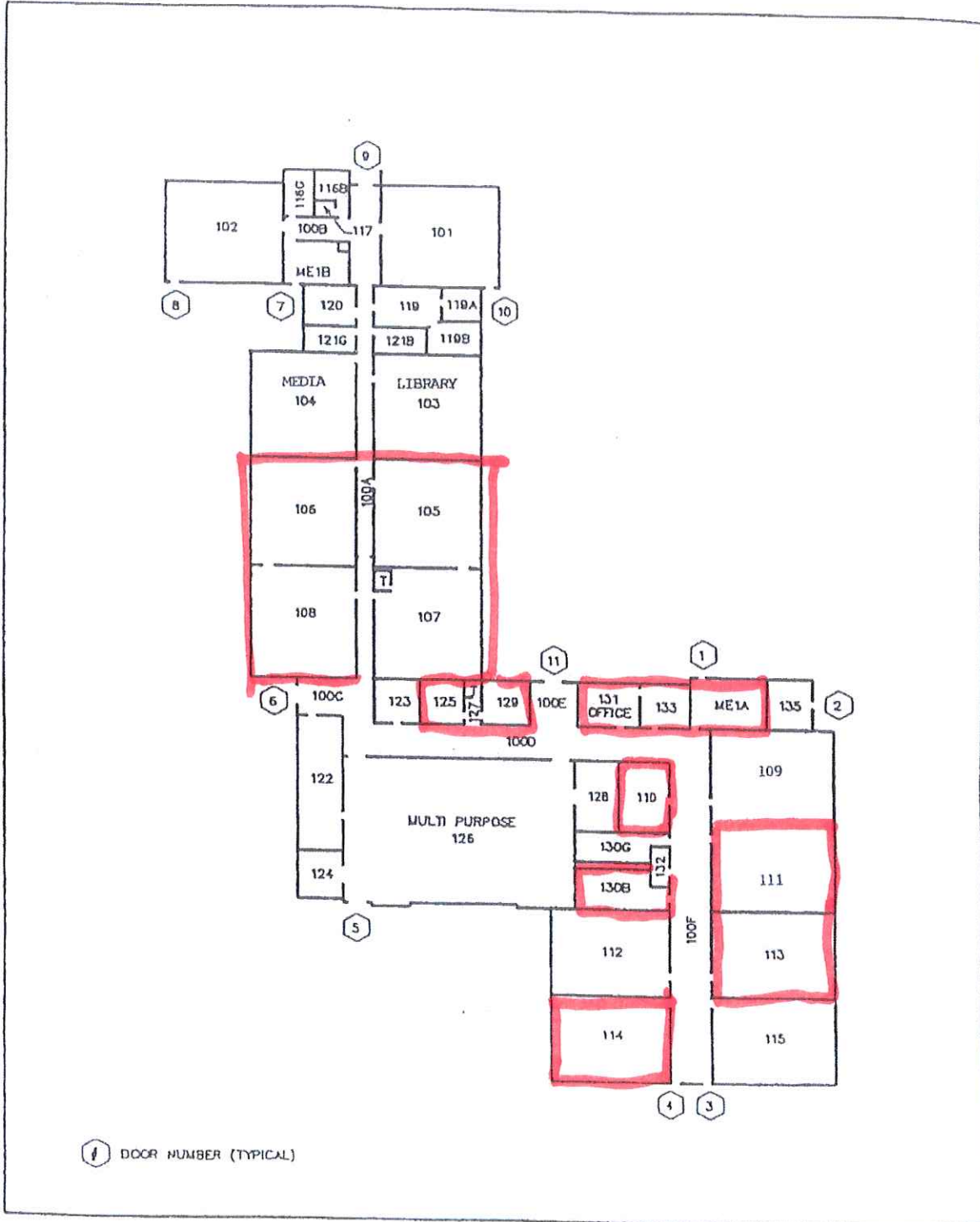
This certificate is issued pursuant to the requirements of Section 110 of the Michigan Building Code and certifies that, at the time of issuance, the work completed as set forth in the corresponding application and permit referenced; has been inspected for compliance with the requirements of the code for the Occupancy Group for which the use is classified.

**Bldg. Permit No:** PB12-164  
**Applicants Name:** FRED MOTZ BUILDER INC  
**Building/Site Address:** 1754 E CLARK RD  
**Occupancy Group:** E  
**Tax Parcel ID No:** 050-022-100-020-00  
**Applicable Building Code Edition:** 2009 MICHIGAN BLDG. CODE

**Use Classification:** Institutional  
**Owner of Record:** BRANDINO PROPERTIES, LLC  
**Occupant of Record:**  
**Construction Type:** IIB  
**Bed Rooms:** 0  
**Zoning District:** A

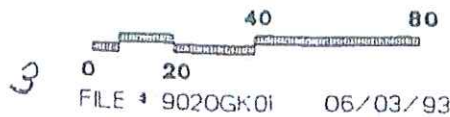
Approved by: *Bruce R Ballard*

08/13/13

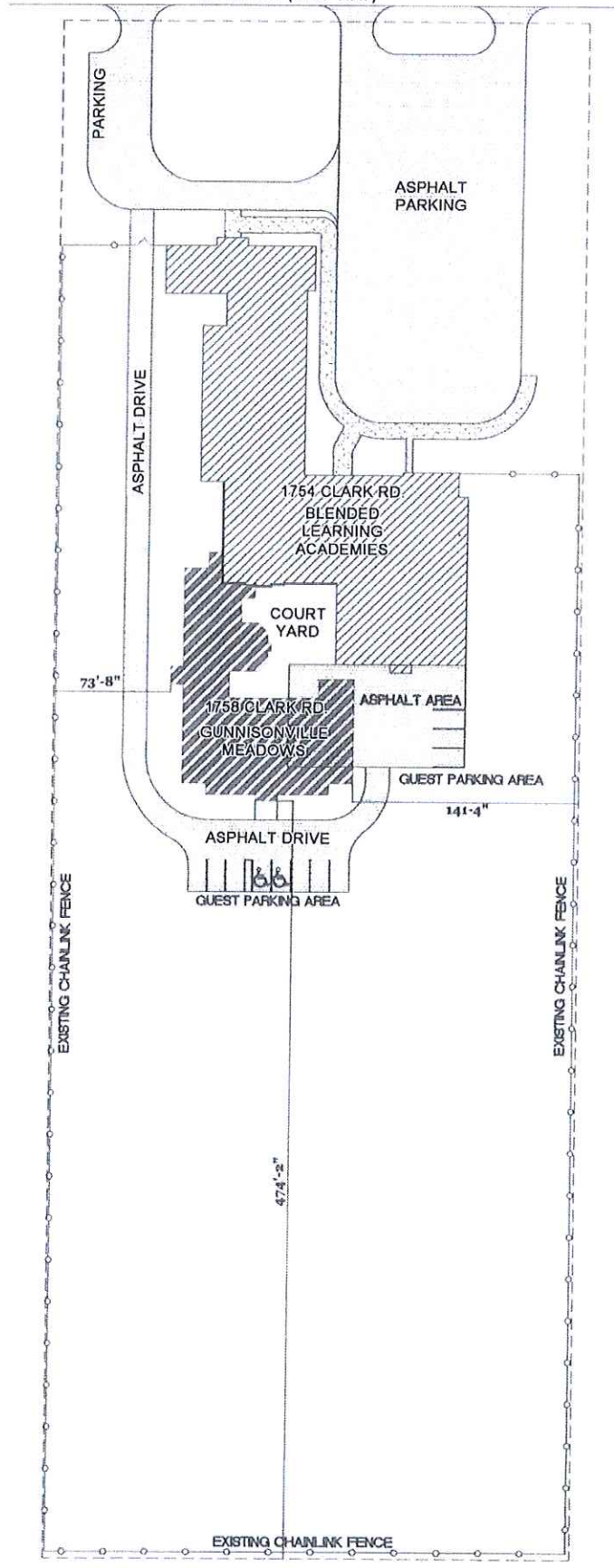


Blended Learning Academies  
 1754 E. Clark Rd.  
 Lansing, MI 48906

GROUND LEVEL PLAN



CLARK RD. (TWO WAY)



Woodland Properties Mgmt LLC  
8351 N Wayne Rd  
Westland, MI 48185

April 24, 2024

BLENDED LEARNING ACADEMIES  
30218 PLYMOUTH RD.  
LIVONIA, MI 48150

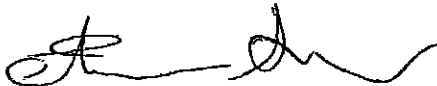
Dear BLENDED LEARNING ACADEMIES,

Thank you for choosing to do business with us.

We confirm receipt of your letter dated February 16, 2024, invoking your option for three years (August 1, 2024 – July 31, 2027).

Thank you again for selecting us. It is our privilege to work with you.

Sincerely,



Amanda Serra  
Office Manager  
Woodland Properties Mgmt LLC

# Lease Amending Agreement

THIS LEASE Amending Agreement – dated this 5th day of August 2021

**BETWEEN**

**Woodland Properties Mangement, LLC**  
(the "Lessor")

**OF THE FIRST PART**

**-AND-**

**Blended Learning Academies Credit Recovery High School**  
(the "Lessee")

**OF THE SECOND PART**

## Background

- A. The Landlord and Tenant entered the lease ("Shopping Center Lease") Commencement date of blank for the premises ("Premises") located at 3210 Plymouth Rd., Livonia, County of Wayne, State of Michigan.
- B. The Landlord and Tenant desire to amend the Lease on the terms and conditions set forth in this lease amending agreement ("Agreement").
- C. This agreement is the First amendment to the Lease.

**IN CONSIDERATION OF** the Lessor and Lessee agreeing to amend their existing Lease, and other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, both parties agree to keep, perform, and fulfill the promises, conditions, and agreements below:

## Amendments

1. The Lease is amended as follows:

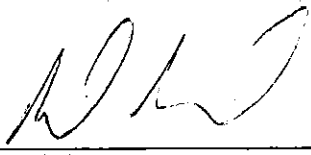
- (a) Commencement Date of this Lease: Date C of O is obtained from City of Livonia
- (e) Leased premises: 30218 Plymouth Rd., Livonia, MI 48150
- (j) Tenant's use: Learning center for k-12 grade students for Ferris State University

IN WITNESS WHEREOF, Landlord and Tenant have signed their names on this Lease Amendment as set forth in section 1 hereof.

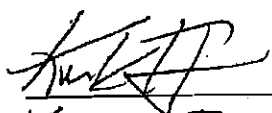
**WITNESS:**

  
Amanda Sara


**LANDLORD: WOODLAND PROPERTIES MANGEMENT, LLC**

  
Fouad Dabaja, Member

**WITNESS:**

  
Kathleen Travis

**TENANT:  
BLENDED LEARNING ACADEMIES CREDIT RECOVERY  
HIGH SCHOOL**

  
Marcus Kirkpatrick, Board President

**SHOPPING CENTER LEASE**

**Blended Learning Academies Credit Recovery High School  
TENANT**

**AND**

**WOODLAND PROPERTIES MANGEMENT, LLC  
LANDLORD**

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SIGNATURE PAGE  
ACKNOWLEDGEMENT OF LANDLORD AND TENANT  
ADENDUM GUARANTY  
RULES AND REGULATIONS

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LEASE  
ARTICLE I. BASIC PROVISIONS

SECTION 1.01 BASIC LEASE PROVISIONS. The following Basic Lease Provisions are an integral part of this Lease, are referred to in other Sections hereof, and are set forth in this Section 1.01 for the convenience of the parties. Each reference in this Lease to a Basic Lease Provision shall be construed to incorporate all the terms provided for under such provisions.

- (a) Commencement Date of this Lease:
- (b) Landlord: WOODLAND PROPERTIES MANGEMENT, LLC 8351 N. WAYNE RD., WESTLAND, MI 48185
- (c) Tenant: Blended Learning Academies Credit Recovery High School 1754 E. Clark Rd., Lansing, MI 48906
- (d) Tenant's Trade Name:
- (e) Leased premises: 3210 Plymouth Rd., Livonia, MI 48150. Approximately 1440 sq. ft.
- (f) Term: Three (3) years
- (g) Rent: Year 1: 12,960.00 yearly - \$1,080.00 monthly Months 1 and 2 are \$0.00  
Year 2: 12,960.00 yearly - \$1,080.00 monthly  
Year 3: 12,960.00 yearly - \$1,080.00 monthly
- (h) Security Deposit:
- (i) Tenant pro-rata for taxes, insurance, and common area maintenance: First year estimated at \$3.00 per square foot \$4,320.00 yearly - \$360.00 per month. Tenant is leasing approximately 1,440 square feet of a total 91,410 square feet of net Leasable floor area in the Shopping Center.
- (j) Tenant's use:
- (k) Landlord's address: 8351 N. WAYNE RD. WESTLAND, MI 48185
- (l) Tenant's address: 1754 E. Clark Rd., Lansing, MI 48906
- (m) Acceptance of Premises: Tenant accepts the premises in "AS IS" "WHERE IS" "WITH ALL FAULTS" condition and Tenant is responsible for keeping the premises up to code and obtaining any certificate of occupancies, if needed. Landlord will paint, replace carpeting, lighting, restroom and HVAC. Landlord will provide Tenant C of O.
- (n) Option: Provided Tenant is not in default of the terms and conditions of the Lease and that Tenant gives written notice to Landlord no less than 90 days prior to the end of the original term, then Tenant shall have the option of renewing this Lease for an additional (3) years each under the same terms and conditions of the present Lease except for the minimum base rental which shall be as follows.  
  
Year 4: 12,960.00 yearly - \$1,080.00 monthly  
Year 5: 12,960.00 yearly - \$1,080.00 monthly  
Year 6: 12,960.00 yearly - \$1,080.00 monthly

## ARTICLE II. GRANT AND TERM

**SECTION 2.01 LEASED PREMISES.** Landlord, in consideration of the rent to be paid and the covenants to be performed by Tenant, does hereby demise and Lease unto Tenant, and Tenant hereby rents from Landlord, those certain premises in the retail development commonly known as Woodland Square (Hereinafter referred to as "Shopping Center") which retail development is shown on the site plan marked Exhibit "A" attached hereto and made a part hereof, such Leased Premises being outlined in ink thereon. The legal description of the Shopping Center is more particularly described on Exhibit "B" attached hereto and made a part hereof. Said Leased premises are described in Section 1.01 (e) hereof.

The exterior walls and roof of the Leased premises and the area beneath said premises are not demised hereunder, and the use thereof together with the right to install, maintain, use, repair, and replace pipes, ducts, conduits, wires and structural elements leading through the Leased Premises in locations which will not materially interfere with Tenant's use thereof and serving other parts of the Shopping Center are hereby reserved unto Landlord.

**SECTION 2.02 COMMENCEMENT AND ENDING DAY OF TERM.** The term of this Lease shall commence upon tenant's acceptance of premises (hereinafter referred to as the "Commencement Date"), and shall end on the expiration of the number of Lease years set forth in Section 1.01 (f) hereof, unless sooner terminated as hereinafter provided.

## ARTICLE III. RENT

### SECTION 3.01 MINIMUM RENT.

- (a) The fixed minimum annual rental during the term of this Lease shall be the amount set forth in Section 1.01 (g) hereof, which sum shall be payable by Tenant in equal consecutive monthly installments of the amount set forth in Section 1.01 (h) hereof, on or before the first (1<sup>st</sup>) day of each month, in advance, at the office of the Landlord, or such other place as the Landlord may designate, without any prior demand therefor and without any deductions or setoff whatsoever. Should the term of this Lease commence on a day other than the first (1<sup>st</sup>) day of a calendar month, then the Rent, as hereinafter defined, for such month shall be prorated upon a daily basis based upon a thirty (30) day calendar month. Rent received after the tenth of each month shall be subject to a late fee of ten percent (10%).

### SECTION 3.02 TENANT'S TAX OBLIGATION.

- (a) Tenant agrees to pay to Landlord its proportionate share of all Real Estate Taxes, as hereinafter defined, for each calendar year during the term hereof. Tenant's proportionate share shall be equal to the product obtained by multiplying such taxes and assessments by a fraction represented as the ratio of the number of square feet of net Leasable floor area in the Leased premises to the total number of square feet of net Leasable floor area in the Shopping Center as set forth in Section 1.01 (j).
- (b) "Real Estate Taxes" shall be all ad valorem real estate taxes, assessments (whether they be general or special), sewer rents, rates and charges, transit taxes, taxes based upon government charges, and general special, ordinary or extraordinary taxes (but not including income or franchise taxes or any other taxes imposed upon or measured by income or profits, unless the same be imposed in lieu of real estate taxes) which may be levied or assessed against any or all of the complex, the land on which it is located or the personal property, fixtures, machinery, equipment, systems and apparatus located therein or used in connection therewith (herein collectively referred to as "Taxes"), together with an administrative charge of fifteen percent. In case of special taxes or assessments which may be payable in installments, only the amount of each installment paid during a calendar year shall be included as taxes for that year. There shall be included in expenses (including attorney's fees) paid during such year in seeking or obtaining any refund or reduction thereof. If at any time the method of taxation then prevailing shall be altered so that any new tax, assessments, levies, imposition, charge or any part thereof shall be imposed in place or partly in place of any of the taxes, or contemplated increases therein, and shall be measured by or be based in whole or in part upon the value of the complex or charges or part thereof, to the extent that they are so measured or based shall be included in taxes to the extent that such times would be payable if the value of the complex and such land were the only property of the landlord subject thereto and the income received therefor by the Landlord were its only income.
- (c) Tenant's proportionate share of Real Estate Taxes levied or assessed for or during the term hereof, as determined by Landlord, shall be paid in monthly installments on or before the first day of each calendar month, in advance, in an amount estimated by Landlord, including an administrative fee of fifteen percent for Landlord's administrative costs; provided, that in the event Landlord is required under any mortgage covering the Shopping Center to escrow Real Estate Taxes, Landlord may, but shall not be obligated to, use the amount required to be so escrowed as a basis for its estimate of the monthly installments, due from Tenant hereunder. Upon receipt of all tax bills and assessment bills or in the event filing of returns is required, prior to the due date for filing such returns, attributable to any calendar year during the term hereof, Landlord shall, furnish Tenant with a written statement of the actual amount of Tenant's proportionate share of Real Estate Taxes for such year. In the event no tax bill is available, Landlord will compute the amount of such tax. If the total amount paid by Tenant under this Section for any calendar year during the term of this Lease shall be less than the actual amount due from Tenant for such year, as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid by Tenant and the actual amount due, such deficiency to be paid within thirty (30) days after demand therefor by Landlord; and if the total amount paid by Tenant hereunder shall exceed such actual amount due from Tenant for such calendar year, such excess shall be credited against the next installment of taxes and assessments due from Tenant to Landlord hereunder. All amounts due hereunder shall be payable to Landlord at the place where the fixed minimum annual rental is payable. For the calendar years in which this Lease commences and terminates, the provision of this Section shall apply, and Tenant's liability

for its proportionate share of any taxes and assessments of this Lease is in effect. A copy of a tax bill or assessment bill submitted by Landlord to Tenant shall at all times be sufficient evidence of the amount of Real Estate assessed or levied against the property to which such bill or return relates. Prior to or at the commencement date and from time to time thereafter throughout the term hereof, Landlord shall notify Tenant in writing of Landlord's estimate of Tenant's monthly installments due hereunder. Landlord's and Tenant's obligation under this section shall survive the expiration of the term of this Lease.

- (d) Any costs, expenses and attorney's fees (including the costs of tax consultant's) incurred by Landlord in connection with the negotiation for reduction in the Assessed value of land, buildings and improvements comprising the Shopping Center and any protest or contest of real estate taxes and/or assessments shall be included within the term "Real Estate Taxes".

**SECTION 3.03. ADDITIONAL PAYMENTS.** Tenants shall pay any and all sums of money charges required to be paid by Tenant under this Lease promptly when the same are due, without any deductions or setoff whatsoever. Tenant's failure to pay any such amounts or charges when due shall carry with it the same consequences as Tenant's failure to pay rent. All such amounts or charges shall be payable to Landlord at the place where the fixed minimum annual rental is payable.

**SECTION 3.04. DEFINITION OF RENT.** The fixed minimum rental, additional rental, Tenant's tax obligation, Tenant's pro rata share of expenses, Tenant's pro rata share of insurance premiums, utility services paid by Tenant to Landlord, all other amounts required to be paid by Tenant to Landlord under this Lease shall be collectively referred to as "Rent".

#### ARTICLE IV. CONSTRUCTION:

**SECTION 4.01. CHANGES AND ADDITIONS.** Landlord reserves the right at any time and from time to time (a) to make or permit changes and revision in its plan for the Shopping Center including additions to, subtractions from, rearrangements of, alterations of, modifications of or supplements to the building areas, walkways, parking areas, driveways or other areas, (b) to construct other buildings or improvements in the Shopping Center and to make alterations thereof or additions thereto and to build additional stories on any such building or buildings and to build adjoining same, and (c) to make or permit changes or revisions in the Shopping Center including additions thereto, and to convey portions of the Shopping Center to others for the purpose of constructing thereon other buildings or improvements, including additions thereto and alterations thereof; provided, however, that no such changes, rearrangements or other construction shall reduce the parking areas provided by Landlord below the number of parking spaces required by law.

