

*BAY MILLS COMMUNITY
COLLEGE*

A

CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY

AND RELATED DOCUMENTS

ISSUED BY

**BAY MILLS COMMUNITY COLLEGE
BOARD OF REGENTS
(AUTHORIZING BODY)**

TO

**THREE LAKES ACADEMY
(A PUBLIC SCHOOL ACADEMY)**

July 1, 2017

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Tab A

RESOLUTION

**BAY MILLS COMMUNITY COLLEGE BOARD OF REGENTS
PUBLIC SCHOOL ACADEMY AUTHORIZING BODY**

RESOLUTION NO. 16-27

WHEREAS, the Bay Mills Community College Board of Regents (the "College Board"), as the governing body of a federal tribally-controlled community college, is an authorizing body empowered to authorize and issue contracts to operate public school academies, and to establish the method of selection, length of term, and number of members of a public school academy's Board of Directors; and

WHEREAS, on July 1, 2009, the College Board issued to **Three Lakes Academy** (the "Academy") a Contract to Charter a Public School Academy (the "Charter Contract"); and

WHEREAS, the Charter Contract will expire on June 30, 2017 and the Academy has asked the College Board to issue a new contract to charter a public school academy for a term of eight (8) years; and

WHEREAS, the College Charter Schools Office has completed its evaluation and assessment of the Academy's operation and performance related to the Charter Contract, and the College Charter Schools Office recommends that the College Board issue a new contract to charter a public school academy to the Academy for a term not to exceed eight (8) years, beginning July 1, 2017;

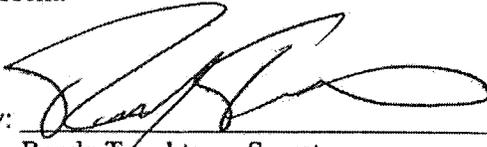
WHEREAS, in addition to other Revised School Code requirements, the College Board's reauthorization process included consideration of increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria, as the most important factor in the decision of whether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

NOW, THEREFORE, BE IT RESOLVED:

1. The College Board takes the following action related to issuing a Contract to Charter a Public School Academy and Related Documents ("Contract") to the Academy:
 - a. The College Board approves the form of the Contract and related documents as submitted to and reviewed by the College Board;
 - b. The College Board approves and authorizes the issuance of the Contract and related documents and authorizes Michael C. Parish, College Board Designee, to execute the Contract and related documents issued by the College Board to the Academy, provided that, before execution of the Contract, the College Chairperson affirms the following:

- (1) that all terms of the Contract have been agreed upon and the Academy is able to comply with all terms and conditions of the Contract; and
 - (2) that the Contract is substantially similar to the Contract approved by the College Board, with the only changes being those made by the College Board's Designee in consultation with legal counsel for the College Board that are in the best interests of the College Board.
- c. The College Board Designee may agree to a term of Contract not to exceed eight (8) academic years and not to extend beyond June 30, 2025.
2. That the current Academy Board members shall continue to serve in their current positions until the end of their term in office. All subsequent Academy Board appointments shall be made in accordance with the College Board's method of selection resolution.

I, the undersigned, as Secretary of the Bay Mills Community College Board of Regents, do hereby certify the foregoing Resolution was adopted by the Bay Mills Community College Board of Regents at a public meeting held on the 24th day of June, 2016, with a vote of 8 for, 0 opposed, 1 abstaining, and 0 absent.

By: 

Randy Touchtone, Secretary

BAY MILLS COMMUNITY COLLEGE BOARD OF REGENTS
PUBLIC SCHOOL ACADEMY AUTHORIZING BODY

RESOLUTION NO. 12-01

**Public School Academy, School of Excellence and Strict Discipline
Academy Board of Director Method of Selection Resolution**

WHEREAS, MCL 380.503 of the Revised School Code ("Code"), MCL 380.553, and MCL 380.1311e provide that an authorizing body "shall adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors" of each public school academy, school of excellence, and strict discipline academy, respectively, subject to the authorizing body's jurisdiction; and

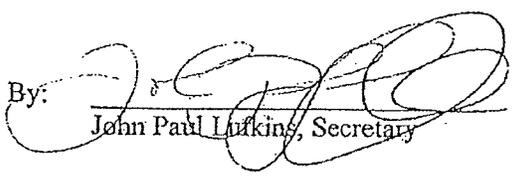
WHEREAS, the Bay Mills Community College Board of Regents (the "College Board") desires to establish a standard method of selection resolution related to appointments and service of the directors of the governing board of its authorized public school academies, schools of excellence, and strict discipline academies, and

WHEREAS, the College Board has determined that changes to the method of selection process are in the best interest of the College and that such changes be incorporated into all charter contracts issued by the College Board;

NOW, THEREFORE, BE IT RESOLVED, that the policy titled Public School Academy Board of Director Method of Selection dated January 20, 2012, is adopted; and

BE IT FURTHER RESOLVED, that these provisions shall be implemented with new charter contracts and shall be phased in for existing schools as new charter contracts are issued. As of this date, the College Board has not issued any charter contracts for schools of excellence and strict discipline academies, but the method of selection process established by this resolution shall apply to any future school that is authorized. The College's Director of Charter Schools is authorized to implement changes in the terms and conditions of charter contracts to fully execute these provisions.