**SECTION 4.03. CONSTRUCTION OF LEASED PREMISES BY TENANT.** Tenant hereby agrees, prior to commencement of the term of this Lease, at Tenant's sole expense, to (i) prepare its merchandising layout, store front design and mechanical and electrical requirements and deliver same to Landlord within (30) days after the execution of this Lease for Landlord's approval; (ii) furnish and install trade fixtures as required by Tenant's approved merchandising layout, which fixtures shall be new, unless otherwise approved in writing by Landlord; and (iii) furnish and install its exterior sign, which sign shall be subject to Landlord's prior written approval. In the event Landlord shall require any modifications to Tenant's merchandising layout, storefront design, and mechanical and electrical requirements, Tenant shall promptly make the same and resubmit them to Landlord for approval. If Tenant fails to furnish its merchandising layout, store front design and mechanical and electrical requirements within the required time period, then Landlord may, at its option, cancel this Lease at any time thereafter while such information has been so furnished. Tenant shall make no deviation from the final set of plans and specifications, once approved by Landlord, without Landlord's prior written approval.

**SECTION 4.04. SETTLEMENT OF DISPUTES.** It is understood and agreed that any disagreement or dispute which may arise between Landlord and Tenant with reference to the work to be performed with respect to the Leased premises pursuant to Exhibit shall be submitted to Landlord's supervising Architect, whose decision shall be final and binding on both Landlord and Tenant.

#### ARTICLE V. CONDUCT OF BUSINESS BY TENANT

**SECTION 5.01. USE OF PREMISES.** Tenant shall use and occupy the Leased premises during the continuance of this Lease solely for the purpose of conducting the business set forth in Section 1.01 (i) hereof, and for no other purpose or purposes without the prior written consent of Landlord. If any governmental license or permit shall be required for the proper and lawful conduct of Tenant's business or other activity carried on in the Leased premises or if failure to procure such license or permit might or would in any way, affect Landlord, the Shopping Center or the Leased premises, then Tenant, at Tenant's expense, shall, at all times comply with the requirements of each such license or permit.

**SECTION 5.02. OPERATION OF BUSINESS.** Tenant agrees to operate one hundred percent (100%) of the Leased premises during the entire term of this Lease unless prevented from doing so because of fire, accident, or acts of God, and to conduct its business at all times in a high class and reputable manner, maintaining at all times a full staff of employees and a full complete stock of merchandise. Tenant shall install and maintain at all times a display of merchandise in the display windows, if any, of the Leased premises and shall keep same well lighted during Shopping Center business hours and at least one hour thereafter. Tenant shall promptly comply with all laws and ordinances and lawful orders and regulations affecting the premises hereby Leased and the cleanliness, safety, occupancy and use of same. No auction, liquidation, going out of business, fire, or bankruptcy sales may be conducted in the Leased premises. Tenant agrees that it will conduct its business in the Leased premises during all hours established for the Shopping Center by Landlord and will conduct such business in a lawful manner and in good faith, and will not do any act tending to injure the reputations of the Shopping Center. Tenant shall not permit noise or odors in the Leased premises which are objected to by any Tenant or occupation of the Shopping Center and upon written notice from the Landlord, Tenant shall immediately cease and desist from causing such noise and odor, and failing of which Landlord may deem the same a material breach of this Lease. Tenant shall not permit noise or odors in the Leased premises, which are objected to by any Tenant or occupation of the Shopping Center and upon written notice from the Landlord; Tenant shall not use

the areas adjacent to the Leased premises for business purposes. Tenant shall not use or permit the use of any portion of said premises as sleeping apartments, lodging rooms, or for any unlawful purposes. No radio or television or other similar device shall be installed exterior to the Leased premises and no aerial shall be erected on the roof or exterior walls of the building in which the Leased premises are located. No merchandise or other obstruction shall be placed or permitted on the walks immediately adjoining the Leased premises. Landlord may direct the use of all pest extermination and scavenger contractors at such intervals as Landlord may require.

**SECTION 5.03. STORAGE, OFFICE SPACE.** Tenant shall warehouse, store and/or stock in the Leased premises only such goods, wares and merchandise as Tenant intends to offer for sale at retail, in from, or upon the Leased premises. This shall not preclude occasionally emergency transfers of merchandise from the other stores of Tenant, if any not located in the Shopping Center. Tenant shall use for office; clerical or other non-selling purposed only such space in the Leased premises as is from time to time reasonably required for Tenant's business in the Leased premises.

**SECTION 5.04. CARE OF PREMISES.** Tenant shall keep the premises (including the service areas adjacent to the premises, show windows, and signs) orderly, neat, safe and clean and free from rubbish and dirt at all times and shall store all trash and garbage within the Leased premises. Tenant shall not burn any trash or garbage at any time in or about the building. If Landlord shall provide any services or facilities for such pickup, then Tenant shall be obligated to use the same and shall pay a proportionate share of the actual cost as part of the costs form common area maintenance set forth in Section 6.01.

**SECTION 5.05. RUBBISH REMOVAL.** Landlord may at its discretion, require that Tenant contract for its own rubbish removal at Tenant's expense in the event the quantity or type of Tenant's refuse is excessive.

#### ARTICLE VI. COMMON AREAS

**SECTION 6.01. MAINTENANCE OF COMMON AREAS.** Landlord agrees to cause to be operated, managed and maintained during the term of this Lease all parking areas, roads, sidewalks, landscaping, drainage, and common area lighting facilities in the Shopping Center. The manner in which such areas and facilities shall be maintained and operated and expenditures therefor shall be at the sole discretion of the Landlord and the use of such areas and facilities shall be subject to such reasonable regulations as Landlord shall make from time to time.

#### SECTION 6.02. TENANT'S PRO RATA SHARE OF EXPENSES.

Tenant agrees to pay to Landlord in the manner hereinafter provided but not more than once each calendar month, Tenant's proportionate share of all costs and expenses of every kind and nature paid or incurred by Landlord in operating, equipping, policing and protecting, lighting, heating, insuring, repairing, replacing, and maintaining the Shopping Center. Such cost and expenses shall include, but not be limited to, repairs and replacements, illumination and maintenance of Shopping Center signs, cleaning, lighting, snow removal, line painting, removal of trash and debris, and landscaping, the cost of maintenance, repairs and replacement of the common areas of the Shopping Center and the project areas, and all casualties covered by extended coverage insurance, liability for defamation and false arrest, plate glass in common areas and fidelity bonds for employees of Landlord; personal property taxes; supplies, holiday decorations; grand opening costs; total compensation and benefits (including premiums for workmen's compensations and other insurance) paid to or on behalf of employees involved in the performance of the work specified in this Section 6.02; cost of energy to heat, ventilate and air condition areas in the common areas; cost of water; services, if any furnished by Landlord for the non-exclusive use of Tenants; parcel pickup and delivery services; and an amount equal to fifteen percent of the total of all of the foregoing costs and expenses to cover Landlord's administrative cost. The proportionate share to be paid by Tenant shall be computed on the basis that the total number of square feet of net Leasable floor area in the Leased premises bear to the total number of square feet of net Leased and occupied floor area in the Shopping Center.

Tenant's proportionate share of such costs and expenses for such Lease year and partial Lease year shall be paid in monthly installments on the first day of each calendar month, in advance, in an amount estimated by Landlord. Within one hundred twenty (120) days after the end of each calendar year of the Lease, Landlord shall furnish Tenant with a statement of the actual amount of Tenant's proportionate share of such costs and expenses for such period. If the total amount paid by Tenant under this Section for any calendar year shall be less than the actual amount due from Tenant for such year as shown on such statement, Tenant shall pay to Landlord the difference between the amount paid and the actual amount due, such deficiency to be paid within thirty (30) days after the furnishing of such statement, and if the total amount paid by Tenant hereunder for any such calendar year shall exceed such actual amount due from Tenant for such calendar year, such excess shall be credited against the next installment due from Tenant to Landlord under this Section 6.02.

**SECTION 6.03. USE OF COMMON AREAS.** The term "common area", as used in this Lease shall mean the parking areas, roadways, pedestrian sidewalks, truck ways, loading docks, delivery areas, landscaped areas, public bathrooms and comfort stations, and all other areas of improvements which may be provided by Landlord for the convenience and use of the Tenants of the Shopping Center, and their respective sub-Tenants, agents, employees, customers, invitees, and any other licenses of Landlord. The use and occupancy by Tenant of the Leased premises shall include the use, in common with all others to whom Landlord has granted or may hereafter grant rights to use the same, of the common areas located within the Shopping Center, and of such other facilities as may be designated from time to time, subject, however, to rules and regulations for the use thereof as prescribed from time to time by Landlord. Landlord may include the parking areas, roadways and landscaped areas located on property adjacent and continuous to the Shopping Center in the common areas. Tenant and its employees shall park their cars only in areas specifically designated from item to time by Landlord for that purpose. Automobile license numbers of employees' cars shall be furnished to Landlord upon Landlord's request. In the event Tenant or its employees fail to park their automobiles in designated parking areas, then Landlord may, at its option, charge Tenant and Tenant shall pay to Landlord as additional rent, Twenty-Five Dollars (\$25.00) per day per automobile in any areas other than those designated as employee parking and distinguished from public parking areas and/or to have such automobiles towed from the Shopping Center at Tenant's expense. Landlord may at any time close temporarily any common areas to make such repairs or changes, to prevent the acquisition of public rights

in such area or to discourage non-customer parking; and may do such other acts in and to the common areas as in its judgment may be desirable to improve the convenience thereof.

## SECTION VII. ALTERATIONS AND SIGNS

**SECTION 7.01. INSTALLATION BY TENANT.** Tenant shall not make, cause to be made any alterations, additions or improvements to the Leased premises, or install or cause to be installed any exterior lighting, plumbing fixtures, shades, canopies, or awnings or make any changes to the storefront, mechanical, electrical or sprinkler systems without the prior written approval of Landlord. Tenant shall present to the Landlord plans and specifications for such work at the time approval is sought.

**SECTION 7.02. REMOVAL BY TENANT.** All alterations, decorations, additions and improvements made by Tenant shall be deemed to have attached to the Leasehold and to have become the property of Landlord upon such attachments, and upon expirations of this or any renewal term thereof. Tenant shall not remove any such alterations, decorations, additions and improvements, except trade fixtures installed by Tenant and personal property of Tenant (hereinafter referred to as "Tenant's Property"). Landlord at the expiration of the term, may elect to require Tenant to remove all or any part of Tenant's property and/or the alterations made by Tenant, and, in such event, such removal shall be done at Tenant's cost and expense, and Tenant shall, at its cost and expense, repair any damage to the Leased premises or the building caused by such removal, provided that Landlord may remove such Tenant's Property and/or alterations, and Tenant shall pay to Landlord Landlord's cost of removal within ten (10) days after receipt of a bill therefor. In the event Landlord does not so elect or Tenant vacates the Leased premises without so removing Tenant's Property, such Tenant's Property and/or alterations, as the case may be, shall become Landlord's property. As security for payment of Rent and additional charges and the performance of Tenant's other obligations hereunder, Tenant hereby grants to Landlord a lien and security interest upon all property, equipment and fixtures within the Leased premises, including all improvements, equipment, trade fixtures and other personal property at any time placed on or in the Leased premises, to the full extent of Tenant's and any assignee's or subtenant's interest therein.

**SECTION 7.03. SIGNS.** Tenant will not place or cause to be placed or maintained any sign or advertising matter or any kind anywhere within the Shopping Center, except in the interior of Leased premises, without Landlord's prior written approval. No symbol, design, name, mark or insignia adopted by Landlord for the Shopping Center shall be used without the prior written consent of Landlord. No illuminated signs located in the interior of any store, which are visible from the outside, shall advertise any product. All signs located in the interior of any store shall be in good taste so as not to detract from the general appearance of the store and the Shopping Center. Tenant further agrees to maintain in good condition and repair at all times any such sign or advertising matter of any kind which has been approved by Landlord for use by Tenant. Tenant's storefront sign shall comply with the sign criteria set forth in Exhibit "C" hereto and shall be subject to Landlord's prior written approval.

## ARTICLE VIII. MAINTENANCE OF LEASED PREMISES

**SECTION 8.01. LANDLORD'S OBLIGATIONS FOR MAINTENANCE.** Landlord shall (subject to reimbursement as provided in Section 7.02 hereof) keep and maintain the foundation, in which the Leased premises are located and the structural portions of the Leased premises which were originally installed by Landlord, exclusive of door frames, door checks, windows, and window frames, in good repair except that Landlord shall not be called up to make any such repairs occasioned by the act or negligence of Tenant, its agents, employees, invitees, licensees or contractors, except to the extent that Landlord is reimbursed therefor under any policy of insurance permitting waiver of subrogation in advance of loss. Landlord shall not be called upon to make any other improvements or repairs of any kind upon said premises and appurtenances, except as may be required under Article XV and XVI hereof.

**SECTION 8.02. TENANT'S OBLIGATIONS FOR MAINTENANCE.** (a) Except as provided in Section 8.01 of this Lease, Tenant shall keep and maintain in good order, condition and repair (including replacement of parts and equipment if necessary) the Leased premise and every part thereof and any and all appurtenances thereto wherever located, including, but without limitation, the exterior and interior portion of all doors, door checks, window, and window frames, plate glass, store front, all plumbing and sewage facilities within the Leased premises, including free flow up to the main sewer line, fixtures, heating and air conditioning and electrical systems (whether or not located in the Leased premises), sprinkler system, walls, floors and ceilings.

- (b) Tenant shall keep and maintain the Leased premises in a clean, sanitary and safe conditions in accordance with the laws of the State of Michigan and in accordance with all directions, rules and regulations of the health officer, fire marshal, building inspector, or other proper officials of the governmental agencies having jurisdiction, at the sole cost and expense of Tenant, and Tenant shall comply with all requirements of law, ordinance and otherwise, affecting said premises. If Tenant refuses or neglects to commence and to complete repairs promptly and adequately, Landlord may, but shall not be required to do so, make and complete said repairs and Tenant shall pay the cost thereof to Landlord upon demand. At the time of the expiration of the tenancy created herein, Tenant shall surrender the premises in good condition, reasonable wear and tear, and loss by fire or another unavoidable casualty accepted. Any damage or injury sustained by any person because of mechanical, electrical, plumbing or any other equipment or installations, whose maintenance and repair shall be the responsibility of Tenant and shall be paid for by Tenant and Tenant shall indemnify and hold Landlord harmless from and against all claims, actions, damages and liability in connection therewith, including, but not limited to, attorney's and other professional fees, and any other cost which Landlord might reasonably incur. Tenant shall contract for, in its own name, and shall pay for a qualified service contractor to inspect, adjust, clean and repair heating, ventilating and air conditioning equipment, including changing filters on a quarterly basis. Tenant is responsible for costs of extermination and pest control inside its premises.
- (c) Tenant shall keep the Lease and all other parts of the Shopping Center free from any and all liens arising out of any work performed, materials furnished or obligations incurred by or for Tenant, and agrees to bond against or discharge any mechanic's or materialmen's lien within ten

(10) days after written request therefor by Landlord. Tenant shall reimburse Landlord for any and all costs and expenses which may be incurred by Landlord by reason of filing of any such liens and/or the removal of same, such reimbursement to be made within ten (10) days after receipt by Tenant from Landlord of a statement setting forth the amount of such costs and expenses. The failure of Tenant to pay any such amount to Landlord within said ten-(10) day period shall carry with it the same consequences as failure to pay any installment of rental.

- (d) Tenant, at its own expense, shall install and maintain fire extinguishers and other fire protection devices, including exit and emergency lights as required by municipal code, as may be required from time to time by any agency having jurisdiction thereof and the insurance underwriters insuring the building in which the Leased premises are located.

#### ARTICLE IX. INSURANCE AND INDEMNITY

**SECTION 9.01. LIABILITY INSURANCE.** Tenant shall, during the entire term hereof, keep in full force and effect a policy of public liability and property damage insurance with respect to the Leased premises, and the business operated by Tenant and any subtenants of Tenant in the Leased premises, including steam boiler insurance if applicable, in which the limits of public liability shall not be less than One Million Dollars (\$1,000,000.00) per person and One Million Dollars (\$1,000,000.00) per accident in which the limit of property damage liability shall not be less than Five Hundred Thousand Dollars (\$500,000.00). Tenant may furnish such insurance under any blanket policy carried by it or under a separate policy therefor.

#### SECTION 9.02. PROPERTY INSURANCE. (Gross Lease)

- (a) Landlord agrees, during the term hereof, to carry insurance against fire, vandalism, malicious mischief and such other perils as are from time to time included in a standard extended coverage endorsement and, at Landlord's option, special extended coverage endorsement, insuring the improvements to the Shopping Center in an amount determined solely by Landlord, but not less than 100% of the full replacement cost, if available, Tenant agrees, from time to time, to pay to Landlord, Tenant's proportionate share of the cost of such insurance, for stores with similar fire ratings and/or comparable fire protection equipment. Such payment to be made in monthly installments on the first of each calendar month in advance, in an amount estimated by Landlord, and reconciled as for Tenant's pro rata share of operating expenses per the provision of Section 6.02, and an amount equal to fifteen percent of the total of all of the foregoing costs and expenses to cover Landlord's administrative cost. The proportionate share to be paid by Tenant shall be computed on the basis that the total number of square feet of net Leasable floor area in the Leased premises bears to the total number of square feet of net Leasable floor area in the Shopping Center.
- (b) Landlord agrees, during the term hereof, to carry rental interruption insurance which insurance may be carried in amounts equal to Tenant's total rental obligation for twelve (12) full months under this Lease plus the total of the estimated cost to Tenant of taxes, assessments, insurance premiums and common area maintenance costs for such twelve (12) MONTH PERIOD. Tenant agrees from time to time, to reimburse Landlord for the total cost of such insurance plus fifteen percent of said costs for administrative expense, such reimbursement to be made as per Section 9.02 above.
- (c) Tenant agrees to carry, as its expense, insurance against fire, vandalism, windstorm, explosion, smoke damage, malicious mischief, and other such perils as are from time to time included in a standard extended coverage endorsement, insuring Tenant's merchandise, trade fixtures, furnishing, equipment and all other things of personal property of Tenant located on or within the Leased premises, in an amount equal to not less than eighty percent (80%) of the actual replacement cost thereof and to furnish Landlord with a certificate evidencing such coverage. Landlord may, at its option, procure such insurance for the account of Tenant and Tenant thereof shall pay the cost to Landlord upon delivery to Tenant of bills therefor.
- (d) Tenant shall not carry any stock of goods or do anything in or about said premises which will in any way tend to increase the insurance rates on said premises and/or the building of which they are a part. If Tenant installs any electrical equipment that overloads the lines in the Leased premises, Tenant shall at its own expense make whatever changes are necessary to comply with the requirements of the insurance underwriters and governmental authorities having jurisdiction.

**SECTION 9.03. TENANT'S CONTRACTOR'S INSURANCE.** Tenant shall require any contractor of Tenant performing work on the Leased premises to take out and keep in force, at no expense to Landlord, (a) comprehensive general liability insurance, including contractor's liability coverage, contractual liability coverage, completed operations coverage, broad form property damage endorsement and contractor's protective liability coverage to afford protection to the limit, for each occurrence of not less than \$3,000,000 with respect to personal injury or death and \$1,000,000 with respect to property damage; and (b) workman's compensation or similar insurance in form and amounts required by law.

**SECTION 9.04. POLICY REQUIREMENTS.** The company or companies writing any insurance which Tenant is required to take out and maintain or cause to be taken out or maintained pursuant to this Lease, as well as the form of such insurance shall at all times be subject to Landlord's approval and any such company or companies shall be licensed to do business in the State of Michigan each policy evidencing such insurance shall name Landlord or its designee as additional insured and shall also contain a provision by which the insurer agrees that this policy shall not be canceled except after thirty (30) days' written notice to Landlord or its designee a copy of each paid up policy evidencing such insurance or a certificate of insurer certifying to the insurance of such policy shall be delivered to Landlord prior to commencement of Tenant's work on the Leased premises and upon renewals not less than thirty (30) days prior to the expiration of such coverage. If Tenant shall fail to perform any of its obligations under this Article IX, Landlord may perform same and the cost of same shall be deemed additional rental and shall be payable upon Landlord's demand.

**SECTION 9.05. COVENANT TO HOLD HARMLESS.** Tenant covenants to indemnify Landlord, and save it harmless, from and against any and all claims, actions, damages, liability and expense, including attorney's fees, in connection with loss of life, personal injury and/or damage to property arising from or out of Tenant's failure to comply with Section 8.02 (b) hereof, or occasioned wholly or in part by any act or omission of Tenant, its agents, contractors, employees, servants, customers or licensees. For the purpose hereof, the Leased premises shall include the service areas adjoining the same and the loading platform area allocated to the use of Tenant. In case Landlord shall, without fault on its part, be made a party to any litigation commenced by or against Tenant, then Tenant shall protect and hold it harmless and shall pay all costs, expenses and reasonable attorney's fees incurred or paid by Landlord in connection with such litigation. Tenant shall also pay all costs, expenses and reasonable attorney's fees that may be incurred in enforcing the Tenant's covenants and agreements in this Lease.

#### ARTICLE X. UTILITIES

**SECTION 10.01. UTILITY CHARGES.** Tenant shall be solely responsible for and promptly pay all charges for water, gas, heat, electricity, sewer and any other utility used upon or furnished to the Leased premises. If Landlord shall elect to supply any of the foregoing utilities used upon or furnished on the Leased premises, Tenant agrees to purchase and pay for same as additional rent, within ten (10) days of the presentation by Landlord to Tenant of bills therefor, at the applicable rates filed by the utility company serving the area with the proper regulating authority and in effect from time to time covering such services. The obligation of Tenant to pay for such utilities shall commence as of the date on which possession of the premises is delivered to Tenant, as provided for in Section 2.02 of this Lease, without regard to any free rental period or formal commencement date of this Lease. Tenant shall be responsible for the payment of all tapping, connection and use charges and fees imposed by any governmental units in connection with utility services to the Leased premises.

**SECTION 10.02. DISCONTINUANCE AND INTERRUPTION OF UTILITY SERVICES.** Landlord shall not be liable to Tenant in damages or otherwise (a) if any utility shall become unavailable from any public utility company, public authority or any other person or entity (including Landlord) supplying or distributing such utility, or (b) for any interruption in a utility service (including, without limitation, any heating, ventilation or air conditioning) caused by the making any necessary repairs or improvements or by any cause beyond Landlord's reasonable control, and the same shall not constitute a termination of this Lease or an eviction of Tenant.

#### ARTICLE XI. OFF-SET STATEMENT, ATTORNMENT AND SUBORDINATION

**SECTION 11.01. OFF SET STATEMENT.** Tenant agrees within ten (10) days after request therefor by Landlord to execute in recordable form and deliver to Landlord a statement, in writing, certifying (a) that this Lease is in full force and effect, (b) the date of commencement of the term of this Lease, (c) that rent is paid currently without any off-set or defense thereto, (d) the amount of rent, if any, paid in advance, and (e) that there are no uncured defaults by Landlord or stating those claimed by Tenant, provided that, in fact such facts are accurate and ascertainable.

**SECTION 11.02. ATTORNMENT.** In the event any proceedings are brought for the foreclosure of, or in the event of the conveyance by deed in lieu of foreclosure of, or in the event of exercise of the power of sale under, any mortgage made by Landlord covering the Leased premises, Tenant hereby attorns to, and covenants and agrees to execute an instrument in writing reasonably satisfactory to the new owner whereby Tenant attorns to such successor in interest and recognizes such successor as the Landlord under this Lease.

**SECTION 11.03. SUBORDINATION.** Tenant agrees that this Lease shall, at the request of the Landlord, be subordinate to any first mortgages or deeds or trust that may be placed upon said premises and to any and all advances to be made thereunder, and to the interest thereon, and all renewals, replacements and extensions thereof, provided the mortgagee or trustee named in said mortgages or trust deeds shall agree to recognize the Lease of Tenant in the event of a foreclosure if Tenant is not in default. Tenant also agrees that any mortgagee or trustee may elect to have this Lease a prior lien to its mortgage or deed of trust, and in the event of such election and upon notification by such mortgagee or trustee to Tenant to that effect, this Lease shall be deemed a prior lien to said mortgage or deed of trust, whether this Lease is dated prior to our subsequent to the date of said mortgage or deed of trust. Tenant agrees that upon the request of Landlord, and mortgagee or any trustee, it shall execute whatever instruments may be required to carry out the intent of this Section.

**SECTION 11.04. REMEDIES.** Failure of the Tenant to execute any of the above instruments within fifteen (15) days upon written request so to do by Landlord, shall constitute a breach of this Lease and Landlord may, at its option, cancel this Lease and terminate Tenant's interest therein. Further, Tenant hereby irrevocably appoints Landlord as attorney-in-fact for Tenant with full power and authority to execute and deliver in the name of Tenant any such instruments.

**SECTION 11.05. MODIFICATIONS TO LEASE.** If in connection with obtaining financing for the Shopping Center the proposed lender shall request reasonable modifications to this Lease as a condition of such financing. Tenant covenants not unreasonably to withhold or delay its agreement to such modifications, provided that such modifications do not materially increase the obligations or materially and adversely affect the rights of Tenant under this Lease.

**SECTION 11.06 RELOCATION.** Landlord shall have the right at any time either during the Term or prior to the Commencement Date thereof, to change the location of the Leased Premises as set forth in Article 1.2 hereof to comparable premises in the shopping center belonging to Landlord as shown on the site plan marked Exhibit 'A' attached hereto and the legal description of the Shopping Center more particularly described on Exhibit 'B' attached hereto. Should Tenant acting reasonably refuse to move to the comparable space offered by Landlord (failure to consent to such relocation within ten (10) days of notification is deemed to be a refusal), or in the event Landlord is unable to offer Tenant comparable space, either party has the right to cancel this Lease by giving the other a thirty (30) day notice to this effect. Tenant binds and obliges itself to vacate the Leased Premises following said thirty (30) day notice. Should Landlord desire to move Tenant after the Commencement Date, Landlord shall pay all

reasonable transportation, telephone installation and reasonable printing costs relating to letterheads and business cards in stock, as well as reasonable printing costs of notice of change of address to Tenant's customers (provided Tenant submits proof of payment of said costs).

#### ARTICLE XII. ASSIGNMENT AND SUBLETTING

**SECTION 12.01. CONSENT REQUIRED.** (a) Tenant agrees not to assign, mortgage, encumber or in any manner transfer, in whole or in part, the Lease or any estate or interest therein without the prior written consent of Landlord, and not to sublet said premises or any part or parts thereof or allow anyone to come in with through or under it without like consent. Consent by Landlord to one or more assignments of this Lease or to one or more subletting of said Leased premises shall not operate to exhaust Landlord's rights under the Article. In the event that Tenant, with or without the previous consent of Landlord, does assign or in any manner transfer this Lease or any estate or interest therein, Tenant shall in no way be released from any of its obligations under this Lease. The sale, issuance, or transfer of any voting capital stock of Tenant (if Tenant be a non-public corporation), which results in a change in the voting control of Tenant, shall be deemed to be an assignment of this Lease within the meaning of this Section, and in such event the acquiring entity shall include this Lease amongst its assumable liabilities and obligations.

1. In the event Tenant desires to sublet all or a portion of the Leased premises or assign this Lease, Tenant shall give notice to Landlord setting forth the terms of the proposed subletting or assignment. Landlord shall have the right, exercisable by written notice to Tenant within twenty (20) days after receipt of Tenant's notice, (i) to consent or refuse to consent thereto, and if Landlord fails to notify Tenant, it shall be deemed to have refused to consent thereto, (ii) to sublet such space from Tenant at the rental and other terms set forth in Tenant's notice, or (iii) if the proposed subletting is for the entire Leased premises for the balance of their term or in the event Tenant wished to assign this Lease, it shall be with written consent of Landlord including Landlord's approval of the sub lessee's or assignee's financial credentials, such consent not to be unreasonably withheld.
2. In the event Tenant shall assign or sublet all or a portion of the Leased premises, the sum of the consideration received by Tenant over and above the rents specified in Tenant's Lease as a result of such subletting or assignment, whether denominated rental or other value, shall accrue to the benefit of Tenant's, save for a sum of ten percent (10%) of Tenants net gain in value computed over the remaining term of the Lease, which shall be payable to Landlord as administrative fee upon Landlord's execution of the agreement to assign, sublease or otherwise transfer the Lease in whole or in part.

#### ARTICLE XIII. WASTE

**SECTION 13.01. WASTE OR NUISANCE.** Tenant shall not commit or suffer to be committed any waste upon the Leased premises or any nuisance or other act or thing which may disturb the quiet enjoyment of any other Tenant in the building in which the Leased premises may be located, or in the Shopping Center. Tenant shall not use or permit to be used, any medium that might constitute a nuisance, such as loud speakers, sound amplifiers, phonographs, radios, televisions, or any other sound producing device which will carry sound outside the Leased premises.

#### ARTICLE XIV. ADVERTISING, PROMOTION COSTS

**SECTION 14.01. CHANGE OF NAME.** Tenant agrees (a) to operate its business in the Leased premises under the name set forth in Section 1.01 (k) hereof, so long as the same shall not be held to be in violation of any applicable law, and (b) not to change the advertised name or character of the business operated in the Leased premises without the prior written approval of Landlord, and (c) to refer to the Shopping Center by its name in designating the location of the Leased premises in all newspaper and other advertising and in all other references to the location of the Leased premises.

**SECTION 14.02. SOLICITATION OF BUSINESS.** Tenant and Tenant's employees and agents shall not solicit business in the parking or other common areas, nor shall Tenant distribute and handbills or other advertising matter in the parking area or in other common areas.

**SECTION 14.03. PROMOTION COSTS.** Tenant shall pay to Landlord its proportionate share of the common advertising costs of the Shopping Center, not to exceed the amount in any year set forth in Section 1.01 (k) hereof. Tenant shall pay such amount to Landlord together with other common area expenses and in the manner set forth in Article 6.02.

#### ARTICLE XV. DESTRUCTION OF LEASED PREMISES

**SECTION 15.01. RECONSTRUCTION OF DAMAGED PREMISES.** In the event the Leased premises shall be partially or totally destroyed by fire or other casualty insured under the Insurance carried by Landlord pursuant to Section 9.02 of this Lease, as to become partially or totally untenable, the damage to the Leased premises shall be promptly repaired by Landlord, unless Landlord shall elect not to rebuild as hereinafter provided, and a just and proportionate part of the fixed minimum rental and all other charges shall be abated, until so repaired. The obligation of Landlord hereunder shall be limited to re-constructing the Leased premises in accordance with the initial plans and specifications for the construction of the Leased premises. In no event shall Landlord be required to repair or replace Tenant's merchandise, trade fixtures, furnishing or equipment. If more than thirty-five percent (35%) of the Leased premises or more than thirty-five percent (35%) of the floor area of the building in which the Leased premises are located such as destroyed by fire or other casualty or if, during the last five (5) years of the term hereof, more than twenty five percent (25%) of the Leased premise or of the floor area of the building in which the Leased premises are located shall be damaged or destroyed by fire or other casualty then Landlord may elect either to repair or rebuild the Leased premises or the building of which the Leased premises are a part, as the case may be, or to terminate this Lease by giving written notice to Tenant of its election to so terminate, such notice to be given within one

hundred twenty (120) days after the occurrence of such damage or destruction. If Landlord is required or elects to repair or rebuild the Leased premises as herein provided, Tenant shall repair or replace its merchandise, trade fixtures, furnishings and equipment in a manner and to at least a condition equal to that prior to its damage or destruction.

**SECTION 15.02. WAIVER OF SUBROGATION.** Each party hereto does hereby remise, the Lease and discharge the other party hereto and any officer, agent, employee or representative of such party, of in from any liability whatsoever hereafter arising from loss, damage or injury caused by fire or other casualty for which insurance (permitting waiver of liability and containing a waiver of subrogation) is carried by the injured party at the time of such loss, damage or injury to the extent of any recovery by the injured party under such insurance.

#### ARTICLE XVI. EMINENT DOMAIN

**SECTION 16.01. TOTAL CONDEMNATION OF LEASED PREMISES.** If the whole of the Leased premises shall be taken by any public authority under the power of eminent domain, then the term of this Lease shall cease as of the day of possession shall be taken by such public authority and the rent shall be paid up to that day with a proportionate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking.

**SECTION 16.02. PARTIAL CONDEMNATION.** If only a part of the Leased premises shall be taken by any public authority under the power of eminent domain, then, except as otherwise provided in this Section, this Lease and the term shall continue in full force and effect, but, from and after the date possession shall be taken, by such public authority, the fixed minimum annual rental shall be reduced in the proportion which the area or the part of the Leased premises so acquired bears to the total area of the Leased premises immediately prior to such condemnation. If a portion of (i) the Leased premises, (ii) the building in which the Leased premises are located, or (iii) the common areas shall be taken under eminent domain, Landlord shall have the right to terminate this Lease and declare the same null and void, by written notice of such intention to the Tenant within ten (10) days after such taking. If by reason of such condemnation, more than fifty percent (50%) of the Leased premises is taken or Tenant no longer has a reasonable means of access to the Leased premises, Tenant shall have the right to terminate this Lease and declare the same null and void, by written notice of such termination to Landlord within ten (10) days after such taking. In the event neither party exercises said right of termination the Lease term shall cease only on the part so taken as the day possession shall be taken by such public authority and Tenant shall pay rent up to that day, with appropriate refund by Landlord of such rent as may have been paid in advance for a period subsequent to the date of the taking, and thereafter all the terms herein provided shall continue in effect, except that the fixed minimum annual rental shall be reduced in proportion to the amount of the Leased premises taken and Landlord shall, at its own cost and expense, make all the necessary repairs or alterations to the basic building as originally installed by Landlord, so as to constitute the remaining Leased premises a complete Architectural unit.

**SECTION 16.03. LANDLORD'S AND TENANT'S DAMAGES.** All damages awarded for such taking under the power of eminent domain, whether for the whole or a part of the Leased premises, shall belong to and be the property of Landlord whether such damages shall be awarded as compensation for diminution in value to the Leasehold or to the fee of the premises; provided, however, that Landlord shall not be entitled to the award made for depreciation to, and cost of removal of, Tenant's stock and fixtures.

#### ARTICLE XVII. DEFAULT OF THE TENANT

**SECTION 17.01. RIGHT TO RE-ENTER.** In the event of any failure of Tenant to pay rental and or other charges due hereinafter on the day the same shall be due, or any failure to perform any other of the terms, conditions or covenants of this Lease (other than the covenants for payment of Rent) to be observed or performed by Tenant for more than ten (10) days after written notice of such default shall have been mailed to Tenant, or if Tenant shall abandon said premises, or permit this Lease to be taken under any writ of execution, then the Landlord, besides other rights or remedies it may have, shall have the right to declare this Lease terminated and the term ended and/or shall have the immediate right of re-entry and may remove all persons and property from the Leased premises and such property may be removed and stored in a public warehouse or elsewhere at the cost of, and for the account of Tenant, without evidence of notice or resort to legal process and without being deemed guilty of trespass, or becoming liable for any loss or damage which may be occasioned thereby.

**SECTION 17.02. RIGHT TO RE-LET.** Should Landlord elect to re-enter, as herein provided, or should it take possession pursuant to legal proceedings or pursuant to any notice provided for by law, it may either terminate this Lease or it may from time to time, without terminating this Lease, make such alterations and repairs as may be necessary in order to re-let the premises, and re-let said premises or any part thereof for such term or terms (which may be for a term extending beyond the term of this Lease) and at such rental or rentals and upon such other terms and conditions as Landlord in its sole discretion may deem advisable. Upon each such re-letting all rentals and other sums received by Landlord from such re-letting shall be applied, first, to the payment of and indebtedness other than the rent due hereunder from Tenant to Landlord; second, to the payment of any costs and expenses of such re-letting, including reasonable brokerage fees and attorney's fees and of costs of such alterations and repairs and costs of moving other Tenants in the Shopping Center in order to re-let the Leased premises, such as repairs and alterations to other portions of the Shopping Center or reduced rental to other Tenants; third, to the payment of future rent and other charges due and unpaid hereunder; and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder. If such rentals and other sums received from such re-letting during any month were less than that to be paid that month by Tenant hereunder. If such rentals and other sums received from such re-letting during any month were less than that to be paid that month by Tenant hereunder. Tenant shall pay such deficiencies to Landlord such deficiencies to be calculated and paid monthly. Tenant shall in no event be entitled to any rent collected as payable under any re-letting, whether or not such Rent shall exceed for the Rent reserved in this Lease. No such re-entry or taking possession of said premises by Landlord should be construed as an election on its part to terminate this Lease unless a written notice of such intention is given to Tenant or unless a Court of competent jurisdiction thereof decrees the termination. Notwithstanding any such re-letting without termination. Landlord may at any time hereafter elect to terminate this Lease for such previous breach. Should Landlord at any time terminate this Lease for any breach, in addition to any other

remedies it may have, it may recover from Tenant all damages it may incur by reason of such breach, including the cost of recovering the Leased premises, reasonable attorney's fees, and including the worth at the time of such termination of the excess, if any, of the amount of rent and charges equivalent to rent reserved in this Lease for the remainder of the stated term over the then reasonable rental value of the Leased premises for the remainder of the stated term, all of which amounts shall be immediately due and payable from Tenant to Landlord. In determining the rent which would be payable by Tenant hereunder, subsequent to default, the annual rent for each year of the unexpired term shall be equal to the average annual minimum and percentage rents paid by Tenant from the commencement of the term to the time of default, or during the preceding three full calendar years, whichever period is shorter.

**SECTION 17.03. LEGAL EXPENSES.** In case suit shall be brought for recovery of possession of the Leased premises for the recovery of rent or any other amount due under the provisions of this Lease, or because of the breach of any other covenant herein contained on the part of Tenant to be kept performed, and a breach shall be established, Tenant shall pay to Landlord all expenses incurred therefore, including a reasonable attorney's fee.

**SECTION 17.04. WAIVER OF JURY TRIAL AND COUNTERCLAIM.** The parties hereto shall, and they hereby do waive trial by jury in any action, proceeding or counterclaim brought by either of the parties hereto against the other on any matters whatsoever arising out of or in any way connected with this Lease, the relationship of Landlord and Tenant, Tenant's use or occupancy of the Leased premise and/or and claim of injury or damage. In the event Landlord commences any proceedings for nonpayment of rent, fixed minimum rent, percentage rent or any other amounts payable hereunder, Tenant shall not interpose any counterclaim of whatever nature or description in any such proceeding, unless the failure to raise the same would constitute a waiver thereof. This shall not, however, be construed as a waiver of Tenant's right to assert such claims in any separate action brought by Tenant.

**SECTION 17.05. CURING OF TENANT'S DEFAULT BY LANDLORD.** Notwithstanding anything herein contained to the contrary, if Tenant shall be in default in the performance of any of the terms or provisions of this Lease and if Landlord shall give to Tenant notice in writing of such default specifying the nature thereof, and if Tenant shall fail to cure such default within the time provided in Section 17.01 hereof or immediately if such default requires emergency action, Landlord may, in addition to its other legal and equitable remedies, cure default for the account of and at the cost and expense of Tenant, and the sums so expended by Landlord, including reasonable legal fees, shall be deemed to be additional rent and shall be paid by Tenant on the day when rent shall next become due and payable.

#### ARTICLE XVIII. BANKRUPTCY OR INSOLVENCY

**SECTION 18.01. TENANT'S INTEREST NOT TRANSFERABLE.** Neither this Lease, nor any interest therein nor any estate thereby created shall pass to any trustee or receiver or assignee for the benefit of creditors or otherwise by operation of law, except as may be specifically provided pursuant to the Bankruptcy Code (11 USC < 101 et. Seq.)

**SECTION 18.02. TENANT'S OBLIGATION TO AVOID CREDITOR'S PROCEEDINGS.** Tenant or Tenant's guarantor, if any, shall not cause or give cause for the institution of legal proceedings seeking to have Tenant or Tenants guaranty, if any, adjudicated bankrupt, reorganized or rearranged under the bankruptcy laws of the United States, and shall not cause or give cause for the appointment of a trustee or receiver for the assets of Tenant or Tenant's Guarantor, if any, and shall not make any assignment for the benefit of creditors, or become or be adjudicated insolvent. The allowance of any petition under the bankruptcy law, or the appointment of a trustee or receiver of Tenant or Tenant's Guarantor, if any, or its assets, shall be conclusive evidence that Tenant caused or gave cause therefor, unless such allowance of the petition, or the appointment of a trustee or receiver, is vacated within thirty (30) days after such allowance or appointment. In the event the estate created hereby shall be taken in execution or by other process of law, or if Tenant or Tenant's Guarantor, if any, shall be adjudicated insolvent or bankrupt pursuant to the provisions of any state or federal insolvency or bankruptcy act, or if a receiver or trustee or trustee of the property of Tenant or Tenant's Guarantor, if any, shall be appointed by reason of the insolvency or inability of Tenant or Tenant's Guarantor, if any, for the benefit of creditors, than and in any such events, Landlord may at its option terminate this Lease and all rights of Tenant hereunder, by giving to Tenant notice in writing of the election of Landlord to so terminate. It is understood and agreed that this is a Lease of real property in a shopping center and that, therefore, Section 365 (b) (3) of the Bankruptcy Code is applicable to any proposed assumption of this Lease in Bankruptcy.