I, the undersigned, as Secretary of the Bay Mills Community College Board of Regents, do hereby certify the foregoing resolution was adopted by the Bay Mills Community College Board of Regents at a public meeting held on the 20th day of January, 2012, with a vote of 6 for, 0 opposed, and 1 abstaining.

By: 

John Paul Lukins, Secretary

Dated: January 20, 2012

Public School Academy Board of Director Method of Selection

The Bay Mills Board of Regents ("College Board") declares that the method of selection, length of term, number of board members and other criteria shall be as follows:

Method of Selection and Appointment

The College Board shall prescribe the methods of appointment for members of the Academy Board. The College's Director of Charter Schools is authorized to develop and administer an Academy Board selection and appointment process that includes a *Public School Academy Board Member Appointment Questionnaire* and is in accord with these provisions:

1. Except as provided in paragraph 4 below, the College Board shall appoint the initial and subsequent Academy Board of Directors by formal resolution. The College's Director of Charter Schools shall recommend nominees to the College Board based upon a review of the nominees' *Public School Academy Board Member Appointment Questionnaire* and resume. Each nominee shall be available for interview by the College Board or its designee. The College Board may reject any and all Academy Board nominees proposed for appointment.
2. The Academy Board, by resolution and majority vote, shall nominate its subsequent members, except as provided herein. The Academy Board shall recommend to the Director of Charter Schools at least one nominee for each vacancy. Nominees shall submit the *Public School Academy Board Member Appointment Questionnaire* for review by the College's Charter Schools Office. The Director of Charter Schools may or may not recommend appointment of a nominee submitted by the Academy Board. If the Director of Charter Schools does not recommend the appointment of a nominee submitted by the Academy Board, he/she may select and recommend another nominee or may request the Academy Board submit a new nominee for consideration.
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 College Board's Chair, the College's Director of Charter Schools may appoint a qualified individual to serve as a member of the Academy Board. All appointments made under this provision must be presented to the College Board for final determination at its next regularly scheduled meeting. The College Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under the exigent conditions provision.

Dated: January 20, 2012

Length of Term

The director of an Academy Board shall serve at the pleasure of the College Board. Terms of the initial position of an Academy's Board of Directors shall be staggered in accordance with *The Academy Board of Director Table of Staggered Terms and Appointments* established and administered by the College's Charter Schools Office. Subsequent appointments shall be for a term of office not to exceed three (3) years, except as prescribed by *The Academy Board of Director Table of Staggered Terms and Appointments*.

Number of Directors

The number of board member positions shall never be fewer than five (5) nor more than nine (9), as determined from time to time by the College Board. If the Academy Board fails to attain or maintain its full membership by making appropriate and timely nominations, the College Board or the College's Director of Charter Schools may deem that failure an exigent condition.

A vacancy may be left on the initial Academy Board for a parent or guardian representative to allow sufficient time for the Academy Board to interview and identify potential nominees.

Qualifications of Members

To be qualified to serve on an Academy's Board of Directors, a person shall, among other things: (a) be a citizen of the United States; (b) be a resident of the State of Michigan; (c) submit all materials requested by the College's Charter Schools Office including, but not limited to, the *Public School Academy Board Member Appointment 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 College's Charter Schools Office.

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

The members of the Academy's Board of Directors 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 a management company that contracts with the Academy; and (4) College officials or employees.

Oath of Public Office

Before beginning their service, all members of the Academy's Board of Directors 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

Dated: January 20, 2012

filed with the College's Charter Schools Office. No appointment shall be effective prior to the taking, signing and filing of the oath of public office.

Removal and Suspension

If at anytime the College Board determines that an Academy Board member's service is no longer necessary, then the College Board may remove an Academy Board member with or without cause 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 College Board Chair, the College's Director of Charter Schools 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 College Board for final determination at its next regularly scheduled meeting. The College Board reserves the right to review, rescind, modify, ratify, or approve any suspension made under this provision.

Tenure

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

Resignation

Any Academy Board member may resign at any time by providing written notice to the Academy or the College's Charter Schools Office. 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 College Board, or the College's Director of Charter Schools, 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 College Board.

Board Vacancies

An Academy Board vacancy shall occur because of death, resignation, replacement, 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.

Compensation

Academy Board members shall serve as volunteer directors and without compensation for their respective services. By resolution of the Academy Board, the Academy Board

Dated: January 20, 2012

Tab B

**CONTRACT TERMS
AND CONDITIONS**

TERMS AND CONDITIONS

OF CONTRACT

DATED: JULY 1, 2017

ISSUED BY

THE BAY MILLS COMMUNITY COLLEGE BOARD OF REGENTS

TO

THREE LAKES ACADEMY

CONFIRMING THE STATUS OF

THREE LAKES ACADEMY]

AS A

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

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

WHEREAS, the Bay Mills Community College Board of Regents has considered the authorization of the Academy and has approved the issuance of a contract to the Academy;

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

ARTICLE I

DEFINITIONS

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

- (a) "Academy" means the Michigan nonprofit public school academy corporation named THREE LAKES ACADEMY which is established as a public school academy pursuant to this Contract.
- (b) "Academy Board" means the Board of Directors of the Academy.
- (c) "Accountability Plan" means a Community District accountability plan established, implemented and administered by the State School Reform/Redesign Officer under section 390 of the Code, MCL 380.390.
- (d) "Applicable Law" means all state and federal law applicable to public school academies.

- (e) “Application” means the public school academy application and supporting documentation submitted to the College Board for the establishment of the Academy and supplemented by material submitted pursuant to the College Board’s requirements for reauthorization.
- (f) “Authorizing Resolution” means the Resolutions adopted by the College Board on June 24, 2016.
- (g) “Charter Schools Office Director” or “CSO Director” means the person designated by the College Board to administer the operations of the Charter Schools Office.
- (h) “Charter Schools Office” or “CSO” means the office designated by the College Board as the initial point of contact for public school academy applicants and public school academies authorized by the College Board. The Charter Schools Office is also responsible for administering the College Board’s responsibilities with respect to the Contract.
- (i) “Code” means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- (j) “College” means Bay Mills Community College, a federally tribally controlled community college that is recognized under the tribally controlled colleges and universities assistance act of 1978, 25 USC 1801 et seq., and which has been determined by the Michigan Department of Education to meet the requirements for accreditation by a recognized regional accreditation body.
- (k) “College Board” means the Bay Mills Community College Board of Regents, an authorizing body as designated under Section 501 of the Code, MCL 380.501 et seq.
- (l) “College Board Chairperson” means the Chairperson of the Bay Mills Community College Board of Regents or his or her designee. In Section 1.1(m) below, “College Board Chairperson” means the Board Chairperson of the Bay Mills Community College Board of Regents.
- (m) “College Charter Schools Hearing Panel” or “Hearing Panel” means such person(s) as designated by the College Board Chairperson.
- (n) “Community District” means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (o) “Contract” means, in addition to the definition set forth in the Code, these Terms and Conditions, the Authorizing Resolution, the Resolution, the Master Calendar, the ESP Policies, the Schedules, and the Application.

- (p) “Director” means a person who is a member of the Academy Board of Directors.
- (q) “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 11.11 and has not been disapproved by the CSO Director, and is consistent with the CSO Educational Service Provider Policies, as they may be amended from time to time, and Applicable Law.
- (r) “Educational Service Provider Policies” or “ESP Policies” means those policies adopted by the Charter Schools Office Director that apply to a Management Agreement. The Charter Schools Office 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.
- (s) “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.
- (t) “Lease Policies” means those policies adopted by the Charter Schools Office Director that apply to real property lease agreements entered into by the Academy. The Charter Schools Office 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.
- (u) “Management Agreement” or “ESP Agreement” means an agreement as defined under section 503c of the Code, MCL 380.503c, that has been entered into between an ESP and the Academy Board for the operation and/or management of the Academy, which has been submitted to the CSO Director for review as provided in Section 11.11, and has not been disapproved by the CSO Director.

- (v) “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 governance, financial, administrative, facility and educational information relating to the Academy. The Charter Schools Office 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.
- (w) “President” means the President of Bay Mills Community College or his or her designee.
- (x) “Resolution” means the resolution adopted by the College Board on January 20, 2012, establishing the standard method of selection, length of term and number of members format for public school academies issued a Contract by the College Board, as amended from time to time.
- (y) “Schedules” means the following Contract documents of the Academy: Schedule 1: Articles of Incorporation, Schedule 2: Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, and Schedule 7: Required Information for Public School Academies.
- (z) “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.
- (aa) “State School Reform/Redesign Office” means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 and codified at MCL 18.445.
- (bb) “State School Reform/Redesign Officer” means the officer described in Section 1280c(9) of the Code, MCL 380.1280c(9), and authorized to act as the superintendent of the State School Reform/Redesign District under Section 1280c(6)(b) of the Code, MCL 380.1280c(6)(b).
- (cc) “Superintendent” means the Michigan Superintendent of Public Instruction.
- (dd) “Terms and Conditions” means this document entitled “Terms and Conditions of Contract, Dated July 1, 2017, Issued by the Bay Mills Community College Board of Regents to THREE LAKES ACADEMY Confirming the Status of THREE LAKES ACADEMY as a Michigan Public School Academy.”

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

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

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

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

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

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

ARTICLE II

RELATIONSHIP BETWEEN THE ACADEMY AND THE COLLEGE BOARD

Section 2.1. Independent Status of Bay Mills Community College. The College Board is an authorizing body as defined by the Code. In approving this Contract, the College Board voluntarily exercises additional powers given to the College Board under the Code. Nothing in this Contract shall be deemed to be any waiver of the College Board's autonomy or powers and the Academy shall not be deemed to be a part of the College Board or the College. If applicable, the College Board has provided to the State School Reform/Redesign Officer the accreditation notice required under Section 502 of the Code, MCL 380.502.

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

Section 2.3. Financial Obligations of the Academy Are Separate From the State of Michigan, College Board and the College. 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 College Board, or the College. 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 College Board or the College 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, the College Board or the College. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, College Board or the College, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, College Board or the College in any way guarantee, are financially obligated, or are in any way responsible for any contract, agreement, note, mortgage, loan or other instrument of indebtedness entered into by the Academy.