#### ARTICLE XIX. ACCESS BY LANDLORD

**SECTION 19.01. RIGHT OF ENTRY.** Landlord or Landlord's agent shall have the right to enter the Leased premises at all reasonable times to examine the same, and to show them to prospective purchasers or mortgagees of the building, and to make such repairs, alterations, improvements or additions as Landlord may deem necessary or desirable, and Landlord shall be allowed to take all material into and upon said premises that may be required therefore without the same constituting an eviction of Tenant in whole or in part, and the rent reserved shall in no way abate while said repairs, alterations, improvements, or additions are being made, by reason of loss or interruption of business by Tenant, or otherwise. During the six months prior to the expiration of the term of this Lease or any renewal term, Landlord may exhibit the premises to perspective Tenants and place upon the premises the usual notice "To Let" or "For Rent" which notices Tenant shall permit to remain thereon without molestation.

#### ARTICLE XX. TENANT'S PROPERTY

**SECTION 20.01. TAXES ON TENANT'S PROPERTY.** Tenant shall be responsible for and shall pay before delinquency all municipal, county, state and federal taxes assessed during the term of this Lease against any Leasehold interest or Tenant's Property.

**SECTION 20.02. LOSS AND DAMAGE.** The Landlord shall not be responsible or liable to Tenant for any loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the premises

hereby Leased or any part of the building of which the Leased premises are a part, or for any loss or damage resulting to Tenant or its property from bursting stoppage or leaking of water, gas, sewer or steam pipes or for any damage or loss of property within the Leased premise from any cause whatsoever.

SECTION 20.03. NOTICE BY TENANT. Tenant shall give immediate notice to Landlord in case of fire or accidents in the Leased premise or in the building of which the premises are a part or of defects therein or in any fixtures or equipment.

#### ARTICLE XXI. HOLDING OVER

SECTION 21.01. HOLDING OVER. Any holding over after the expiration of the term hereof with the consent of the Landlord, shall be construed to be a tenancy from month to month at one and a half times the minimum monthly rent payable from the last month immediately preceding and shall otherwise be on the same terms and conditions herein specified so far as applicable.

SECTION 21.02. SUCCESSORS. All rights and liabilities herein given to or imposed upon, the respective parties hereto shall extend to and bind the several respective heirs, executors, administrators, successors and assigns of the said parties; and if there shall be more than one Tenant, they shall all be bound jointly and severally by the terms, covenants and agreements herein. No rights, however, shall injure to the benefit of any assignee of Tenant unless Landlord has approved the assignment to such assignee in writing as provided in Section 12.01 hereof.

#### ARTICLE XXII. RULES AND REGULATIONS

SECTION 22.01. RULES AND REGULATIONS. Tenant agrees to comply with and observe all rules and regulations established by Landlord from time to time, provided the same shall apply uniformly to all Tenants of the Shopping Center. Tenant's failure to keep and observe said rules and regulations shall constitute a breach of the terms of this Lease in the manner as if the same were contained herein as covenants.

#### ARTICLE XXIII. QUIET ENJOYMENT

SECTION 23.01. LANDLORD'S COVENANT. Upon payment by the Tenant of the Rent herein provided, and upon the observance and performance of all the covenants, terms and conditions on Tenant's part to be observed and performed. Tenant shall peaceably and quietly hold and enjoy the Leased premises for the term hereby demised without hindrance or interruption by Landlord or any other person or persons lawfully or equitably claiming by, through or under the Landlord, subject, nevertheless, to the terms and conditions of this Lease, and any mortgagees to which this Lease is subordinate.

#### ARTICLE XIV. SECURITY PROVISION

SECTION 24.01. SECURITY. Landlord herewith acknowledges receipt of the security deposit in the amount set forth in Section 1.01 (I) hereof, which it is to retain as security for the faithful performance of all covenants, conditions and agreements of this Lease, but in no event shall Landlord be obliged to apply the same upon rents or other charges in arrears or upon damages for Tenant's failure to perform the said covenants, conditions and agreements; Landlord may so apply the security, at its option; and Landlord's right to possession of the Leased premises for nonpayment of rent or for any other reason shall not in any event be affected by the reason of the fact that Landlord holds this security. The said sum, if not applied towards the payment of rent in arrears or towards the payment of damages suffered by Landlord by reason of Tenant's breach of the covenants, conditions and agreements of this Lease, is to be returned to Tenant without interest when this Lease is terminated, accordingly to these terms, and in no event is the said security to be returned until the Tenant has vacated the premises and delivered possession to Landlord. In the event that Landlord repossesses itself of the Leased premises because of the Tenant's default or because of the Tenant's failure to carry out the covenants, conditions and agreements of the Lease, the Landlord may apply the said security upon all damages suffered to the date of said repossession and may retain said security to apply upon such damages as may be suffered or shall accrue thereafter by reason of Tenant's default or breach. Landlord shall not be obliged to keep the said security as a separate fund or pay interest thereon but may mix the said security with its own funds.

#### ARTICLE XXV. MISCELLANEOUS

SECTION 25.01. WAIVER. One or more waivers of any covenant or condition by Landlord shall not be construed as a waiver of a subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval to or of any subsequent similar act by Tenant. No breach of a covenant or condition of this Lease shall be deemed to have been waived by Landlord, unless such waiver is in writing signed by Landlord.

SECTION 25.02. ENTIRE AGREEMENT. This Lease and the Exhibits, and Rider, if any, attached hereto and forming a part hereof sets forth all the covenants, promises, agreements, conditions and understandings between Landlord and Tenant concerning the Leased premises and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than are herein set forth. No alteration, amendment, change or addition to this Lease shall be binding upon Landlord or Tenant unless reduced to writing and signed by each party.

SECTION 25.03. INTERPRETATION AND USE OF PRONOUNS. Nothing contained herein shall be deemed or construed by the parties hereto, nor by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties hereto, it being understood and agreed that neither the method of computation of rent, nor any other provision contained herein, nor any acts of the parties herein, shall be deemed to create any relationship between the parties hereto other than the relationship of Landlord and Tenant. Whenever the singular number is used, the same shall include the plural, and the masculine gender shall include the feminine and neuter genders.

**SECTION 25.04. DELAYS.** In the event that either party hereto shall be delayed or hindered in or prevented from the performance of any act required hereunder by reason of strikes, lockouts, labor troubles, inability to procure materials, failure of power, restrictive governmental laws or regulations, riots, insurrection, war or other reason of a like nature not the fault of the part delayed in performing the work or doing acts required under the terms of this Lease, then performance of such act shall be excused for the period of the delay and the period for the performance of any such act shall be extended for a period equivalent to the period of such delay. The party entitled to such extension hereunder shall give written notice as soon as possible to the other party hereto of its claim of right to such extension and the reason(s) therefor. The provisions of this Section 25.04 shall not operate to excuse Tenant from prompt payment of rent, percentage rent or any other payments required by the terms of this Lease.

**SECTION 25.05. NOTICES.** Any notice, demand, request, or other instrument which may be or is required to be given under this Lease shall be sent by United States certified mail, return receipt requested, postage prepaid, and shall be addressed (a) if to Landlord, at the address set forth in Section 1.01 (o) hereof, or at such other address as Landlord may designate by written notice, and (b) if to Tenant, at the address set forth in Section 1.01 (p) hereof, or at such other address as Tenant may designate by written notice. Notwithstanding the foregoing, a Notice to Quit given pursuant to an eviction of Tenant may be sent by United States first class mail, postage prepaid.

**SECTION 25.06. CAPTIONS AND SECTION NUMBERS.** The captions, section numbers, article numbers, and index appearing in this Lease are inserted only as a matter of convenience and in no way define, limit, construe, or describe the scope or intent of such sections or articles of this Lease nor in any way affect this Lease.

**SECTION 25.07. BROKER'S COMMISSION.** Tenant represents and warrants unto Landlord that there are not claims for brokerage commissions or finder's fee in connection with this Lease, and Tenant agrees to indemnify Landlord and hold it harmless from all liabilities arising from any such claim arising from an alleged agreement or act by Tenant (including, without limitation, the cost of counsel fees in connection therewith); such agreement to survive the termination of this Lease.

**SECTION 25.08. RECORDING.** Tenant shall not record this Lease without the written consent of Landlord; however, upon the request of either party hereto, the other party shall join in the execution of a memorandum or so-called "short-form" of this Lease for the purposes of recordation. Said memorandum or short form of this Lease shall describe the parties, the Leased premise, the term of this Lease, any special provision, and shall incorporate this Lease by reference.

**SECTION 25.09. FURNISHING OF FINANCIAL STATEMENT.** Upon Landlord's written request, Tenant shall promptly furnish Landlord, from time to time, financial statements reflecting Tenant's current financial condition.

**SECTION 25.10. LANDLORD'S USE OF COMMON AREAS.** Landlord reserves the right, from time to time, to utilize portions of the common areas for carnival type shows, rides and entertainment, outdoor shows, displays, automobile and other product shows, the leasing of kiosks, or other such uses which in Landlord's judgment tend to attract the public. Further Landlord reserves the right to utilize the lighting standards and other areas in the parking lot for advertising purposes.

**SECTION 25.11. TRANSFER OF LANDLORD'S INTEREST.** In the event of any transfer or transfers of Landlord's interest in the premises including a so-called sale-Leaseback, the transferor shall be automatically relieved of any and all obligations on the part of Landlord accruing from and after the date of such transfer, including, but not limited to, any obligation to Tenant with respect to the security deposit referred to in Section 24.01 of this Lease upon assignment of same to the transferee, provided that (a) the interest of the transferor, as Landlord, in any funds then in the hands of Landlord in which Tenant has an interest shall be turned over, subject to such interest, to the then transferee; and (b) notice of such sale, transfer or Lease shall be delivered to Tenant as required by law. Upon the termination of any such Lease in a sale-Leaseback transaction prior to termination of this Lease, the former lessee thereunder shall become and remain liable as Landlord hereunder until a further transfer. No holder of a mortgage to which this Lease is or may be subordinate shall be responsible in connection with the security deposited hereunder, unless such mortgagee or holder of such deed of trust or lessor shall have actually received the security deposited hereunder.

**SECTION 25.12. FLOOR AREA.** "Floor Area" as used in this Lease means, with respect to the Leased premises and with respect to each store are separately Leased, the number of square feet of floor space on all floor levels in the Leased premises, including any mezzanine space, measured from the exterior faces of exterior walls, store fronts, corridors and service areas, and the center line of part walls. For the purpose of this Lease, in determining the gross Leasable floor area or the gross Leased and occupied floor areas of the Shopping Center, there shall be excluded there from the floor area of any premises Leased for the operation of a U.S. Government Post Office facility or other Governmental facility. No deduction or exclusion from floor area shall be made by reason of columns, stairs, shafts, or other interior construction or equipment.

**SECTION 25.13. INTEREST ON PAST DUE OBLIGATIONS.** If Tenant is a corporation, any amount due from Tenant to Landlord hereunder which is not paid when due shall bear interest at the rate of eighteen percent per annum from the date due until paid. The payment of such interest shall not excuse or cure any default by Tenant under this Lease. If Tenant is other than a corporation, any amount due to Landlord hereunder which is not paid when due shall bear interest at the highest legal rate from the date due until the date paid.

**SECTION 25.14. LIABILITY OF LANDLORD.** If Landlord shall fail to perform any covenant, term or conditions of this Lease upon Landlord's part to be performed, and if as a consequence of such default Tenant shall recover a money judgment against Landlord, such judgment shall be satisfied only out of the proceeds of sale received upon execution of such judgment and levied thereon against the right, title and interest of Landlord in the Shopping Center and out of rents or other income from such property receivable by Landlord, or out of the consideration received by Landlord

from the sale of other disposition of all or any part of Landlord's right title and interest in the Shopping Center, and neither Landlord nor any of the partners comprising the partnership which is the Landlord herein shall be liable for any of the partners comprising the partnership which is the Landlord herein shall be liable for any deficiency.

SECTION 25.15. ACCORD AND SATISFACTION. No payment by Tenant or receipt by Landlord of a lesser amount than the monthly rent herein stipulated shall be deemed to be other than on account of the earliest stipulated rent, nor shall any endorsement or statement on any check or any letter accompanying any check or payment as rent be deemed an accord and satisfaction, and Landlord shall accept such check or payment without prejudice to Landlord's right to recover the balance of such rent or pursue any other remedy in this Lease provided.

SECTION 25.16. EXECUTION OF LEASE. The submission of this Lease for examination does not constitute a reservation of or option for the Leased premises, and this Lease shall become effective as a Lease only upon execution and delivery thereof by Landlord and Tenant.

SECTION 25.17. LAWS OF THE STATE OF MICHIGAN. This Lease shall be governed by, and construed in accordance with the laws of the State of Michigan. If any provision of this Lease or the application thereof to any person or circumstances shall, to any extent, be invalid or unenforceable, the remainder of this Lease shall not be affected thereby and each provision of the Lease shall be valid and enforceable to the fullest extent permitted by the law.

SECTION 25.18. VENUE. By execution of this Lease, the parties consent to venue in the Circuit and District Courts of Wayne County, Michigan, of any action brought to enforce the terms of this Lease, collect any monies due under it, or any other action brought by Landlord against Tenant or Tenant against Landlord.

SECTION 25.19 SPECIAL CLAUSE. Tenant agrees not to disclose the terms and/or conditions of this Lease with any present or future Tenant of the Shopping Center. Failure by Tenant to comply with this condition could result in immediate termination of this Lease by Landlord.

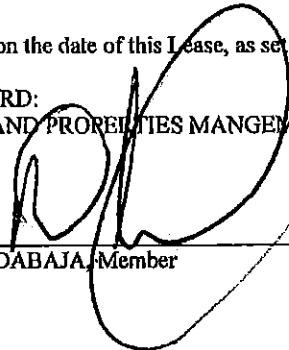
IN WITNESS WHEREOF, Landlord and Tenant have signed their names on the date of this Lease, as set forth in Section 1.01 (a) hereof.

WITNESS:

LANDLORD:  
WOODLAND PROPERTIES MANGEMENT, LLC

FOUAD DABAJA, Member

Date

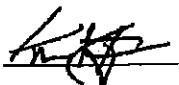


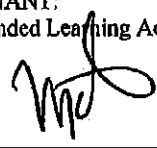
4/14/21

WITNESS:

TENANT:  
Blended Learning Academies Credit Recovery High School

Date

 - Kathleen Travis



4/13/21


RULES AND REGULATIONS



TENANT agrees that:

1. all deliveries or shipments of any kind to and from the DEMISED PREMISES, including loading and unloading of goods, shall be made only by way of the rear of the DEMISED PREMISES or at any other location designated by Landlord, and only at such times designated for such purpose by LANDLORD; trailers and/or trucks servicing the DEMISED PREMISES shall remain parked in the SHOPPING CENTER during those periods necessary to service TENANT'S operations, but in no event shall such trailers or trucks remain parked in the SHOPPING CENTER overnight or beyond the closing hour of the SHOPPING CENTER;
2. all garbage and refuse shall be placed in the container at the location within the SHOPPING CENTER designated by LANDLORD, for the collection (at time specified by LANDLORD) by contractors, as may from time to time, be designated by LANDLORD; TENANT shall store soiled or dirty linen in approved fire rating organization metal containers with self-closing fusible link covers;
3. no radio, television, phonograph or other similar devices, or aerial attached thereto (inside or outside the DEMISED PREMISES) shall be installed without first obtaining in each instance the LANDLORD'S written consent; and if such consent be given, no such device shall be used in a manner so as to be heard or seen outside the DEMISED PREMISES;
4. TENANT shall keep the areas immediately adjoining the DEMISED PREMISES in front and at the rear of the DEMISED PREMISES clean and free from dirt and rubbish, and TENANT shall not place, suffer or permit any obstructions or merchandise in such areas;
5. TENANT shall not use the COMMON AREAS in the SHOPPING CENTER for business or promotional purposes;
6. TENANT shall not place, suffer or permit displays or decorations on the sidewalks in front of or at the rear of the DEMISED PREMISES or on or upon any of the parking or other COMMON AREAS of the SHOPPING CENTER;
7. TENANT shall not use, permit or suffer the use of any portion of the DEMISED PREMISES as living, sleeping or lodging quarters;
8. no load will be placed on any floor of the DEMISED PREMISES which such floor area was designed to carry;
9. all mechanical equipment and machinery will be kept free of noise and vibrations which may be transmitted to any part of the walls or building in which the DEMISED PREMISES are located beyond the confines of the DEMISED PREMISES;
10. no odors or vapors will be permitted or caused to emanate from the DEMISED PREMISES;
11. no live animals will be kept on or within the DEMISED PREMISES, except seeing eye dogs, or in a pet store which is a TENANT within the SHOPPING CENTER;
12. TENANT shall not display, print or place, or cause to be displayed, painted or placed, any handbills, bumper stickers or other advertising or promotional materials or devices on any vehicles parked in the parking areas of the SHOPPING CENTER, whether belonging to TENANT or to TENANT'S agent or to any other person;
13. the LANDLORD, at its option and from time to time, may, employ a pest extermination contractor to service the DEMISED PREMISES at such intervals as LANDLORD may require;
14. LANDLORD may amend or add new rules and regulations for the use and care of the DEMISED PREMISES, the building of which the DEMISED PREMISES forms a part and the COMMON AREAS of the SHOPPING CENTER, notice of such amendments or new rules and regulations will be given to TENANT;

Initiated by Tenant

  
Initiated by Landlord

## LEASE AGREEMENT

1. **THIS LEASE** is made this 13<sup>th</sup> day of February 2024 by and between Brandino Properties, LLC, a Michigan limited liability company, whose address is 3620 E. Round Lake Rd., Dewitt, MI 48820, the Lessor, hereinafter designated as the Landlord, and Blended Learning Academies Credit Recovery High School, a Michigan non-profit corporation and a public school academy, whose address is 1754 E. Clark, Road, Lansing, MI 48906, the Lessee, hereinafter designated as the Tenant.

2. The Leased Premises and Joint Usage. The Landlord, in consideration of the rents to be paid and the covenants and agreements to be performed by the Tenant, does hereby lease unto the Tenant the following described premises situated in Dewitt Township, Clinton County, Michigan, and hereinafter referred to in this Lease as the “Leased Premises”:

Landlord hereby leases to Tenant and Tenant hereby leases from Landlord that certain real property and all improvements thereon situated in the DeWitt Township, Clinton County, and more commonly known as 1754 E. Clark Road, Lansing, MI 48906; Classroom space and common areas associated with rooms 105, 106, 107, 108, 110, 111, 113, 114, 125, 129, 131, 133 and access to rooms 122, 126, 128, 130, 109, & 135 based on reasonable need (approximately 14,500 square feet). Also included are outdoor common areas, ingress and egress to and from the property via Clark Rd. Such space comprises 50% of the rentable space of the entire building in question.

3. Term. The Term of this Lease shall be five (5) years commencing July 1, 2024 and ending June 30, 2029. Tenant shall also receive an extension of an additional 5 years by providing written notice to Landlord at least 90 days prior to the expiration of this Lease. However, this Lease and/or the lease extension shall immediately terminate upon termination of the Academy’s contract with its authorizer to operate a public school academy with no penalty for early termination. Tenant may opt to hold over, in accordance with Paragraph 24 hereof, in order to preserve a base of operations for dissolution and winding up.

4. Rent. During the term of this Lease, Tenant agrees to pay rent to Landlord on or before the last day of each month, without demand, to and at the address of Landlord as set forth herein. The rent will be due no later than October 20, the month state aid begins (based on a 1/1 payment schedule with the annual rent fully paid by August 31<sup>st</sup> each year). The rent payable by Tenant under this Lease is 10% of Full Time Equivalent (FTE) State Aid per pupil in membership at the Academy at the above address accruing to the then-current fiscal year. This rent amount is not to exceed \$180,000/annually.

5. Rent. Rent for any period during the term of this Lease that is for less than one (1) month shall be a pro rata portion of the monthly installment of rent. If Tenant fails to pay any installment of rent by the tenth (10<sup>th</sup>) day of the following month for which such installment is owed, a charge of Fifty Dollars (\$50.00) shall accrue and be due and payable for such late payment.

7. Rental Payments. All payments of rent shall be made payable to Brandino Properties, LLC, 3620 E. Round Lake Rd, Dewitt, MI 48220, or at such other place as the Landlord shall designate in writing from time to time. The Tenant hereby hires the said Leased Premises for the said term as above mentioned and covenants well and truly to pay, or cause to be paid unto the Landlord at the dates and times above mentioned, the rent above reserved.

8. Early Termination of Lease Term by Reason of Changes to Michigan Law. In the event, during the term hereof or any applicable extension, the Michigan State School Aid Act, MCL 388.1601 to 388.1772 (the "Act") is amended so as to eliminate payment of state funds to public school academies, this Lease shall terminate on the date which is thirty (30) days after Tenant receives final payment under the Act, provided, however, the Tenant shall remain liable for all of Tenant's obligations hereunder, including payment of monthly rental installments, until Tenant has vacated the Leased Premises, at which time any obligation for payment of rent or rental installments and any obligations regarding payments of any kind under Paragraph 10 shall terminate without further action required of Tenant.