ARTICLE III

ROLE OF THE COLLEGE BOARD AS AUTHORIZING BODY

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

Section 3.2. College Board as Fiscal Agent for the Academy. The College Board is the fiscal agent for the Academy. As fiscal agent, the College Board assumes no responsibility for the financial condition of the Academy. The College Board is not liable for any debt or liability incurred by or on behalf of the Academy, or for any expenditure approved by or on behalf of the Academy Board. Except as provided in the Oversight Agreement and Article X of these Terms and Conditions, the College Board shall promptly, within five (5) business days of receipt, forward to the Academy all state school aid funds or other public or private funds received by the College Board for the benefit of the Academy. The responsibilities of the College 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 College Board. The College Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The responsibilities of the Academy and the College Board are set forth in the Oversight Agreement executed by the parties and incorporated herein as Schedule 4.

Section 3.4. Reimbursement of College Board Expenses. The Academy shall pay the College Board an administrative fee to reimburse the College Board for the expenses associated

with the execution of its authorizing body and oversight responsibilities. The terms and conditions of the administrative fee are set forth in Schedule 4.

Section 3.5. College 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 College Board. The Academy shall submit a written request to the College Board describing the proposed acquisition and the purpose for which the Academy desires to acquire the property. Provided the Academy Board submits the written request at least sixty (60) days before the College Board's next regular meeting, the College Board shall vote on whether to give express written permission for the acquisition at its next regular meeting.

Section 3.6. Authorization of Employment. The College 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 College for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The Academy shall ensure that the term or length of any employment contract or consultant agreement does not extend beyond the term of this Contract and shall terminate in the event this Contract is revoked or terminated. In no event may an Academy employee's employment contract term, inclusive of automatic renewals, extend beyond the term of this Contract.

Section 3.7. Code Requirements for College Board to Act as Authorizing Body. The College Board has complied with the requirements of Section 1475 of the Code, MCL 380.1475, and will continue to comply with the Code during the term of this Contract.

Section 3.8. College Board Subject to Open Meetings Act. As required by Section 1475 of the Code, MCL 380.1475, College Board meetings conducted for the purpose of carrying out or administering any authorizing body function shall be administered in accordance with the Open Meetings Act, MCL 15.261 et seq.

Section 3.9. College Board Authorizing Body Activities Subject to Freedom of Information Act. As required by Section 1475 of the Code, MCL 380.1475, all authorizing body functions performed by the College Board shall be subject to public disclosure in accordance with the Freedom of Information Act, MCL 15.231 et seq.

Section 3.10. College Board Review of Certain Financing Transactions. In the event that the Academy desires to 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., then Academy shall obtain prior review for such financing from the College Board. The Academy shall submit a written request to the College Board describing the proposed financing transaction, and the facilities or equipment to be acquired with the proceeds thereof. Provided the Academy submits the written request at least sixty (60) days before the College Board's next regular meeting, the College Board shall vote on whether to disapprove the proposed financing transaction at the next meeting. If the proposed transaction is not disapproved, the College Board may still condition the decision not to disapprove on compliance by the Academy and any lender, lessor, seller or other party with such terms as the College Board deems appropriate under the circumstances. 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 by the Academy if the proposed transaction is disapproved by the College Board. By not disapproving a proposed transaction, the College Board is in no way giving approval of the proposed transaction, or representing that the Academy has the ability to meet or satisfy any of the terms or conditions thereof.

Section 3.11. Authorizing Body Contract Authorization Process. Pursuant to the Code, the College Board is not required to issue a contract to the Academy. This Contract is for a fixed term and will terminate at that end of the Contract term set forth in Section 12.9 without any further action of either the Academy or the College Board. The Academy shall seek a new contract by making a formal request to the College Board in writing at least two years prior to the end of the Contract term. The College Board shall provide to the Academy a description of the timeline and process by which the Academy may be considered for issuance of a new contract. The timeline and process for consideration of whether to issue a new contract to the Academy shall be solely determined by the College 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 College Board as the most important factor of whether to issue or not issue a new contract. The College 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 College Board may elect, at its sole discretion, not to consider the issuance of a contract, consider reauthorization of the Academy and elect not to issue a contract, or consider reauthorization of the Academy and issue a contract for a fixed term.

Section 3.12. College Board's Invitation to Academy to Apply For Conversion to Schools of Excellence. If the College Board is interested in accepting applications to issue contracts to charter Schools of Excellence under Part 6E of the Code, and the College Board determines that the Academy meets the College Board's and the Code's eligibility criteria for applying to convert the Academy to a School of Excellence, then the College 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 College 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 body corporate authorized to receive state school aid funds pursuant to Section 11 of Article IX of the State Constitution of 1963.

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

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

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

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

- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school; and
- (e) An individual simultaneously serving as an Academy Board member and a College official, employee, or paid consultant, as a representative of the College.
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any school building 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; or
 - (iv) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy.
- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this 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.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

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

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

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

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

ARTICLE VI

OPERATING REQUIREMENTS

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

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

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

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

Section 6.5. Method of Pupil Assessment. The Academy shall evaluate pupils' work based on the assessment strategies identified in Schedule 7e. To the extent applicable, pupil performance at the Academy shall be assessed using both the mathematics and reading portions of

the Michigan Student Test of Educational Progress (M-STEP) or the Michigan Merit Examination (MME) designated under the Code. 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 student performances at the end of each academic school year or at such other times as the College Board may reasonably request;
- (c) an annual education report in accordance with the Code;
- (d) an annually administered nationally recognized norm-referenced achievement test for the Academy's grade configuration, or a program of testing approved by the Charter Schools Office; and
- (e) all tests required under Applicable Law.

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

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

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

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

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

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

Section 6.11. Annual Financial Statement Audit. The Academy shall conduct an annual financial statement audit prepared and reviewed by an independent certified public accountant. In accordance with timeframes set forth in the Master Calendar, the Academy shall submit one (1)

copy of the annual financial statement audit, auditor's management letters and any responses to auditor's management letters to the Charter Schools Office.

Section 6.12. Address and Description of Physical Plant; Process for Expanding Academy's Site Operations. The address and description of the physical plant for the Academy is set forth in Schedule 6. With the approval of the College 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 College Board's process for evaluating and approving the same configuration of age or grade levels at more than one (1) site is as follows:

By formal resolution, the Academy Board may request the authority to operate the same configuration of age or grade levels at more than one site. The Academy Board shall submit to the CSO a contract amendment, in a form and manner determined by the CSO. The contract amendment shall include all information requested by the CSO, including detailed information about the site, the Academy's proposed operations at the site and the information provided in Contract Schedules 4, 5, 6 and 7. Upon receipt of a complete contract amendment, the CSO Director shall review the contract amendment and make a recommendation to the College 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 measureable progress toward meeting the Academy's educational goals. The College Board may consider the Academy Board's site expansion request contract amendment following submission by the CSO Director of a positive recommendation. If the College 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 College Board reserves the right to modify, reject or approve any site expansion request contract amendment in its sole and absolute discretion.

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

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

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

shall serve as the method for monitoring the Academy's compliance with Applicable Law and its performance in meeting its educational goals.

Section 6.16. Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft copy of the agreement to the Charter Schools Office for review. Any matriculation agreement entered into by the Academy shall be incorporated into Schedule 7 by contract amendment pursuant to Article IX of these Terms and Conditions. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

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

Section 6.18. Section 6.18. Academy Site Is Former Site of Closed Community District School; State School Reform/Redesign Officer Approval Required. If the Academy's proposed site is located within the geographical boundaries of a Community District and is a site that was a former site of a Community District school closed by the State School Reform/Redesign Office within the last 3 school years, then the College Board shall not issue the Contract unless (a) the new Academy site has a substantially different leadership structure and curricular offering than the previous Community District school that operated at the site; and (b) the State School Reform/Redesign Officer has approved the Academy's use of the site. A copy of the State School Reform/Redesign Officer's approval shall be provided to the Charter Schools Office as part of the Application process.

Section 6.19. Section 6.19. New Public School Academies Located Within The Boundaries of A Community District. If the circumstances listed below in (a) and (b) or (c) apply to the Academy's site, the Academy represents to the College Board, intending that the College Board rely on such representation as a precondition to issuing this Contract, that the Academy will have a substantially different governance, leadership and curriculum than the public school previously operating at the site:

- (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), of the public schools in this State that the State School Reform/ Redesign Office has determined to be among the lowest achieving 5% of all public schools; or (ii) has been on the list during the immediately preceding 3 school years.
- (b) If an Accountability Plan has been in effect for at least 3 full school years, the Academy's proposed site is at the same location as a public school that has been assigned a grade of "F" under the Accountability Plan for 3 of the preceding 5 school years; or
- (c) 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.

Section 6.20. Community District Accountability Plan. If any part of the Academy's proposed site is located within the geographical boundaries of a Community District, then the Academy shall comply with the Accountability Plan. This provision shall not apply if a statewide accountability system is enacted into law replacing the Accountability Plan.

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 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 Employees Relation Act, the Prevailing Wage on State Contracts statute, the Uniform Budgeting and Accounting Act, the Revised Municipal Finance Act of 2001, the Elliott-Larsen Civil Rights Act, , the Michigan Handicappers' Civil Rights Act, , and Subtitle A of Title II of the Americans with Disabilities Act of 1990, Public Law 101-336, 42 USC & 12101 et seq. or any successor law. 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 College Board and the Academy acknowledge that the operation and administration of a public school academy and the improvement of educational outcomes over time will require amendment of this Contract. In order to assure a proper balance between the need for independent development of the Academy and the statutory responsibilities of the College 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 College Board through its designee. Except as provided in Section 6.12 of these Terms and Conditions, the College Board delegates to the CSO Director the review and approval of changes or amendments to this Contract. In the event that a proposed change is not accepted by the CSO Director, the College Board shall consider and vote upon a change proposed by the Academy following an opportunity for a presentation to the College Board by the Academy.