9. Use and Occupancy. It is understood and agreed between the parties hereto that said Leased Premises during the continuance of this Lease shall be used and occupied for a public school academy operated pursuant to the laws of the State of Michigan and such related educational uses, and for no other purpose or purposes without the written consent of the Landlord, and that the Tenant will not use the Leased Premises for any purpose in violation of any law, municipal ordinance or regulation, and that on any breach of this Agreement, the Landlord may at its option terminate this Lease forthwith and re-enter and re-possess the Leased Premises.

Landlord shall not, during the term or any extension of this lease, use or permit to be used, the unrented portions of the property or the improvements thereon for activities that are reasonably detrimental to the educational mission of Tenant.

10. Signs. Subject to the approval of the Township, if required, Tenant may, at its cost, install a lettered sign on the exterior of the building, and a free standing sign to designate the location of the Academy.

11. Maintenance and Repairs and Utilities. Tenant shall be responsible for 50% of all gas, electricity, water and sewer service, including 50% of maintenance and custodial services, supplies, trash removal, one dumpster and disposal fees. If such services are contracted by Landlord, fees billed to Tenant for its share of services shall not be marked up or based on a marked up invoice by Landlord from such contractor. The Landlord shall be responsible for snow and ice removal from the pavement, driveways, walkways and parking lots and lawn cutting services of the Leased Premises which the Tenant uses, Tenant agrees to pay 50% of snow and ice removal and lawn cutting services. Tenant's share of snow removal, lawncare, maintenance, custodial and utilities shall not exceed \$60,000 per year (July 1 through June 30). Any maintenance or repair which is required as a result of the negligent or intentional act or omission of a representative, employee, student or guest of Tenant or of Landlord shall be maintained and/or repaired by Tenant or Landlord at its expense, as the case may be. If Landlord fails to provide timely and adequate snow removal, lawncare, custodial or maintenance of the building, the Tenant has the right to obtain such service and deduct the bill for same from Tenant's monthly lease rental amount.

12. Landlord's Obligations. The Landlord covenants that:

Quiet Enjoyment. Landlord covenants and agrees with Tenant that upon the Tenant paying the rent and observing and performing all the terms, covenants and conditions of the Tenant's part to be performed and observed, the Tenant may peaceably and quietly enjoy the Leased Premises for the full term hereof.

Except as otherwise provided for in this Lease, the Landlord, after receiving notice from the Tenant, hereby agrees to keep in good order and repair the plumbing, electrical, mechanical and HVAC systems, and the roof and four outer walls of the Leased Premises; however, the repair of the plumbing, electrical, mechanical and HVAC system and/or the outer walls of the building containing the Leased Premises which have been defaced or damaged by Tenant or anyone Tenant permits to use the Leased Premises shall be the obligation of the Tenant.

The Tenant shall at its own expense under penalty of forfeiture and damages promptly comply with all lawful laws, orders, regulations or ordinances of all municipal, county and state authorities effecting the Leased Premises hereby leased and the cleanliness, safety, occupation and use of the same. Landlord shall reimburse Tenant for any expenditures it incurs that are not expressly required by this Lease.

13. Assignments and Subleases. The Tenant covenants not to assign or transfer this Lease or hypothecate or mortgage the same or sublet said premises or any part thereof without the written consent of the Landlord. Any assignment, transfer, hypothecation, mortgage or subletting without said written consent shall give the Landlord the right to terminate its Lease and to reenter and repossess the Leased Premises.

14. Right to Mortgage. The Landlord reserves the right to subject and subordinate this Lease at all times to the lien of any mortgage or mortgages now or hereafter placed upon the Landlord's interest in the said Leased Premises and on the land and buildings of which the said Leased Premises are a part or upon any buildings hereafter placed upon the land of which the Leased Premises form a part. And the Tenant covenants and agrees to execute and deliver upon demand such further instrument or instruments subordinating this Lease to the lien of any such mortgage or mortgages as shall be desired by the Landlord and any mortgagees or proposed mortgagees and should Tenant, after receiving notice from Landlord, fail or refuse to execute and deliver such instrument or instruments, Landlord shall be deemed to have been irrevocably appointed the attorney-in-fact of the Tenant to execute and deliver any such instrument or instruments for or in the name of the Tenant.

15. Nondisturbance. If the interests of Landlord under the Lease are transferred for any reason, the Lease shall not be terminated; Tenant's use, possession, or enjoyment of the Property shall not be interfered with; and the leasehold estate granted by the Lease and Tenant's obligations under the Lease shall not be affected by any other matter. Tenant agrees, from and after such event to attorn and be bound under all of the terms, covenants, and conditions of the Lease to the person acquiring the interest of Landlord as a result of any such action or proceeding and its successors and assigns and agrees that all of Tenant's rights and obligations under the Lease shall continue as though the interest of Landlord has not been transferred or the foreclosure or other proceedings had not been brought. The attornment shall be effective and self-operating, without the execution

of any further instruments or documents, but Tenant agrees to sign and deliver to Lender any instrument reasonably requested by purchaser to evidence the attornment. On the attornment, the respective rights and obligations of Tenant and Landlord's successor in interest for the remaining term of the Lease shall be the same as set forth in the Lease, except as expressly amended by the terms of this Agreement.

16. Telephone Service. Tenant will be solely responsible for its telephone service to the Leased Premises.

17. Alterations. No other major alterations, additions or improvements may be made by Tenant upon the Leased Premises without the prior written consent of the Landlord. All alterations, additions or improvements made by either of the parties hereto upon the Leased Premises, except movable office furniture and trade fixtures put in at the expense of the Tenant, shall be the property of the Landlord, and shall remain upon and be surrendered with the Leased Premises at the termination of this Lease, without molestation or injury. Subject to the foregoing, upon termination of this Lease, Tenant shall yield and deliver up the Leased Premises in like condition as when taken, reasonable use and wear thereof excepted.

18. Acceptance of the Premises. The Tenant's commencement of occupancy of the premises shall constitute the Tenant's acknowledgment that the Leased Premises are in the condition required under this Lease at that time. The Tenant shall provide Landlord with all the necessary permits and approvals from the State of Michigan to occupy the facility as a Public School Academy. Upon receipt of the occupancy permit, Tenant shall be able to begin occupying the Premises.

19. "AS IS" No Representations. Tenant accepts the Leased Premises in its condition on the date of this Agreement "AS IS" and without any representations or warranties of any kind, express or implied, by Landlord except as indicated in Acceptance of Premises above. Tenant acknowledges that no representation, verbal or written, has been made by any broker, agent or employee of Landlord regarding the condition of the improvements on the Leased Premises. This Agreement is not made in reliance upon any representation whatsoever.

Notwithstanding the foregoing, Landlord represents that no hazardous substances have been released or stored upon the leased premises.

20. Condemnation. If any public authority takes all or part of the Leased Premises under the power of eminent domain which results in the eviction of the Tenant, this Agreement shall terminate upon the date of such eviction, and Tenant shall remain liable for all of its obligations contained in this Lease through the date Tenant vacates the Leased Premises. All awards shall be the sole property of Landlord, except for Tenant's award for relocation expense or loss of business, if any.

21. Property Insurance. The Tenants shall carry in full force and effect at all times during the term of this Lease fire, windstorm, flood and extended coverage insurance covering and insuring the Tenant's contents. Except as otherwise provided herein, Landlord shall be responsible for insurance covering the building, including but not limited to, the building envelope and the HVAC, heating and cooling systems, as to which the Leased Premises are a part in an amount which is not less than the full replacement value of the Leased Premises.

Indemnification and Release. To the extent permitted by law, the Tenant hereby agrees to indemnify and save the Landlord harmless from any loss, damage or expense resulting from damage or injury to any person or property upon the Leased premises arising from the acts or omissions of Tenant, its agents, employees, invitees or licensees. In addition, Landlord agrees to indemnify and save the Tenant harmless from any loss, damage or expense resulting from damage or injury to any person or property upon the Leased premises arising from the acts or omissions of Landlord, its agents, employees, invitees or licensees.

22. Defaults and Remedies. The occurrence of any one or more of the following events (hereinafter referred to as "Events of Default") shall constitute a breach of this Agreement by Tenant:

- a. If the Tenant shall fail to pay rent or any other sum when and as the same becomes due and payable;
- b. If the Tenant shall fail to perform or observe any other term hereof to be performed or observed by Tenant under this Agreement, provided, however, Tenant shall have ninety (90) days after written notice from the Landlord to cure a non-monetary default;
- c. If Tenant shall make a general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts as they become due or shall file a petition in bankruptcy, or shall be adjudicated as insolvent or shall file a petition in any proceeding seeking any reorganization, arrangements, composition, readjustment, liquidation, dissolution or similar relief under any present or future statute, law or regulation, or shall file an answer admitting liability, or fail timely to contest or acquiesce in the appointment of any trustee, receiver or liquidator of Tenant or any material part of its properties;
- d. If this Agreement or any estate of Tenant hereunder shall be levied upon under any attachment or execution and such attachment or execution is not vacated within ten (10) days;
- e. If Tenant vacates, abandons or deserts the Leased Premises in violation of the Lease or Tenant fails to occupy the Leased Premises for more than thirty (30) consecutive days in violation of the Lease. School recesses should not be considered a vacation, abandonment or desertion of the Leased Premises by the Tenant.
- f. Upon the occurrence of an Event of Default, in addition to any other remedies which may be available to Landlord, Landlord may, at this point, after providing to Tenant any notice required under Michigan Law, do one of the following:

- (1) Terminate this Agreement and, upon such termination, this Agreement shall come to an end and expire upon Landlord's termination, but Tenant shall remain liable for any damages Landlord may incur by reason of any default of the Tenant to comply with the terms and conditions of this Agreement; or
- (2) Either with or without terminating this Agreement, Landlord may relet the whole or any part of the Leased Premises from time to time, either in the name of Landlord or otherwise, to such tenant or tenants, for such term or terms ending before, on or after the expiration of this Agreement, at such rental or rentals and upon such other conditions, which may include concessions and free rent periods, as Landlord, in its sole discretion, may determine. In the event of any such reletting, and no such failure shall operate to relieve Tenant of any liability under this Agreement or otherwise to affect any such liability; and Landlord may make such repairs, replacements, alterations, additions, improvements, decorations and other physical changes in and to the Leased Premises to Landlord, in its sole discretion, considers advisable or necessary in connection with any such reletting or proposed reletting, without relieving Tenant of any liability under this Agreement or otherwise affecting such liability; or

23. Access to Premises. The Landlord shall have the right to enter upon the Leased Premises at all reasonable hours for the purpose of inspecting the same. If the Landlord deems any repairs necessary, and if such repairs are the obligation of Tenant pursuant to this Lease, Landlord may demand that the Tenant make the same and if the Tenant refuses or neglects forthwith to commence such repairs and complete the same with reasonable dispatch, the Landlord may make or cause to be made such repairs and shall not be responsible to the Tenant for any loss or damage that may accrue to its stock or business by reason thereof, and if the Landlord makes or causes to be made such repairs, the Tenant agrees that it will forthwith on demand pay to the Landlord the cost thereof with interest at seven (7%) percent per annum, and if it shall make default in such payment, the Landlord shall have the remedies provided in Section 26 hereof. Landlord's access to the Leased Premises shall not unreasonably interfere with Tenant's use and occupancy of the Leased Premises.

24. Re-Renting. The Tenant hereby agrees that for a period commencing ninety (90) days prior to the termination of this Lease, the Landlord may show the Leased Premises to prospective tenants, and sixty (60) days prior to the termination of this Lease, may display in and about said Leased Premises and in the windows thereof, the usual and ordinary "To Rent" signs. Such showing by Landlord shall be scheduled to occur after school hours.

25. Holding Over. If the Tenant remains in possession of the premises after the Lease expires or the Lease is terminated, the Tenant shall be deemed to occupy the premises on a month-to-month basis and be subject to all the terms of this Lease as they may apply to a month-to-month tenancy. The monthly rental which Tenant shall be required to pay during the Holding-Over period shall be a sum equal to one hundred fifty (150%) percent of the monthly rental applicable during

the last month of the Lease. Either party may cancel such holding-over tenancy on thirty (30) days' written notice to the other party, and, upon cancellation, the Tenant shall forthwith vacate the Leased Premises in accordance with the provisions of this Lease.

26. Waiver of Jury Trial, Counterclaim and Setoff. Landlord and Tenant waive their right of trial by jury in any matter which arises between the parties under or because of this Lease, except for a personal injury or property damage claim. In a proceeding to obtain possession of the Leased Premises.

27. Waiver. Any failure of the Landlord to insist on strict performance of any provisions of this Lease shall not be deemed a waiver of the provisions of the Lease in any subsequent default. This Lease may not be changed, modified, or discharged except in writing.

28. Notices. All notices under this Lease shall be in writing and shall be deemed to be given when they are either delivered personally or mailed by certified or registered mail to the receiving party at its address as stated in the first paragraph of this Lease or at an address furnished to the other party in writing during the term of this Lease.

29. Captions and Headings. The captions and headings used in this Lease are intended only for convenience and are not to be used in construing the Lease.

30. Applicable Law. This Lease shall be construed under Michigan Law, County of Clinton. If any provision of this Lease is unenforceable, the other provisions of the Lease shall remain valid and enforceable to the fullest extent permitted by law.

31. Successors. The provisions of this Lease shall benefit and bind the Landlord, the Landlord's successors and assigns, the Tenant, and the Tenant's permitted assigns.

32. Remedies not Exclusive. It is agreed that each and every of the rights, remedies and benefits provided by this Lease shall be cumulative and shall not be exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

33. Attorney Fees. If litigation is ever instituted by either party hereto to enforce, or to seek damages for the breach of any provision hereof, the prevailing party therein shall be promptly reimbursed by the other party for all attorneys' fees reasonably incurred by the prevailing party in connection with such litigation.

34. Default other than Non-Payment of Rent. If the Tenant shall default in any payment or expenditure other than rent required to be paid or expended by the Tenant under the terms hereof, the Landlord may at its option make such payment or expenditure, in which event, the amount thereof shall be payable as rental to the Landlord by the Tenant on the next ensuing rent day together with interest at ten (10%) percent per annum from the date of such payment or expenditure by the Landlord and on default in such payment the Landlord shall have the same remedies as on default in payment of rent.

35. Remedies Not Exclusive. It is agreed that each and every of the rights, remedies and benefits provided by this Lease shall be cumulative, and shall not be exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

36. Miscellaneous.

- a. All obligations of either party to this Lease shall be deemed effective to the extent not prohibited by law.
- b. Personal Liability of Certain Board Members. Landlord agrees that members of Tenant's Board of Directors who are unpaid volunteers shall not be personally liable for any obligations of the Tenant under this Lease.
- c. Liability. Tenant has represented to Landlord that Tenant is a Public School Academy authorized to so act under the laws of the State of Michigan. As such, Landlord acknowledges that this Lease does not impose any liability on the State of Michigan, any agency of the State of Michigan or on Ferris State University Board of Regents, the authorizing body of the Tenant, for any debt or obligation incurred by the Tenant hereunder.

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

In the Presence of:

\_\_\_\_\_

Kurtina

LANDLORD:  
BRANDINO PROPERTIES, LLC., a Michigan  
Limited Liability Company

By: [Signature]

Its: owner

TENANT:  
Blended Learning Academies, a  
Michigan \_\_\_\_\_

By: Marcus Kierpedree [Signature]

Its: Board President

**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 Parts 6A of the Michigan School Code. Every public school academy contract shall include the information contained in this Schedule 7.

Section a. Governance Structure of Public School Academy. The governance structure of the Academy is set forth in Schedule 2 and is outlined in “Section a” of this Schedule.

Section b. Educational Goals and Programs. The educational goals and programs of the Academy are set forth in “Section b” of this Schedule. These educational goals and programs fulfill at least one of the purposes set forth in the Code.

Section c. Curriculum. The curriculum of the Academy is set forth in “Section c” of this Schedule. The curriculum, together with the educational goals and programs, fulfills at least one of the purposes set forth in the Code.

Section d. Methods of Pupil Assessment. The methods of pupil assessment of the Academy are set forth in “Section d” of this Schedule.

Section e. Admission Policy and Criteria. The admission policy and criteria of the Academy are set forth in “Section e” of this Schedule.

Section f. Public Notice of Enrollment Procedures. The public notice of enrollment procedures is set forth in “Section f” of this Schedule.

Section g. School Calendar and School Day Schedule. The school calendar and school day schedule of the Academy are set forth in “Section g” of this Schedule.

Section h. Age or Grade Range of Pupils to Be Enrolled. The age or grade range of pupils to be enrolled by the Academy is set forth in “Section h” of this Schedule.

**SECTION a**

**GOVERNANCE STRUCTURE OF PUBLIC SCHOOL ACADEMY**

## GOVERNANCE STRUCTURE

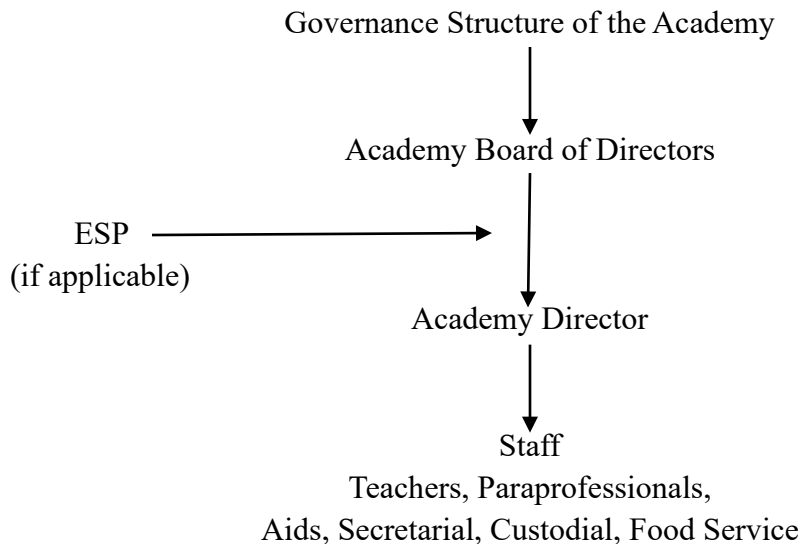
The University Board shall appoint the Board of Directors of the Academy ("Academy Board"). The Academy Board has all the powers and duties permitted by law to manage the business, property, and affairs of the Academy. The Academy Board is responsible for assuring that the Academy operates according to the terms and conditions of this Contract and applicable law.

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 and other matters pertaining to members of the Academy Board shall comply with the Resolution adopted by the University Board.

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.

After the issuance of this Contract, the Academy Board may contract with an Educational Service Provider (ESP) to implement the Academy's educational programs as set forth in Schedule 7c of this Contract. If the Academy Board retains an ESP, that ESP will be responsible for the performance of the Academy and will be accountable to the Academy Board. An ESP must report to the Academy Board at regularly scheduled times and upon any request by the Academy Board.

The day-to-day operation of the Academy will be the responsibility of the Academy Director (School Leader, Chief Academic Officer, Principal, Superintendent, etc.) who will have the authority to operate the school and supervise the staff. The ESP shall report directly to the Academy Board.



**SECTION b**

**EDUCATIONAL GOALS AND PROGRAMS**

## Charter Schools Office Policy

Adopted: 2010

Revised: June 2026

### **CONTRACTUAL EDUCATIONAL GOALS AND RELATED MEASURES**

**Ferris State University monitors demonstrated improved pupil academic achievement for all groups of pupils as required by the Revised School Code.**

Pursuant to the Terms and Conditions of the Contract ("Contract") issued by the Ferris State University Board of Trustees ("University Board"), this contractual Educational Goals Policy has been prepared by the Ferris State University Charter Schools Office (CSO). It now becomes part of the Contract and will go into effect thirty (30) days after Academy Board notification, as stated in these new Terms and Conditions of the Contract for all academies being authorized or reauthorized pursuant to Contracts issued by the University Board. Failure by the Academy Board to comply with this policy may result in the non-issuance of a Contract, or for existing academies, the initiation of suspension, termination or revocation proceedings under the Contract, and will be taken into consideration when determining reauthorization of an academy upon expiration of the contract.

#### **A. EDUCATIONAL GOALS AND RELATED MEASURES**

In accordance with the applicable law and the charter contract Terms and Conditions, the Academy shall achieve or demonstrate measurable progress toward the achievement of the educational goals identified in this policy. Additionally, it is expected that the Academy will meet the State of Michigan's academic standards and any improvement targets required to be achieved pursuant to state and federal law. The Academy is also expected to remain off the Partnership School list published by the Michigan Department of Education. If the Academy already has school buildings identified on this list, it is expected to make the progress necessary to no longer be identified.