Section 9.3. Process for Amendment Initiated by the College Board. The College Board, or an authorized designee, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The College Board delegates to the CSO Director the review and approval of changes or amendments to this Contract. The Academy Board may delegate to an officer of the Academy the review and negotiation of changes or amendments to this Contract. The Contract shall be amended as requested by the College 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 College Board or the CSO Director. If the proposed amendment conflicts with any of the College Board's general policies on public school academies, the proposed amendment shall take effect only after approval by the Academy and the College Board.

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

Section 9.6. Emergency Action on Behalf of College 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 College Board. An emergency situation shall be deemed to occur if the Charter Schools Office Director, in his or her sole discretion, determines that the facts and circumstances warrant that emergency action take place before the next meeting of the College Board. Upon the determination that an emergency situation exists, the Charter Schools Office Director may temporarily take action on behalf of the College Board with regard to the Academy or the Contract, so long as such action is in the best interest of the College Board and the Charter Schools Office Director consults with the College Board Chairperson or the College President prior to taking the intended actions. When acting during an emergency situation, the Charter Schools Office Director shall have the authority to act in place of the College 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 College Board; or (b) the next meeting of the College Board. The Charter Schools Office Director shall immediately report such action to the College Board for confirmation at the next meeting so that the emergency action continues or, upon confirmation by the College Board, becomes permanent.

ARTICLE X

CONTRACT TERMINATION, SUSPENSION, AND REVOCATION

Section 10.1. Statutory Grounds for Revocation. In addition to the other grounds for revocation in Section 10.2 and the automatic revocation in Section 10.3 of these Terms and Conditions, the College Board may revoke this Contract, pursuant to the procedures set forth in Section 10.7, upon a determination that one or more of the following has occurred:

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

Section 10.2. Other Grounds for Revocation. In addition to the statutory grounds for revocation set forth in Section 10.1 and the grounds for an automatic revocation set forth in Section 10.3, the College Board may revoke this Contract, pursuant to the procedures set forth in Section 10.7, upon a determination that one or more of the following has occurred:

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

Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed Or Placed In State School Reform/Redesign District; Economic Hardship Termination.

Except as otherwise provided in this Section 10.3, if the College Board is notified by the State School Reform/Redesign Officer that either (i) an Academy site is subject to closure under section 507 of the Code, MCL 380.507 ("State's Automatic Closure Notice"), or (ii) an Academy site is being placed in the State School Reform/Redesign District ("State's Reform District Notice") pursuant to section 1280c(6) of the Code, MCL 380.1280c(6), 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 or the State's Reform District Notice. If the State's Automatic Closure Notice or State's Reform District 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 or the State's Reform District Notice is received without any further action of the College Board or the Academy.

If the Charter Schools Office Director determines, in his or her discretion, following consultation with the Academy Board, that either the closure of one or more sites, or the placement of one or more sites in the State School Reform/Redesign District, creates a significant economic hardship for the Academy as a going concern, then the Charter Schools Office Director may recommend to the College Board that the Contract be terminated at the end of the current school year (hereinafter "Economic Hardship Termination"). If the College 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 College Board's revocation procedures set forth in Section 10.7(c) do not apply to an automatic termination initiated by the State's Automatic Closure Notice, the State's Reform District Notice, or an Economic Hardship Termination under this Section 10.3.

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

If the State School Reform/Redesign Officer rescinds the State's Automatic Closure Notice or the State's Reform District Notice for an Academy site or sites, 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 State School Reform/Redesign Officer's school improvement plan, if applicable, for the identified site(s).

Section 10.4. Material Breach of Contract; Termination of Contract By College Board Caused By State School Reform/Redesign Officer Order. If the College Board receives notice that (i) an order has been issued by the State School Reform/Redesign Officer under Section 1280c(2) of the Code, MCL 380.1280c(2), placing an Academy site or sites under the supervision of the State School Reform/Redesign Officer; or (ii) an order is issued by the State School Reform/Redesign Officer appointing a Chief Executive Officer to take control of an Academy site or sites pursuant to Section 1280c(7) of the Code, MCL 380.1280c(7), the Charter Schools Office Director may, at his or her discretion, deem such actions a material breach of this Contract. If the Charter Schools Office Director determines that the issuance of such an order constitutes a material breach of this Contract, the Charter Schools Office Director shall notify the Academy of the material breach and request a meeting with Academy Board representatives to discuss the matter. To remedy the material breach, the Academy shall work toward the development of a corrective action plan within thirty (30) days that is acceptable to the Charter Schools Office Director. In addition to other matters, the corrective action plan shall include the Academy's redesign plan, if applicable, prepared pursuant to section 1280c of the Code, MCL 380.1280c.

The development of a corrective action plan under this Section 10.4 shall not in any way limit the rights of the College Board to revoke, terminate, or suspend this Contract. If the Charter Schools Office Director determines that the Academy is unable to develop a corrective action plan that can remedy the material breach and that is acceptable to the College, the Charter Schools Office Director shall recommend that the College Board terminate the Contract at the end of the current school year. If the College Board approves to terminate the Contract under this Section 10.4, the Contract shall be terminated at the end of the current school year without any further action of either party. If this Contract is terminated pursuant to this Section 10.4, the termination and revocation procedures in Section 10.6 and Section 10.7 shall not apply.

Section 10.5. 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 Office 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 Office Director shall present the Academy Board's request for termination to the College 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 College Board shall consider and vote on the proposed termination request. The College Board may, in its sole discretion, waive the six (6) month advance notice requirement for terminating this Contract.

Section 10.6. Grounds and Procedures for College Termination of Contract. The College Board, in its sole discretion, reserves the right to terminate the Contract (i) for any reason or for no reason provided that such termination shall not take place less than six (6) months from the date of the College Board's action; or (ii) if there is a change in Applicable Law that the College Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the College Board to make changes in the Contract that are not in the best interest of the College Board or the College, then such termination shall take effect at the end of the current Academy fiscal year. Following College Board approval, the Charter Schools Office Director shall provide

notice of the termination to the Academy. If during the period between the College 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 10.6, the revocation procedures in Section 10.7 shall not apply.

Section 10.7. College Board Procedures for Revoking Contract. The College Board's process for revoking the Contract is as follows:

- (a) Notice of Intent to Revoke. The Charter Schools Office Director, upon reasonable belief that grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.
- (b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the Charter Schools Office Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the Charter Schools Office Director prior to a review of the Academy Board's response.
- (c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, the Charter Schools Office Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the Charter Schools Office Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the Charter Schools Office Director shall develop a plan for correcting the non-compliance ("Plan of Correction") which may include reconstitution pursuant to 10.7(d) of these Terms and Conditions. In developing a Plan of Correction, the Charter Schools Office Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be closed if the Charter Schools Office 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) College Board's Contract Reconstitution Provision. The Charter Schools Office Director may reconstitute the Academy in an effort to improve student educational performance or to avoid interruption of the educational process. Reconstitution may include, but is not limited to, one of the following actions: (i) removal of 1 or more members of the Academy Board; (ii) termination of at-will board appointments of 1 or more Academy Board members in accordance with the Resolution; (iii) withdrawing approval of a contract under Section 506 of the Code; or (iv) the appointment of a new Academy Board of Directors or a conservator/trustee to take over operations of the Academy.

Except as otherwise provided in this subsection, reconstitution of the Academy does not restrict the State School Reform/Redesign Officer from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s). If, however, the Academy is located within the boundaries of a Community District and an Accountability Plan is in place, the Charter Schools Office shall notify the State School Reform/Redesign Officer that the Plan of Correction includes a reconstitution of the Academy to ensure that the Academy is not subject to automatic closure by the State School Reform/Redesign Officer under section 507 of the Code, MCL 380.507.

- (e) Request for Revocation Hearing. The Charter Schools Office Director may initiate a revocation hearing before the College Charter Schools Hearing Panel if the Charter Schools Office 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 10.7(b);
 - (ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;
 - (iii) the Academy Board's response admits violations of the Contract or Applicable Law which the Charter Schools Office Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the Charter Schools Office 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 10.7(c);
 - (vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or

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

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

- (f) Hearing before the College Charter Schools Hearing Panel. Within thirty (30) days of receipt of a request for revocation hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the notice of hearing to the Charter Schools Office and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the Charter Schools Office Director's request for Contract revocation, and to make a recommendation to the College Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the Charter Schools Office Director and shall not last more than three hours. The hearing shall be transcribed and the cost shall be divided equally between the College and the Academy. The Charter Schools Office Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel may, however, question the Charter Schools Office Director and the Academy Board. Within thirty (30) days of the revocation hearing, the Hearing Panel shall make a recommendation to the College Board concerning the revocation of the Contract. For good cause, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the Charter Schools Office and the Academy Board at the same time that the recommendation is sent to the College Board.
- (g) College Board Decision. If the Hearing Panel's recommendation is submitted to the College Board at least fourteen (14) days before the College Board's next regular meeting, the College Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The College Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The College Board shall have available to it copies of the Hearing Panel's recommendation and the transcript from the hearing. The College Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the College Board's decision shall be provided to the Charter Schools Office, the Academy Board and the Michigan Department of Education.
- (h) Effective Date of Revocation. If the College Board votes to revoke the Contract, the revocation shall be effective on the date of the College Board's act of revocation, or at a later date as determined by the College Board.

- (i) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the College Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the College Board to revoke the Contract, may be withheld by the College Board or returned to the Michigan Department of Treasury upon request.

Section 10.8. Contract Suspension. The College Board's process for suspending the Contract is as follows:

- (a) The Charter Schools Office Director Action. If the Charter Schools Office Director determines, in his or her sole discretion, that certain conditions or circumstances exist such that the Academy Board:
 - (i) has placed staff or students at risk;
 - (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property;
 - (iii) has lost its right to occupancy of the physical facilities described in Schedule 6, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities;
 - (iv) has failed to secure or has lost the necessary fire, health, and safety approvals as required by Schedule 6;
 - (v) has willfully or intentionally violated this Contract or Applicable Law; or
 - (vi) has violated Section 10.2(g) or (h), then the Charter Schools Office Director may immediately suspend the Contract, pending completion of the procedures set forth in Section 10.7. 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 10.7 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 College Board after a decision by the Charter Schools Office Director to suspend the Contract, shall be retained by the College Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury upon the State's request.
- (c) Immediate Revocation Proceeding. If the Academy Board, after receiving a notice of Contract suspension from the Charter Schools Office 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 10.7(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 College Board shall proceed to consider the Hearing Panel's recommendation in accordance with Sections 10.7(f) through (h).