#### **B. EDUCATIONAL GOALS TO BE ACHIEVED**

Academies will show academic progress by demonstrating:

1. Measurable academic growth toward achievement, and
2. Academic achievement for all groups of students.

## C. TARGETS FOR DETERMINING GOAL ACHIEVEMENT

### Goal 1: Academic Growth (Grades 2-8)

Academies are expected to score within the “Meets” category on at least one *Target* (in both math and reading) in order to achieve their Contractual Educational Goals.\*

Academic Growth Targets (Grades 2-8)		
Is the school meeting state designation expectations as set forth by state and federal accountability systems (growth)?		
Target	Measure	Metric
50 on the index	Growth values as indicated by the School Index.	Exceeds: $\geq 70$ Meets: $\geq 50$ but $< 70$ Approaching: $\geq 30$ but $< 50$ Does Not Meet: $< 30$
Are students making expected annual growth compared to their peers?		
Target	Measure	Metric
50th Percentile	The fall to spring average of all NWEA MAP "School Conditional Growth Percentiles" in reading and math.**	Exceeds: $\geq 70$ th Percentile Meets: $\geq 50$ th but $< 70$ th Percentile Approaching: $\geq 30$ th but $< 50$ th Percentile Does Not Meet: $< 30$ th Percentile
Are students making sufficient yearly academic growth to increase proficiency?		
Target	Measure	Metric
The difference will be at least +3%	Percentage of students proficient on the ELA and Math M-STEP/PSAT-8 over time. (Current Year-Average (Prior Year 1 + Prior Year 2)).	Exceeds: $\geq 6\%$ Meets: $\geq 3\%$ but $< 6\%$ Approaching: $\geq 1\%$ but $< 3\%$ Does Not Meet: $< 1\%$

\*The FSU CSO will produce a scorecard outlining how the academy performed on each of the *Targets* outlined above. The scorecard will be presented to academy boards annually.

\*\* Or a similar benchmark from an FSU CSO-approved, nationally normed assessment.

## Goal 2: Student Achievement (Grades 2-8)

Academies are expected to score within the “Meets” category on at least one *Target* (in both math and reading) in order to achieve their Contractual Educational Goals.\*

Student Achievement Targets (Grades 2-8)		
Is the school meeting state designation expectations as set forth by state and federal accountability systems (overall)?		
Target	Measure	Metric
45 on the index	Overall values as indicated by the School Index.	Exceeds: $\geq 70$ Meets: $\geq 45$ but $< 70$ Approaching: $\geq 30$ but $< 45$ Does Not Meet: $< 30$
Are students achieving proficiency on a nationally normed assessment?		
Target	Measure	Metric
50%	The percent of students meeting grade level norms on the reading and math NWEA MAP. **	Exceeds: $\geq 70\%$ Meets: $\geq 50\%$ but $< 70\%$ Approaching: $\geq 30\%$ but $< 50\%$ Does Not Meet: $< 30\%$
Are students performing well on state examinations in comparison to students in schools they might otherwise attend		
Target	Measure	Metric
The difference will be at least +3%	The average percent proficient in ELA & math on the M-STEP/PSAT-8 compared to the composite district (Academy Average-Composite Average).	Exceeds: $\geq 10\%$ Meets: $\geq 3\%$ but $< 10\%$ Approaching: $\geq 1\%$ but $< 3\%$ Does Not Meet: $< 1$

\*The FSU CSO will produce a scorecard outlining how the academy performed on each of the *Targets* outlined above. The scorecard will be presented to academy boards annually.

\*\* Or a similar benchmark from an FSU CSO-approved, nationally normed assessment.

## Goal 1 & 2: Academic Growth & Student Achievement (High School)

Academies are expected to score within the “Meets” category on at least one *Target* (in both math and evidence-based reading & writing) in order to achieve their Contractual Educational Goals.\*

Academic Growth and Achievement Targets (High School)		
Is the school meeting state designation expectations as set forth by the state and federal accountability systems (overall)?		
Target	Measure	Metric
45 on the index	Overall Values as indicated by the School Index	Exceeds: $\geq 70\%$ Meets: $\geq 45\%$ but $< 70\%$ Approaching: $\geq 30\%$ but $< 45\%$ Does Not Meet: $< 30\%$
Are students making sufficient yearly academic growth to increase proficiency?		
Target	Measure	Metric
The difference will be at least +3%	The percentage of students proficient in the ELA and Math PSAT9/PSAT10/SAT over time (Current Year-Average (Prior Year 1+ Prior Year 2)).	Exceeds: $\geq 6\%$ Meets: $\geq 3\%$ but $< 6\%$ Approaching: $\geq 1\%$ but $< 3\%$ Does Not Meet: $< 1\%$
Are students performing well on state examinations in comparison to students in schools they might otherwise attend (composite school district)?		
Target	Measure	Metric
The difference will be at least +3%	The percentage of students meeting or surpassing grade-level college readiness benchmarks on the SAT EBRW and Math (11 <sup>th</sup> grade) will surpass the school’s composite resident district percentage.	Exceeds: $\geq 10\%$ Meets: $\geq 3\%$ but $< 10\%$ Approaching: $\geq 1\%$ but $< 3\%$ Does Not Meet: $< 1\%$

\*The FSU CSO will produce a scorecard outlining how the academy performed on each of the *Targets* outlined above. The scorecard will be presented to academy boards annually.

### **Bottom-Line Targets**

Improvement in academic growth and student achievement, as measured by state and nationally normed assessments, is the most important factor in determining an Academy's progress. However, the Ferris State University CSO may also consider *Bottom-Line Targets* as an alternative measure to monitor progress.

If an Academy fails to meet the specified number of target measures for each goal, they will need to identify *Bottom-Line Targets* to show academic growth and student achievement through alternative measures. These alternative measures should be created as interim benchmarks that will ultimately lead to compliance with the Contractual Educational Goals. *Bottom-Line Targets* are measures that must be achieved within the timeframe of the Charter Contract, or sooner if applicable, in order to be recommended to the Ferris State University Board of Trustees for contract reauthorization.

Any academy required to identify *Bottom-Line Targets* will work collaboratively with the CSO to develop an Academic Monitoring Plan. The Academic Monitoring Plan will include at least (2) *Bottom-Line Targets* that will be identified and measured using a predetermined list of research-based, CSO-approved metrics. By meeting the *Bottom-Line Targets*, an academy will meet the minimum requirements of this policy.

### **Strict Discipline and Alternative Education Academies**

Academies designated as Strict Discipline Academies or Alternative Education Academies, as per the Michigan School Code, may be exempted from certain parts of these requirements due to their unique nature. In all cases, specific educational measures, targets and metrics will be mutually developed and agreed upon by the Academy and FSU CSO and shall be attached to the contract.

### **New Academies**

For the first three years of operation, new academies will be expected to increase growth towards achievement. Goal #1 will be used for all new K-8 schools. The first target in the high school table will be used for all new schools serving 9<sup>th</sup>-12<sup>th</sup> grade students.

**SECTION c**  
**CURRICULUM**

## **CURRICULUM**

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.2, the Academy shall implement, deliver and support the curriculum as identified in Schedule 7, Section c.

Academy Name provides the basic level of technology and internet access required by the State Board to complete the learning experience. Students complete at least one learning experience that is presented online. The Academy is not a cyber-school.

A complete description of the curriculum is on file at the Academy and at Ferris State University Charter Schools Office.

## CURRICULUM REQUIREMENTS

In accordance with applicable law and the Contract Terms and Conditions, including Article VI, Section 6.4, the school shall implement, deliver, and support the Curriculum identified in Schedule 7c. The submission is required to include a detailed written curriculum by grade or level covering each subject/course to be taught and represent a focused, coherent and rigorous learning agenda. At a minimum, the subjects to be taught, as required by law, shall include English language arts, mathematics, science, social studies, physical education and health for kindergarten through grade eight. High school programs are required to offer a course of study that meets the Michigan Merit Curriculum ([MCL 380.1278a](#), [380.1278b](#)).

The school's curricular submission must meet the following requirements. The curriculum will:

- Demonstrate a logical sequence of learning objectives aligned to state and national standards;
- Outline instructional resources and tools;
- Provide the essential vocabulary for each content area; and
- Specify the methods of assessment.

Specific Health requirements including, but not limited to:

- Health education ([MCL 380.1169](#), [380.1502](#) and [380.1170](#));
- Dangerous communicable diseases, including, but not limited to HIV/AIDS ([MCL 380.1169](#)); and
- Sex education, if it is part of the school's curriculum ([MCL 380.1506](#) and [380.1507](#)).

Other considerations:

- If the curriculum is web-based, the school is required to provide all necessary **login** and **password** information such that a representative of the MDE Public School Academies Unit may review the curriculum in its entirety;
- Within the curricular document, include a citation to the specific standard(s) to which the curriculum is aligned;
- Complete the course matrix (p 3 & 4), listing all the courses offered per grade or level; and
- Submit the written curriculum in a consistent format and as separate course documents clearly identified by school name, course title, and grade or level.

## NON-CORE CURRICULUM REQUIREMENTS

Non-core curriculum is to be submitted in the same format as the core curriculum. The same template is required to be used, with a curricular document submitted for each grade, level and subject offered. As with the core curriculum, all non-core courses must be explicitly aligned with the state or national standards, representing a focused, coherent and rigorous learning agenda.

### Health and Physical Education

Health curriculum must address the Michigan health education requirements ([MCL 380.1170](#) and [380.1502](#)) including the teaching of dangerous communicable diseases ([MCL 380.1169](#) and [380.1170](#)).

- If the school board adopts the Michigan Model for Health, only a module checklist is required.
- Physical education curriculum is required for each grade or level. Participation in extracurricular athletics at the high school level may constitute successful completion of this requirement ([MCL 380.1502](#)).

### **Visual, Performing and Applied Arts**

A written curriculum must be submitted for each visual art, music, dance or theater course offered for each grade or level. The curriculum is required to explicitly indicate alignment to the Michigan Academic Standards. If state standards are not available for a given subject, alignment to national or international standards should be considered and referenced within the document. The standards can be accessed at: [Michigan Merit Curriculum: Visual Arts, Music, Dance, and Theatre](#).

### **World Languages**

A written curriculum must be submitted for each world language course offered for each grade or level. World language is required for high school graduation. Students can meet this requirement by completing two years of a world language in grades nine through 12 or by completing an equivalent learning experience in grades kindergarten through eight, meeting all state proficiency requirements. The Michigan World Language Standards and Benchmarks can be accessed at: [Michigan Merit Curriculum: World Languages Standards and Benchmarks](#).

### **Technology and Online Learning Experience**

A written curriculum must be submitted for each technology course offered for each grade or level. Technology curriculum must align to the Michigan Integrated Technology Competencies for Students (MITECS) 2017. These standards can be accessed at: [Michigan Integrated Technology Competencies for Students](#).

- If the online learning experience requirement for high school graduation is integrated into courses, submit documentation showing fulfillment of the online learning experience.

### **ADDITIONAL RESOURCES**

Common Core State Standards Initiative / [www.corestandards.org](http://www.corestandards.org)

Michigan Department of Education Public School Academies Unit  
Curriculum Requirements – Schedule 7c

Academy	Blended Learning Academies
Curriculum Contact	Greg Morris
Title	Superintendent/Principal
Email	<a href="mailto:gmorris@blendedacademies.org">gmorris@blendedacademies.org</a>
Phone	616.293.4744

**Elementary Courses:**

Indicate all subjects/courses that will be offered, changing the course title to reflect the Academy courses.

- Mark with an "X" the grade or level the course will be offered.
- A written curriculum must be submitted for each course that is offered at the Academy.
- Non-core courses are not required to be included on the course matrix for kindergarten through eighth grade.

Course	K	1	2	3	4	5	6	7	8
English Language Arts	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Mathematics	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Science	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Social Studies	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Health	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Physical Education	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**High School Courses**

Indicate all subjects/courses that will be offered including the grade offered, adjusting course names to reflect Academy offerings. A written curriculum must be submitted for each course that is offered at the Academy. Michigan Merit Curriculum minimum requirements are identified on the below course matrix. Additional lines should be added, as needed.

\*If students are not required to take a course at a specific grade level, indicate by using the word "any."

\*\*Virtual Courses are any courses that are delivered using a web-based provider. List the course titles (attach additional pages as necessary); provide a password and login for verification.

\*\*\*Off-Campus Courses: List the titles of all off-campus offerings (attach additional pages as necessary); submit a course description document with the curriculum submission.

Michigan Department of Education Public School Academies Unit  
Curriculum Requirements – Schedule 7c

Course Name	Grade*	Course Name	Grade*
<b>ENGLISH (min 4)</b>		<b>WORLD LANGUAGE (min 2)</b>	
English 9	Any	Spanish 1	Any
English 10	Any	Spanish 2	Any
English 11	Any		
English 12	Any		
<b>MATHEMATICS (min 4)</b>		<b>VISUAL, PERFORMING &amp; APPLIED ARTS (min 1)</b>	
Algebra I	Any	Art	Any
Geometry	Any		
Algebra II	Any		
Personal Finance	Any		
<b>SCIENCE (min 3)</b>		<b>VISUAL, PERFORMING &amp; APPLIED ARTS (min 1)</b>	
Biology	Any	Mixed Media	Any
Chemistry	Any		
Earth Science	Any		
Physics	Any		
<b>SOCIAL STUDIES (min 3)</b>		<b>OTHER</b>	
US History & Geography	Any	Wilson Talent Center	
World History & Geography	Any	Clinton County RESA	
Civics/Government (.5)	Any	Eaton County RESA	
Economics (.5)	Any	Lansing Community College	
<b>PHYSICAL EDUCATION &amp; HEALTH (min .5)</b>		<b>VIRTUAL COURSES**</b>	
Physical Education	Any		
Health	Any		
		<b>OFF CAMPUS COURSES***</b>	

Michigan Department of Education Public School Academies Unit  
Curriculum Requirements – Schedule 7d

Blended Learning Academies Credit Recovery High School (Blended Academies) requires the core 18 Michigan Merit Curriculum Credits as required by MCL 380.1278a,380.1278b for graduation.

Blended Academies uses curriculum housed in our Blended Academies' Canvas Instructure Learning Management System aligned to State and National standards. This customized content was based on Kent ISD's Kickstand/Edify Curriculum. Each student is provided a customized individualized learning plan upon enrollment.

Students may also be provided the opportunity to test out or complete project based activities that meet State standards.

In addition, students are afforded the opportunity to participate in Ingham ISD Wilson Talent Center, Eaton County RESA and the Clinton County RESA Skilled Trade Center. Students also have the opportunity to dual enroll at Lansing Community College.

Blended Learning Academies Web Based Curriculum:

<https://blendedacademies.instructure.com/>

Login: FSU Contract

Password: ContractRenewal2024

## Canvas Courses

Course	Unit One	Unit Two	Unit Three	Unit Four	Unit Five	Unit Six	Unit Seven	Unit Eight	Unit Nine
English 9A	The Writing Process	Grammar and Sentence Structure	Parallel Structure and Vocabulary	Short Stories	Writing - Personal Narratives				
English 9B	Commas	Reading Informational Writing	Writing -- informative/expository	Research project	Argument Writing	Speaking and Listening			
English 10A	Novel and Short Stories	Nonfiction	Poetry-- the Sonnet	Shakespearean Drama	Informative and Argumentative Essays	Research and MLA Foundations			
English 10B	Narrative Nonfiction	Literary Analysis Essay	Poetic Forms	Greek Tragedy	Traditional Short Stories				
English 11A	Sentence Basics	Better Paragraphs	The Short Essay	Elements of Plot	Diction and Syntax	Narrative Writing			
English 11b	Mechanics	Analyzing Literature	Speaking in Public	Reading Informational Text	Writing Argument	Reading and Reflecting			
English 12a	Informational Reading and Resume Writing	Persuasive Speaking and Listening; Interview Preparation	Language and Grammar: Saying What we Mean, Meaning What We Say	Personal Narrative					
English 12b	Speaking and Listening	Satire	Reading Informational Text	Writing Informative/Explanatory					
Earth Science A	Cosmology	Stars	Solar System	Origin of the Earth	Plate Tectonics	Interior of the Earth	The Rock Cycle	Earth Systems	Project of Choice
Earth Science B	Hydrology	Weather and Atmosphere	Ecosystems	Michigan as a Habitat	History of Humans and Nature	Energy & Resources	Humans Effects on the Earth	Climate Present & Future	City of the Future Project
Biology A	Intro to Bio	Building Blocks of Life	Cells	Cell Transport	Energy in Cells	Cell Cycle and Division	Molecular Genetics		
Biology B	Mendelian Genetics	Genes and Change	Life Diversifies Over Time	Flow of Energy and Nutrients	Bacteria and Viruses	Protists and Fungi	Plants	Invertebrates	Vertebrates
Chemistry A	Intro to Chem	Types of Matter	Changes in Matter	Measurement	Calculations	Atomic Structure	The Nucleus	The Periodic Table	Periodic Trends
Chemistry B	Chemical Nomenclature	Ionic and Metallic Bonding	Covalent Bonding	The Mole	Chemical Reactions	Thermochemistry	Acids and Bases		
Physics A	Speed and Acceleration	Vectors & Magnitude	Forces	Gravity	Rigid & Elastic Materials	Special Cargo Project	Electrostatic Force	Electromagnetism	Moving With Magnets
Physics B	Forms of Energy	Work & Power	Energy Systems	Design a Converter	Wave Basics	Light	Mechanical & EM Waves	Circuits & Signals	Design a Communicator
Algebra 1A	Inspirational Week	Verbal Expressions	Basic Algebraic Properties	Writing and Solving Equations	Solving Inequalities	Patterns and Rates of Change	Representing Data in Different Ways	Functions	
Algebra 1B	Linear Functions	Parallel and Perpendicular Lines and Inequalities	Systems of Linear Equations and Inequalities	Exponential Properties	Exponential Functions				
Algebra 2A	Function Graphs and Transformations	Functions & Inverses	Polynomial Functions	Factoring Polynomials	Rational and Radical Relationships				
Algebra 2B	Complex Numbers	Trigonometric Functions	Logarithmic Functions	Sequences and Series	Probability and Statistics				
Geometry A	Intro To Geometry	Parallel Lines and Transversals	Pythagorean Theorem, Distance and Midpoint	Quadrilaterals	Polygons	Logic Statements	Transformations	Intro to Triangle Properties	



**SECTION d**

**METHODS OF PUPIL ASSESSMENT**

# FERRIS STATE UNIVERSITY

FERRIS FORWARD

## Charter Schools Office Policy

Adopted: 2010

Revised: 2022

### METHODS OF PUPIL ASSESSMENT

**Ferris State University monitors demonstrated improved pupil academic achievement for all groups of pupils as required by the Revised School Code.**

Ferris State University Charter Schools Office (CSO) requires authorized Academies to administer the following assessments. All academies must adhere to state and federal guidelines for the percent of students to be tested. For the CSO chosen nationally-normed assessment, 95% of students must be assessed.

Grade(s)	Assessment	Subjects
Grade K-2	State-Approved Benchmark Assessment	MDE Mandated Areas
Grades 2-10**	Nationally-Normed Assessment (NWEA MAP)	Math and Reading
Grades 8, 9-10	State-Aligned College Entrance Suite (PSAT 8/9, PSAT 10)	Evidence-Based Reading and Writing, Math
Grade 11	State-Mandated College Entrance and Career Readiness Exams (currently SAT/ACT WorkKeys)	As Mandated by State
Grades 3-8, 11	State-Mandated Assessment (M-STEP)	As Mandated by State (ELA, Math, Science, Social Studies)

\*NWEA® MAP® for Reading, Math, and Language Usage will be provided to the Academies by the Charter Schools Office (CSO). While administration of the K-1 assessment is not required by the CSO, it is available for the Academies to utilize at no charge.

\*\*NWEA is not required for all academies in Grades 9 and 10. Academies follow their individual Goals and Measures.

- All assessments must be in compliance with the Revised School Code.
- The Academy shall properly administer all state-mandated academic assessments identified in the Code.
- The Academy shall properly administer the academic assessments identified in the current contractual Terms and Conditions and adhere to the ethical standards and assessment procedures associated with these assessments in accordance with the requirements detailed in the Master Academic Calendar annually issued by CSO. The Academy must ensure that those individuals involved with the administration of these assessments are properly trained by attending any CSO-offered professional learning.

- The Academy shall authorize the CSO to have access to the Academy's Student/School Data Applications through the Center for Educational Performance and Information (CEPI), and the electronic reporting system administered by the Michigan Department of Education to access the Academy's state assessment results, as applicable.

### Strict Discipline Academies

Academies designated as Strict Discipline Academies or Alternative Education Academies as per the Michigan School Code may be exempted from certain parts of these requirements due to their unique nature. In all cases, specific educational goals will be mutually developed and agreed upon by the Academy and the CSO and shall be attached to the Contract. Written reports on the progress of the Academy's goals shall be submitted annually to Epicenter by June 30.

**SECTION e**

**ADMISSION POLICY AND CRITERIA**

## ADMISSION POLICY AND CRITERIA

Revised: April 2018

### Enrollment Information

Charter schools, legally known as public school academies (PSAs) can set maximum enrollment numbers but **cannot pick and choose which students to enroll**. MCL 380.504 (2) is very clear:

(2) A public school academy shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a school district. However, a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a school district and may give enrollment priority as provided in subsection (4).

(4) A public school academy may give enrollment priority to one (1) or more of the following:

(a) A sibling of a pupil enrolled in the public school academy.

(b) A pupil who transfers to the public school academy from another public school pursuant to a matriculation agreement between the public school academy and other public school that provides for this enrollment priority, if all of the following requirements are met:

(i) Each public school that enters into the matriculation agreement remains a separate and independent public school.

(ii) The public school academy that gives the enrollment priority selects at least 5% of its pupils for enrollment using a random selection process.

(iii) The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is party to the matriculation agreement and who was not expelled from the public school to enroll in the public school academy giving enrollment priority under the matriculation agreement.

(c) A child of a person who is employed by or at the public school academy or who is on the board of directors of the public school academy. As used in this subdivision, "child" includes an adopted child or a legal ward.

**All PSAs must have an Open Enrollment Period of at least two (2) weeks** that include opportunities for students to enroll. Enrollment times must include some evening and weekend

times. (MCL 380.503 (6) (ii)) The Open Enrollment times and information must be advertised. The main purposes of Open Enrollment are to allow currently enrolled students to enroll for next year (guaranteeing them a spot if the family completes the enrollment process), allow new enrollees to submit applications, and establish preliminary student numbers so the school can make staffing and mandated decisions about student admission.

Before Open Enrollment, the **school needs to set enrollment maximums** by building or grade level(s). These grade/building level maximums should be available on the PSA's website, as well as included in their Open Enrollment posted advertisements. Maximums can be stated as either the total number of available slots per grade/building or the current number of openings per grade/building (subtract current enrollees from total maximum number per grade/building). The posting should also indicate that the PSA Board has the ability to change the maximum enrollment numbers per grade/building based on potential enrollees, available staff, and facility limitations.

When the Open Enrollment period ends, the building leader, with input from the Board, must determine if the number of new enrollees (students not currently enrolled) exceeds the number of open slots in a grade, combination of grades, the building, or the district. **The building leader must also add any new enrollees who are siblings of currently enrolled students, whose parent or legal guardian is employed by the school or who is currently on the board of directors, or new enrollees who are part of a matriculation agreement to the currently enrolled number.** These students get enrollment priorities based on MCL 380.504 4(c) and do not need to be placed into the lottery procedure. **If the number of new enrollees DOES NOT EXCEED the number of open slots, no lottery is needed. This means the school has the staff and facility capabilities to educate the combination of currently enrolled students plus the new enrollees. Within two (2) days after the Open Enrollment period ends, the school must submit into Epicenter the Lottery Notification Document. Using the Lottery Notification Document, the school selects "Enrollment maximum not exceeded, no lottery needed."**

**If the number of new enrollees during the Open Enrollment period EXCEEDS the number of open slots, a lottery is needed and must be scheduled within two (2) weeks of the close of the Open Enrollment period.** The building leader must inform the Ferris State University Charter Schools Office (CSO) field representative the time, date, and location of the lottery. **Within two (2) days after the Open Enrollment period ends, the school must submit into Epicenter the Lottery Notification Document. Using the Lottery Notification Document, the school selects "Enrollment maximum exceeded, lottery required."** Field Representatives or a CSO representative attends academies' lotteries to observe and verifies via School Visitation Report. Because an "impartial party" draws the student name cards, the CSO staff member should not actually pick the cards, but observe the process.

Field Representatives must remind their schools to follow the contractual lottery process:

### **LOTTERY PROCESS**

Place the name and grade (or other system of grouping) of each student registered to enroll on a 3" x 5" card. Also on a card, place the name and grade (or group) of all siblings who have applied for admission.

Sort cards by grade (or group).

Start lottery with either highest grade offered or lowest grade offered.

Place cards, for group to be drawn, in an opaque container large enough to thoroughly mix the cards.

Mix the cards.

Have an impartial party draw the cards.

Announce the name of student drawn on each card and write the name on a numbered roster sheet for that group. (Note: roster sheets should provide for identifying the status that placed the student's name on the sheet, "Drawing" or "Sibling".)

Place sibling name(s) on the appropriate roster sheets. (Note: roster sheets should provide for identifying the status that placed the student's name on the sheet, "Drawing" or "Sibling".)

Remove sibling cards from their drawing group.

Continue the process until available seats for the group are filled.

Continue the process and place the remaining student names on a waiting-list roster for that group in the order they are drawn. **(Note: Do not remove sibling cards from their drawing group when a student is placed on the waiting list. They still have a chance of being selected during the drawing for their group or for another siblings group.)**

Continue the process until all names, for that group, have been drawn.

Repeat the process chronologically for each group until all names for all groups have been drawn and the lottery is concluded.

An initial waiting list is populated during the lottery process above based on the order the student's name was drawn after the grade or building enrollment limit was met. The waiting list for enrollees AFTER the lottery process or Open Enrollment period ends is populated by new enrollees in the order the enrollment process is completed based on date and time. These students are added to the initial waiting list based on the time and date of their enrollment.

Building leaders must inform their field representative when a waiting list is generated. **Field Representatives then inform the CSO that a waiting list has been created** (name of school, grades that have a waiting list, any known plans to add sections/staff/space to eliminate waiting list, etc.) Field representatives periodically review academies' waiting lists and verify on School Visitation Report. There are no Epicenter submissions for waiting lists.

**SECTION f**

**PUBLIC NOTICE OF ENROLLMENT PROCEDURES**

**PUBLIC NOTICE OF ENROLLMENT PROCEDURES**  
**Must contain a statement regarding nondiscrimination.**

Revised: 2019

Recruitment and Public Notice. The Academy will take various steps for advertising its existence and intention to operate as a public school academy. These are listed below:

1. Distribution of flyers announcing the Academy throughout the surrounding community at area churches, community centers, day care institutions, local businesses, community-based organizations and other locations parents and students are likely to frequent.
2. News article in the major local newspapers as to the opening date, enrollment period, overview of the program, and other information pertinent to prospective students and families.
3. Public Service Announcements on local radio and cable.
4. Announcement of the Academy's opening in local area school and community publications.
5. Open House and Kick-Off for the enrollment period including tours of the Academy, overview of the program, examples of planned instructional activities, informal meetings with teachers and administrative staff, and information packets for interested parents.
6. Community Information Meetings to be held at various geographic locations around the county so that the greatest number of parents and students will be informed about the Academy's programs.

**Click or tap here to enter text. does not discriminate in its enrollment process based on:**

- Race
- Color
- Religion or Creed
- National Origin
- Sex
- Sexual Orientation
- Gender Identity
- Marital Status
- Veteran or Military Status
- Height
- Weight
- Protected Disability
- Genetic Information
- Any other characteristic prohibited by applicable state or federal laws or regulations

**SECTION g**

**SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE**

# BLEND<sup>ED</sup> Learning Academies

## 2024-2025 School Calendar

DATE	DAY	DESCRIPTION
September 3, 2024	Tuesday	First Day of Class
November 27, 28, 29, 2024	Wednesday-Thursday-Friday	<b>No School</b> Thanksgiving Break
December 23, 2024-January 3, 2025	Monday-Friday	<b>No School</b> Winter Break
January 6, 2025	Monday	School Resumes
January 20, 2025	Monday	<b>No School</b> MLK Day
February 17, 2025	Monday	<b>No School</b> President's Day
March 31-April 4 2025	Monday-Friday	<b>No School</b> Spring Break
April 7, 2025	Monday	School Resumes
May 23-26, 2025	Friday-Monday	<b>No School</b> Memorial Weekend
June 12, 2025	Thursday	Last Day of School for Students

- 180 Days
- 900 Instructional Hours
- Open enrollment available throughout the 2024-25 school year.



**Scheduled Daily Clock  
HOURS of Instruction**

**FULL-DAY KINDERGARTEN,  
Full Day K-12th, & SPEC. ED.**

**District:** Blended Learning Academies Credit Recovery High School

**School Year:**  
2024-25

**Building/Program:** Lansing and Livonia  
**GRADE LEVEL:** Nine - Twelve

**INSTRUCTIONS**

Complete PART A for all variations of each building's/program's full-time schedule and for each partial day where a varying schedule occurs in the building/program. After documenting the daily hours in PART A, summarize the total hours scheduled for each building/program in Part B. Complete a separate form for a.m. and p.m. Kindergarten

Check One:  Full Day  Partial-Day  Other\*(give dates and descriptions of type of day i.e., early dismissal, late starts, etc...)

**PART A - CALCULATION OF DAILY SCHEDULED HOURS**

PERIOD	INSTRUCTIONAL TIME		IN MINUTES		TOTAL
	START TIME	END TIME	CLASS TIME	PASSING TIME FROM PERIOD	
<b>Example</b>	<b>7:45</b>	<b>8:30</b>	<b>45</b>	<b>5</b>	<b>50</b>
1	8:00	8:55	55	5	60
2	9:00	9:55	55	5	60
3	10:00	10:55	55	5	60
4	11:00	11:55	55	5	60
LUNCH					
Passing time from lunch					
5	12:00	13:00	60	0.00	60
6			0		0
7			0		0
8			0		0
Total Minutes					300

**REMINDERS**

1. Passing time TO first period must be excluded.
2. No more than 30 minutes total passing time per day.
3. Only ONE passing time for lunch period may be counted.
4. Lunch periods must be excluded. Specify exact lunch time - not including passing time
5. Passing time FROM last pd. may not be counted
6. Recess may be counted ONLY if supervised by a certificated teacher; Max. 30 minutes per day

Divide by 60

Total Hours

**PART B - CALCULATION OF TOTAL SCHEDULED HOURS**

**CERTIFICATION**

	Daily Scheduled Hours	Scheduled Times	Scheduled Days**	Equals	Scheduled Hours
Full Days**		X		=	0.00
Half Days**		X		=	0.00
PD** (Total Hours, Total days)					
Other**		X		=	0.00
Other**		X		=	0.00
Other**		X		=	0.00

I certify the information submitted is true and accurate to the best of my knowledge. All courses for which enrollment is reported are taught by certificated teachers. A copy of each teachers certificate is on file at the local education agency.

Authorized Representative      Date

**TOTAL DAYS/HOURS SCHEDULED** (Without PD)→  ←(Without PD)→   
(With PD)→  ←(With PD)→

Title of Authorized Representative

\*\* This information should be obtained from the Scheduled Days of Instruction Form and PD Hours Form.



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

MICHAEL F. RICE, Ph.D.  
STATE SUPERINTENDENT

August 15, 2023

Greg Morris, Superintendent  
Blended Learning Academies Credit Recovery Alternative High School  
1754 E Clark Rd  
Lansing, MI 48906

Dear Superintendent Morris:

The Michigan Department of Education (MDE) has approved the request for a waiver of the minimum number of hours of operation by Blended Learning Academies Credit Recovery Alternative High School, as provided under Chapter 388.1701 of the MCL, Section 101 of the State Aid Act.

Consistent with your request for a waiver, MDE has approved a decrease in the number of hours from the state minimum of 1098 to **900** for the **2023-24** school year.

Additionally, the district will be subject to the proration provisions of Section 101 (3)(f) only if the district does not have at least **50 percent** of the district's membership in attendance on any given day of pupil instruction.

Please keep in mind that to be eligible for a waiver, a district must meet the following criteria:

- Offer the minimum hours of pupil instruction.
- Use appropriate academic assessment to develop an individual education plan for each pupil that leads to a high school diploma.
- Test each pupil to determine academic progress at regular intervals and record the results of those tests in that pupil's individual education plan.

As a condition of your waiver, you agree to comply with the following evaluation procedures as requested by MDE:

- Evaluation of the effectiveness of these waivers will be utilized to gather information and provide further guidance to the field. To evaluate, MDE will collect information on programs from around the state through surveys, state-collected data, information contained in all or parts of your program implementation plan, and feedback regarding implementation, including student success. You will be notified of required reporting deadlines later in the year.

STATE BOARD OF EDUCATION

PAMELA PUGH – PRESIDENT • ELLEN COGEN LIPTON / TIFFANY D. TILLEY – CO-VICE PRESIDENTS  
JUDITH PRITCHETT – SECRETARY • MARSHALL BULLOCK II – TREASURER  
MITCHELL ROBINSON – NASBE DELEGATE • TOM MCMILLIN • NIKKI SNYDER

Superintendent Morris

Page 2

August 15, 2023

- Participation in random site visits to collect best practices and offer guidance to the field regarding implementation of alternative education and innovative programs. MDE staff will also schedule monitoring visits during the school year to ensure compliance and to identify potential problems.

Thank you for your willingness to allow the students in your district to participate in innovative learning opportunities. By applying and being approved for the use of an Alternative Education and Innovative Program Waiver, you are taking advantage of additional flexibility in providing instruction.

Any questions regarding your Alternative Education and Innovative Program Waiver should be directed to Steve Nemeckay at [NemeckayS@michigan.gov](mailto:NemeckayS@michigan.gov).

Sincerely,

A handwritten signature in black ink that reads "Michael F. Rice". The signature is written in a cursive style with a large, prominent "M" and "R".

Michael F. Rice, Ph.D.  
State Superintendent



STATE OF MICHIGAN  
DEPARTMENT OF EDUCATION  
LANSING

GRETCHEN WHITMER  
GOVERNOR

MICHAEL F. RICE, Ph.D.  
STATE SUPERINTENDENT

August 15, 2023

Greg Morris, Superintendent  
Blended Learning Academies Credit Recovery High School  
1754 E Clark Rd  
Lansing, MI 48906

Dear Superintendent Morris:

The Michigan Department of Education (MDE) has approved the request for a waiver of the minimum number of hours of operation by Blended Learning Academies Credit Recovery High School, Blended Learning Academies Credit Recovery High School - Livonia, as provided under Chapter 388.1701 of the MCL, Section 101 of the State Aid Act.

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Superintendent Morris

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August 15, 2023

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Michael F. Rice, Ph.D.  
State Superintendent

**SECTION h**

**AGE OR GRADE RANGE OF PUPILS TO BE ENROLLED**

## **AGE OR GRADE RANGE OF PUPILS TO BE ENROLLED**

Blended Learning Academies Credit Recovery High School is authorized to serve students in Grades 9 – 12. The Academy is enrolling students in Grades 9 – 12. All grades might not be enrolled every year.

**CONTRACT SCHEDULE 8**

**INFORMATION AVAILABLE TO THE PUBLIC**

## **SCHEDULE 8**

### **INFORMATION TO BE PROVIDED BY THE ACADEMY AND/OR EDUCATIONAL SERVICE PROVIDER**

Revised: 2019

- A. The following described categories of information are specifically included within those to be made available to the public and the CSO by the Academy in accordance with the current Terms and Conditions of the Contract:
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. List 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 authorizer
  11. Copy of curriculum and other educational materials given to the CSO
  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 management contract with Education Service Provider
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 as part of the audit
29. Proof of insurance as required by the Contract
30. Any other information specifically required under Public Act 277 of 2011

B. 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 the current Terms and Conditions of the Contract:

1. Information Regarding Academy Teachers, Administrators, and Support Staff

- (a) Personal information (name, address, age, sex, marital status, if known)
- (b) Education (highest degree attained, alma mater, certifications, teaching certificates, years of experience in educational systems, etc.)
- (c) Employment record (occupation, rate of pay, seniority, salaries, benefits, disciplinary actions, if any, commendations, special projects directed, supervisory evaluations, etc.)

2. Information Regarding Academy Business Operations

- (a) Financial records and information concerning the operation of the Academy, including without limitation budgets and detailed records of funds received from the State and others, expenditure of those funds, investment of those funds, carryover, contractual arrangements and/or agreements, etc.)
- (b) Financial records and information concerning mortgages and loans to which the Academy is a party.

3. Other Information

- (a) Any information needed by the Academy in order to comply with its obligations to disclose the information listed under Part A above.

# CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

TO BE COMPLETED BY MICHIGAN DEPARTMENT OF EDUCATION PUBLIC SCHOOL ACADEMY UNIT	
Date Received by MDE	Academy District/Building Codes:

All information on this page is necessary to be eligible for State Aid and to complete the Educational Entity Master

## AUTHORIZER INFORMATION

<b>Name of Authorizing Body:</b> Ferris State University	<b>Federal Employer ID# of Authorizing Body:</b> 38-600-5159	<b>TYPE OF AUTHORIZING BODY:</b> State Public University
<b>Contact Person:</b> Chris Loiselle	<b>Phone:</b> 231-591-5807	<b>Email:</b> ChrisLoiselle@ferris.edu

## PSA ADMINISTRATIVE OFFICE

<b>Academy Name:</b> Blended Learning Academies Credit Recovery High School	<b>Contract Start Date</b> 07/01/2024	<b>Contract End Date</b> 06/30/2029	<b>Duration</b> 15 years
<b>State Corporate ID #:</b> 714-01D	<b>Federal Employer ID#:</b> 46-4929912	<b>Unique Entity Identifier (UEI)</b> ESZPB91YDEJ8	

**TYPE OF ACADEMY (select one)** Chartered under Part 6a - Public School Academy (MCL 380.501)

<b>Proposed Enrollment:</b> 200	<b>Grades to Start Academy:</b> 9 - 12	<b>Number of School Days:</b> 180	<b>SCHOOL CALENDAR (first year of contract)</b>	
<b>Free/Reduced Eligible:</b> 58 %	<b>Grades Authorized:</b> 9 - 12	<b>Instructional Hours:</b> 900	<b>First Day:</b> 09/03/2024	<b>Last Day:</b> 06/12/2025

**Expansion comments, when applicable:**

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<b>PSA Administrative Office Address:</b> 1754 E. Clark Road	<b>City:</b> Lansing	<b>Zip Code:</b> 48906	<b>Website URL:</b> <a href="http://www.blendedlearningacademies.org/">http://www.blendedlearningacademies.org/</a>
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<b>Contact Person:</b> Tim Brannan, Ph.D.	<b>Position:</b> President, ITS Education Management Group, LLC	<b>Phone:</b> 517-214-1880	<b>E-Mail:</b> tim.brannan@comcast.net
		<b>Fax:</b>	

<b>County Name:</b> Ingham	<b>Intermediate School District:</b> Ingam County ISD	<b>Local School District:</b> Lansing Public Schools
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## EDUCATIONAL SERVICE PROVIDER/CHARTER MANAGEMENT ORGANIZATION INFORMATION

<b>Educational Service Provider:</b> ITS Education Management Group, LLC	<b>Mailing Address:</b> 1754 E. Clark Road	<b>City:</b> Lansing	<b>State:</b> MI	<b>Zip Code:</b> 48906
<b>Type:</b> For-Profit	<b>Physical Address:</b> 1754 E. Clark Road	<b>City:</b> Lansing	<b>State:</b> MI	<b>Zip Code:</b> 48906

## PSA BOARD PRESIDENT INFORMATION

<b>Board President Name:</b> Marcus Kirkpatrick	<b>Phone:</b> 517-449-9980	<b>E-mail:</b> mkirkpatrick@deltami.gov
<b>Address:</b> 3620 Donamere Dr	<b>City:</b> Lansing	<b>Zip Code:</b> 48906

## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

MAIN SITE					
Academy Name: <b>Blended Learning Academies Credit Recovery High School</b>					
Address: <b>1754 E Clark Road</b>			City: <b>Lansing</b>		Zip Code: <b>48906</b>
Contact Person: <b>Tim Brannan, Ph.D.</b>		Position: <small>President, ITS Education Management Group, LLC</small>		Phone: <b>517-214-1880 (phone)</b>	E-Mail: <b>tim.brannan@comcast.net</b>
County Name: <b>Ingham</b>	Intermediate School District: <b>Ingham County ISD</b>		Local School District: <b>Lansing Public Schools</b>		Grade Configuration: <b>9 - 12</b>
LARA Certificate of Use and Occupancy: <small>select one</small>			Date Issued:		
SITE 2					
Academy Name: <b>Blended Learning Academies Credit Recovery High School - Livonia</b>					
Address: <b>30246 Plymouth Road</b>			City: <b>Livonia</b>		Zip Code: <b>48150</b>
Contact Person: <b>Kate Travis</b>		Position: <b>Director of School Services</b>		Phone: <b>248-425-5868 (phone)</b>	E-Mail: <b>katie@blendedacademies.org</b>
County Name: <b>Wayne</b>	Intermediate School District: <b>Wayne County RESA</b>		Local School District: <b>Livonia Public Schools</b>		Grade Configuration: <b>9 - 12</b>
LARA Certificate of Use and Occupancy: <small>select one</small>			Date Issued:		
SITE 3					
Academy Name:					
Address:			City:		Zip Code:
Contact Person:		Position:		Phone:	E-Mail:
County Name:	Intermediate School District:		Local School District:		Grade Configuration:
LARA Certificate of Use and Occupancy: <small>select one</small>			Date Issued:		
SITE 4 <sup>1</sup>					
Academy Name:					
Address:			City:		Zip Code:
Contact Person:		Position:		Phone:	E-Mail:
County Name:	Intermediate School District:		Local School District:		Grade Configuration:
LARA Certificate of Use and Occupancy: <small>select one</small>			Date Issued:		

<sup>1</sup> Attach additional pages for additional sites, as needed.






## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

Description		Applicability	Sec /Page No. In Contract	Additional Comments
<b>Fiscal Agent</b>				
17	Designation of <b>fiscal agent</b> . Note: Fiscal Agent Agreements should be sent to the Treasury. Send to: <b>Wendy Lamphier (lamphierw@michigan.gov)</b>	<u>All Academies</u> <u>Part 6a:</u> 507(3) <u>Part 6c:</u> 528(3) <u>Part 6e:</u> 561(3) 1311b et seq: 1311l(1)	Tab C3 Sec.1.01 P. 3-1	PDF pg 99
18	<b>Duties</b> of a fiscal agent.	<u>All Academies</u> <u>Part 6a:</u> 507(3) <u>Part 6c:</u> 528(3) <u>Part 6e:</u> 561(3) 1311b et seq: 1311l(1)	Tab C3 Sec. 2.01-2.04 P. 3-2	PDF pg 100
19	Authorizer <b>administrative fee</b> of up to 3% of total State Aid.	<u>All Academies</u> <u>Part 6a:</u> 502(6) <u>Part 6c:</u> 522(7) <u>Part 6e:</u> 552(10) 1311b et seq: 1311d(6)	Tab C4 Sec. 4.01 P. 4-5	PDF pg 110
<b>Compliance with Applicable Law and Disclosure of Public Information</b>				
20	Prohibition on the Academy charging <b>tuition</b> .	<u>All Academies</u> <u>Part 6a:</u> 504(2) <u>Part 6c:</u> 524(2) <u>Part 6e:</u> 556(2) 1311b et seq: 1311g(2)	Tab B Sec. 7.1 P. B-17	PDF pg 50
21	To the extent disqualified under law, a prohibition from Academy being organized by church or other <b>religious</b> organization and having organizational or contractual affiliation with or constitute a church or other religious organization.	<u>All Academies</u> <u>Part 6a:</u> 502(1); 1217 <u>Part 6c:</u> 522(1); 1217 <u>Part 6e:</u> 552(5); 1217 1311b et seq:1311d(1); 1217	Tab B Sec. 6.11 P. B-16	PDF pg 48
22	Certification/Agreement signed by an authorized member of the Academy Board stating they <b>will comply with the contract and all applicable law</b> .	<u>All Academies</u> <u>Part 6a:</u> 503(6)(i) <u>Part 6c:</u> 523(2)(d) <u>Part 6e:</u> 553(5)(h) 1311d;1311d(3)(h)	Tab B Sec. 6.13 P. B-17 and P. B-44	PDF pg 49, 76
23	The methods by which the Academy will be <b>held accountable</b> .	<u>All Academies</u> <u>Part 6a:</u> 503(6)(a) <u>Part 6c:</u> 523(2)(a) <u>Part 6e:</u> 553(5)(a) 1311b et seq: 1311e(5)(a)	Tab B Sec. 6.3 P. B-14	PDF pg 46, 47
24	Description of method to be used to monitor the Academy's compliance with <b>applicable law</b> and its performance in meeting its targeted <b>educational objectives</b> .	<u>All Academies</u> <u>Part 6a:</u> 503(6)(b) <u>Part 6c:</u> 523(2)(b) <u>Part 6e:</u> 553(5)(b) 1311b et seq: 1311e(5)(b)	Tab 7b	PDF pg 160
25	Requirement that all Academy property must be <b>insured</b> .	<u>All Academies</u> <u>Part 6a:</u> 1269 <u>Part 6c:</u> 523(2)(k)(vi); 1269 <u>Part 6e:</u> 553(5)(l)(vi); 1269 1311b et seq: 1269	Tab B Sec. 11.9 P. B-29	PDF pg 62

## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

	Description	Applicability	Sec /Page No. In Contract	Additional Comments
26	Requirement & procedure for <b>annual CPA financial audit</b> in accordance with generally accepted governmental auditing principles.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(g) <u>Part 6c:</u> 523(2)(g) <u>Part 6e:</u> 553(5)(h) 1311b et seq; 1311e(5)(h)	Tab B Sec. 6.8 P. B-15	PDF pg 47
27	Length of <b>contract term</b> and standards for reauthorization.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(h) <u>Part 6c:</u> 522(3); 523(2)(p) <u>Part 6e:</u> 561(4) 1311b et seq; 1311e(5)(i)	Tab A P. 4	PDF pg 21
28	Description of the process for <b>amending the contract</b> during the term of the contract.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(c) <u>Part 6c:</u> 523(2)(c) <u>Part 6e:</u> 553(5)(c) 1311b et seq; 1311e(5)(c)	Tab B Sec. 9.1-9.7 P. B-18, 19	PDF pg 50
29	Requirement that the Academy Board shall <b>make information about its operation and management</b> available to the public and authorizing body.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(l) <u>Part 6c:</u> 523(2)(j) <u>Part 6e:</u> 553(5)(k) 1311b et seq; 1311e(7)(f)	Tab 8	PDF pg 187
30	Requirement that the Board of Directors of a Public School Academy (including Cyber Schools) that operates an online or other distance learning program shall submit a monthly report to MDE, in a form and manner prescribed by MDE, that reports the number of pupils enrolled in the online or distance learning program, during the immediately preceding month.	<b>All Academies</b> <u>Part 6e:</u> 552(20)	Tab 7c P. 1	No online or other distance learning components.
31	Requirement that the Academy Board shall collect, maintain and make available to the public and authorizing body <b>information concerning the operation and management</b> of the Academy, as provided for by law.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(m) <u>Part 6c:</u> 523(2)(k) <u>Part 6e:</u> 553(5)(l) 1311b et seq; 1311e(7)(f)	Tab B Sec. 11.27 P. B-34	PDF pg 67
32	Requirement that the Board shall report to the authorizing body a current list of teachers and school administrators working at the Academy that includes their individual salaries.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(m)(iv) <u>Part 6c:</u> 523(2)(k)(iv) <u>Part 6e:</u> 553(5)(l)(iv) 1311b et seq; 1311e(7)(f)	Tab 8 P. 2	PDF pg 188
33	Statement that Academy shall <b>comply with all applicable law</b> .	<b>All Academies</b> <u>Part 6a:</u> 503(7); MCL 15.322 <u>Part 6c:</u> 523(3); 528(1)(d) <u>Part 6e:</u> 552(7)(h); 553(6) <u>1311b et seq:</u> 1311d(3)(h); 1311e(6)	Tab B Sec. 8.1 P. B-18	PDF pg 50
34	Statement that Academy Board shall ensure compliance with the requirements of <b>1968 PA 317</b> , MCL. 15.321 to 15.330.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(j) <u>Part 6c:</u> 523(2)(h) <u>Part 6e:</u> 553(5)(i) <u>1311b et seq:</u> 1311e(7)(f)	Tab B Sec. 11.29 P. B-35	PDF pg 67

## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

Description	Applicability	Sec /Page No. In Contract	Additional Comments
<b>Academy Governance, Operation, and Educational Program</b>			
35	<b>Governance</b> structure of the Academy.	<b>All Academies</b> Part 6a: 503(6)(d) Part 6c: 522(4)(e)(i) Part 6e: 552(7)(e)(i) <u>1311b et seq:</u> 1311d(3)(e)(i); 1311e(5)(d); 1311d(3)(v)(f)	Tab 7a  PDF pg 158
36	The role of the <b>contract administrator</b> of the Academy, if applicable.	<b>USHAs</b> Part 6c: 529(c)	n/a
37	Educational goals <b>of the Academy that include demonstrated improved pupil academic achievement for all groups of pupils.</b>	<b>All Academies</b> Part 6a: 502(3)(e)(ii); 503(6)(a) Part 6c: 522(4)(e)(ii); 523(2)(a) Part 6e: 552(7)(e)(ii); 553(5)(a) <u>1311b et seq:</u> 1311d(3)(e)(ii); 1311e(5)(a)	Tab 7b  PDF pg 160
38	<b>Curricula</b> offered at the Academy. This section must contain the entire curriculum.   Curriculum Schedule 7d	<b>All Academies</b> Part 6a: 502(3)(e)(ii) Part 6c: 522(4)(e)(ii) Part 6e: 552(7)(e)(ii) <u>1311b et seq:</u> 1311d(3)(e)(ii); 1311e(5)(d)	Tab 7c  PDF pg 167
39	<b>Methods of pupil assessment</b> at the Academy (M-STEP and SAT, as applicable, as a minimum).	<b>All Academies</b> Part 6a: 503(6)(a) Part 6c: 522(4)(c)(ii); 523(2)(a) Part 6e: 552(7)(e)(ii); 553(5)(a) <u>1311b et seq:</u> 1311d(3)(e)(ii); 1311e(5)(a)	Tab 7d  PDF pg 173
40	<b>Student admission policy, criteria and enrollment process</b> , as applicable per type of academy.	<b>All Academies</b> Part 6a: 503(6)(d) Part 6c: 522(4)(e)(iii); 523(2)(m); 528(1)(g) Part 6e: 552(7)(e)(iii); 553(5)(o); 561(1)(g) <u>1311b et seq:</u> 1311d(3)(e)(ii); 1311e(5)(d)	Tab 7e  PDF pg 176
41	<b>Matriculation agreement</b> , if applicable.	<b>All PSAs; All SOEs</b> 20 U.S.C. 7221i(1)(k) Part 6a:504(4)(b) Part 6e: 556(4)(b)	Tab B Sec. 6.14 P. B-17  PDF pg 49

## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

Description	Applicability	Sec /Page No. In Contract	Additional Comments
42	<b>School calendar</b> and <b>school day</b> schedule.	<b>All Academies, except Cyber Schools</b> <u>Part 6a:</u> 502(3)(e)(iv) <u>Part 6c:</u> 522(4)(e)(iv) <u>Part 6e:</u> 552(7)(e)(iv) <u>1311b et seq:</u> 1311d(3)(e)(iv); 1311e(5)(d)	Tab 7g  PDF pg 183
43	Observance of <b>holidays</b> and other required commemorative occasions.	<b>All Academies</b> <u>Part 6a:</u> 1175 <u>Part 6c:</u> 1175 <u>Part 6e:</u> 1175 <u>1311b et seq:</u> 1175	Tab 7g  PDF pg 183
44	<b>Age or Grade</b> range of students to be enrolled.	<b>All Academies</b> <u>Part 6a:</u> 502(3)(e)(v) <u>Part 6c:</u> 522(4)(e)(v) <u>Part 6e:</u> 552(7)(e)(v) <u>1311b et seq:</u> 1311d(3)(e)(v)	Tab 7h  PDF pg 185
<b>Academy Location</b>			
45	Identification of <b>LEA and ISD</b> where the academy will be located.	<b>All Academies</b> MCL 388.1620 <u>Part 6a:</u> 502(3)(g) <u>Part 6c:</u> 522(4)(c)(v) <u>Part 6e:</u> 552(7)(g) <u>1311b et seq:</u> 1311d(3)(e)(v); 1311e(5)(d)	Tab C6 P. 1-2  PDF pg 120
46	Description of and address of <b>proposed building(s)</b> where Academy will be located.	<b>All Academies</b> <u>Part 6a:</u> 502(3)(i) <u>Part 6c:</u> 522(4)(g) <u>Part 6e:</u> 552(7)(i); 553(5)(f) <u>1311b et seq:</u> 1311d(3)(j); 1311e(5)(g)	Tab C6 P. 1-2  PDF pg 120
47	<b>Financial commitment</b> of the applicant to the Academy's facility.	<b>USHAs</b> <u>Part 6c:</u> 522(4)(g); 523(2)(f)	n/a
48	A statement that the Academy will operate at <b>single site or multiple sites</b> with specific addresses and respective grade configurations as provided for in the contract and with applicable law, including the Academy's central administrative offices if applicable.	<b>All Academies</b> <u>Part 6a:</u> 504(1) <u>Part 6c:</u> 524(1) <u>Part 6e:</u> 556(1) <u>1311b et seq:</u> 1311g(1)	Tab B Sec. 6.9 P. B-15 Sec. 11.23 P. B-31  PDF pg 48
49	A requirement that the board of directors of the public school academy shall collect, maintain, and make available to the public and the authorizing body, in accordance with applicable law and the contract, information concerning the operation and management of the public school academy including copies of facility leases or deeds, or both, and of any equipment leases.	<b>All Academies</b> <u>Part 6a:</u> 503(6)(m)(vii) <u>Part 6c:</u> 523(2)(k)(vii) <u>Part 6e:</u> 553(5)(1)(vii) <u>1311b et seq:</u> 1311e(6)(f)	Tab 8  PDF pg 187

## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

Description	Applicability	Sec /Page No. In Contract	Additional Comments
<b>Staffing and Position Descriptions</b>			
50	<b>Descriptions of staff</b> responsibilities.	<u>All Academies</u> <u>Part 6a:</u> 503(6)(d) <u>Part 6c:</u> 524(f) <u>Part 6e:</u> 552(7)(f) <u>1311b et seq:</u> 1311d(3)(f)	Tab C5  PDF pg 112
51	Requirement specifying <b>prohibited family relationships</b> consistent with applicable law.	<u>All Academies</u> <u>Part 6a:</u> 503(6)(k) <u>Part 6c:</u> 523(2)(i) <u>Part 6e:</u> 553(5)(j) <u>1311b et seq:</u> 1311e(6)(f)	Tab B Sec. 11.30 P. B-35  PDF pg 68
52	Academy shall use <b>certificated teachers</b> according to state board rule.	<u>All Academies</u> <u>Part 6a:</u> 505(1) <u>Part 6c:</u> 526(1) <u>Part 6e:</u> 553a(3); 559(1) <u>1311b et seq:</u> 1311j(1)	Tab B Sec. 11.1 P. B-27  PDF pg 60
53	Academy may use <b>non-certificated teachers</b> as the law allows.	<u>All Academies</u> <u>Part 6a:</u> 505(1); 505(2) <u>Part 6c:</u> 526(1); 526(2) <u>Part 6e:</u> 559(1); 559(2) <u>1311b et seq:</u> 1311j(1); 1311j(2)	Tab B Sec. 11.1 P. B-27  PDF pg 60
54	Academy shall use <b>certified administrators and chief business officials</b> pursuant to applicable law, including superintendent, principal, assistant principal, or other person whose primary responsibility is administering instructional programs.	<u>All Academies</u> <u>Part 6a:</u> 1246(1) <u>Part 6c:</u> 1246(1) <u>Part 6e:</u> 1246(1) <u>1311b et seq:</u> 1246(1)	Tab B Sec. 11.1 P. B-27  PDF pg 60
55	Requirement that the authorizing <b>body must review and may disapprove</b> any agreement between the Academy Board and an educational management company before the agreement is final and valid.	<u>All Academies</u> <u>Part 6a:</u> 503(6)(n) <u>Part 6c:</u> 523(2)(l) <u>Part 6e:</u> 553(5)(m) <u>1311b et seq:</u> 1311e(6)(f)	Tab B Sec. 3.9 P. B-8  PDF pg 41
56	If authorized by a LEA, <b>assurance of employee collective bargaining</b> for positions in similar districts should be addressed in the contract.	<u>All SDAs</u> <u>1311b et seq:</u> 1311d(3)(i)	n/a
57	Requirement that prohibits any individual from being employed by the Academy in more than <b>one full-time position and simultaneously compensated at a full-time rate for either position.</b>	<u>All Academies</u> <u>Part 6a:</u> 503(6)(p) <u>Part 6c:</u> 523(2)(n) <u>Part 6e:</u> 553(5)(o) <u>1311b et seq:</u> 1311e(6)(f)	Tab B Sec. 11.31 P. B-36  PDF pg 68

## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

Description	Applicability	Sec /Page No. In Contract	Additional Comments
<b>Reconstitution and Revocation</b>			
58	Procedures and grounds <b>for revoking the contract</b> provided for in applicable law, including: (see 59-62 below)	<b>All Academies</b> <u>Part 6a:</u> 503(6)(e) <u>Part 6c:</u> 523(2)(e) <u>Part 6e:</u> 561(4) <u>1311b et seq:</u> 1311e(5)(f)	Tab B Sec. 10.1-10.12 P. B-20 thru 27  PDF pg 52
59	<input type="checkbox"/> Failure of the Academy to <b>demonstrate improved pupil academic achievement for all groups of pupils or meet the educational goals</b> as set forth in the contract.	<b>All Academies</b> <u>Part 6a:</u> 507(4)(a) <u>Part 6c:</u> 528(4)(a) <u>Part 6e:</u> 561(4)(a) <u>1311b et seq:</u> 1311l(1)(a)	Tab B Sec. 10.4(a) P. B-21  PDF pg 53
60	<input type="checkbox"/> Failure of the Academy to <b>comply with all applicable law.</b>	<b>All Academies</b> <u>Part 6a:</u> 507(4)(b) <u>Part 6c:</u> 528(4)(b) <u>Part 6e:</u> 561(4)(b) <u>1311b et seq:</u> 1311l(1)(b)	Tab B Sec. 10.4(b) P. B-21  PDF pg 53
61	<input type="checkbox"/> Failure of the Academy to <b>meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship.</b>	<b>All Academies</b> <u>Part 6a:</u> 507(4)(c) <u>Part 6c:</u> 528(4)(c) <u>Part 6e:</u> 561(4)(c) <u>1311b et seq:</u> 1311l(1)(c)	Tab B Sec. 10.4(c) P. B-21  PDF pg 53
62	<input type="checkbox"/> The existence of 1 or more other grounds for revocation as <b>specified in the contract.</b>	<b>All Academies</b> <u>Part 6a:</u> 507(4)(d) <u>Part 6c:</u> 528(4)(d) <u>Part 6e:</u> 561(4)(d) <u>1311b et seq:</u> 1311l(1)(d)	Tab B Sec. 10.4(d) P. B-21  PDF pg 53
63	Procedures for <b>mandatory revocation</b> of Academy contract if Academy is <b>designated as a persistently low-achieving school (in the bottom 5%) and is in the 2nd year of restructuring.</b> Procedures must specify which school (s) are subject to closure and which are not based on exceptions for situations involving individualized education plan subgroups, and individual schools currently undergoing reconstitution.	<b>All Academies (except SDA)</b> <u>Part 6a:</u> 507(5) <u>Part 6c:</u> 528(5) <u>Part 6e:</u> 561(5)	Tab B Sec. 10.2 P. B-20  PDF pg 52
64	Procedures for the authorizing body to <b>reconstitute</b> the Academy.	<b>All Academies (except SDA)</b> <u>Part 6a:</u> 507(7) <u>Part 6c:</u> 528(7) <u>Part 6e:</u> 561(7)	Tab B Sec. 10.6(d) P. B-23  PDF pg 55

## CONSOLIDATED PUBLIC SCHOOL ACADEMY (ALL TYPES) CONTRACT CHECKLIST

Description	Applicability	Sec /Page No. In Contract	Additional Comments
<b>Cyber Schools</b>			
65	A contract for a <b>cyber school</b> shall include all of the provisions required under section 553a as well as the following: (see items 66 through 71 below)	<b>Cyber Schools</b> <u>Part 6e: 553a</u>	n/a
66	<input type="checkbox"/> A <b>teacher who holds appropriate certification</b> according to state board rule will be responsible for all of the following for each course in which a pupil is enrolled: <ul style="list-style-type: none"> <li><input type="checkbox"/> (i) Improving learning by planned instruction.</li> <li><input type="checkbox"/> (ii) Diagnosing the pupil's learning needs.</li> <li><input type="checkbox"/> (iii) Assessing learning, assigning grades, and determining advancement.</li> <li><input type="checkbox"/> (iv) Reporting outcomes to administrators and parents or legal guardians</li> </ul>	<b>Cyber Schools</b> <u>Part 6e: 553a(2)(a)</u>	n/a
67	<input type="checkbox"/> A cyber school will make educational services available for a minimum of at least <b>1,098 hours during a school year</b> and ensure that each pupil participates in the educational program for at least 1,098 hours during a school year.	<b>Cyber Schools</b> <u>Part 6e: 553a(2)(b)</u>	n/a
68	<input type="checkbox"/> A cyber school shall have maximum enrollment limitations based on years of operation	<b>Cyber Schools</b> <u>Part 6e: 552(2)(d)</u>	n/a
69	<input type="checkbox"/> Cyber school must offer each pupil's family a computer and subsidize the cost of internet access.	<b>Cyber Schools</b> <u>Part 6e: 552(2)(e)</u>	n/a
70	<input type="checkbox"/> Cyber school may not enroll any new pupils in the school of excellence that is a cyber school in a school year that begins after MDE determines that the combined total statewide final audited membership for all pupils in membership in schools of excellence that are cyber schools for a state fiscal year that exceeds a number equal to 2% of the combined total statewide final audited membership for all pupils in membership in public schools for the 2011-2012 State Fiscal Year. 2011-2012 total statewide Final audited membership = 1,582,168. Maximum statewide cyber school enrollment = 31,643.	<b>Cyber Schools</b> <u>Part 6e: 552(15)(b)</u>	n/a
71	<input type="checkbox"/> The requirement for the Academy Board of school of excellence that is a cyber school to ensure that every pupil that enrolls, along with his or her parent or legal guardian, are provided with a parent-student orientation. If the pupil is at least 18 or is an emancipated minor, the orientation may be provided to just the pupil.	<b>Cyber Schools</b> <u>Part 6e: 552(21)</u>	n/a