Section 10.9. Venue; Jurisdiction. The parties agree that all actions or proceedings arising in connection with this Contract will be tried and litigated only in the Circuit Court of Chippewa County, Michigan, the Michigan Court of Claims or the Federal District Court for the Western District of Michigan. The parties hereby irrevocably accept for themselves and in respect of their property, generally and unconditionally, the jurisdiction of such courts. The parties irrevocably consent to the service of process out of any such courts in any such action or proceedings by the mailing of copies thereof by registered or certified mail, postage prepaid, to each such party, at its address set forth for notices in this Contract, such service to become effective ten (10) days after such mailing. The parties irrevocably waive any right they may have to assert the doctrine of forum non conveniens or to object to venue to the extent any proceedings is brought in accordance with this Section 10.9. This Section 10.9 shall not in any way be interpreted as an exception to the Academy's covenant not to sue contained in Section 11.3 of these Terms and Conditions.

Section 10.10. Appointment of Conservator/Trustee. Notwithstanding any other provision of the Contract, when the College Board, the CSO Director, or the College President determines that the health, safety, educational or economic interest of the Academy or its students is at risk, the College Board, the CSO Director, or the College President may take immediate action against the Academy, provided, however that the CSO Director and the College President may only take such action following consultation with the College Board Chair. The College Board, the CSO Director, or the College President may appoint a conservator/ trustee to manage the day-to-day operations of the Academy in place of the Academy Board. A conservator/ trustee appointed under this Section shall have all the powers and authority of the Academy Board under this Contract and Applicable Law. Upon the appointment of a conservator/ trustee, the appointment and term of office for each Academy Board member shall be suspended and the conservator/ trustee shall act in place of the Academy Board until the College Board, the CSO Director, or the College President determine that a conservator/trustee is no longer necessary. If this section has been implemented, the Academy is subject to a revocation hearing under Section 10.7, and if the Hearing Panel determines revocation to be appropriate, the revocation shall become effective immediately upon the College Board's decision.

Section 10.11. Academy Dissolution Account. If the College Board terminates, revokes or fails to issue a new Contract to the Academy, the CSO Director shall notify the Academy that, beginning thirty (30) days after notification of the College Board's decision, the College Board shall 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 CSO Director'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

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.

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan. The Academy agrees to comply with all of the following:

- (a) The Academy Board is responsible for establishing, approving, and amending an annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421 et seq. Within ten (10) business days after adoption by the Academy Board (but not later than July 1st) each year, the Academy Board shall submit to the Charter Schools Office a copy of its annual budget for the upcoming fiscal year. The budget must detail budgeted expenditures at the object level as described in the Michigan Department of Education's Michigan School Accounting Manual. In addition, the Academy Board is responsible for approving all revisions and amendments to the annual budget. Within 10 days after Academy Board approval, revisions or amendments to the Academy's budget shall be submitted to the Charter Schools Office.
- (b) Unless exempted from transmitting under section 1219 of the Code, MCL 380.1219, the Academy, on or before July 7th of each school fiscal year, shall transmit to the Center for Educational Performance and Information ("CEPI") the budgetary assumptions used when adopting its annual budget pursuant to the Uniform Budgeting and Accounting Act, MCL 141.421 et seq.
- (c) The Academy shall not adopt or operate under a deficit budget, or incur an operating deficit in a fund during any fiscal year. At any time during the term of this Contract, the Academy shall not have an existing deficit fund balance, incur a deficit fund balance, or adopt a current year budget that projects a deficit fund balance. If the Academy has an existing deficit fund balance, incurs a deficit fund balance in the most recently completed school fiscal year, or adopts a current year budget that projects a deficit fund balance, all of the following apply:
 - (i) The Academy shall notify the Superintendent and the State Treasurer immediately upon the occurrence of the circumstance, and provide a copy of the notice to the Charter Schools Office.
 - (ii) Within 30 days after making notification under subdivision (c)(i), the Academy shall submit to the Superintendent in the form and

manner prescribed by the Department an amended budget for the current school fiscal year and a deficit elimination plan approved by the Academy Board, with a copy to the State Treasurer. The Academy shall transmit a copy of the amended budget and the deficit elimination plan to the Charter Schools Office.

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

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

- (a) real and personal property insurance covering all of the Academy's real and personal property, whether owned or leased;
- (b) a minimum of general liability insurance of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate;
- (c) minimum automobile insurance coverage of one million dollars (\$1,000,000) (combined single limit for each accident);
- (d) workers' compensation insurance or "workers' compensation without employees if any insurance";
- (e) School Leaders Liability insurance of one million dollars (\$1,000,000) per occurrence and three million dollars (\$3,000,000) aggregate; and
- (f) Employee Dishonesty Insurance of five hundred thousand dollars (\$500,000).

- (g) Certificate must accurately reflect the coverage provided under the Academy's policy.
- (h) Certificate must expressly list or state the coverage for each item specified in the Contract.
- (i) Policy and corresponding certificate, should reflect an annual expiration date of June 30th to correspond with the Contract, unless a different date provides an economic advantage to the Academy, so long as such date does not create a gap in coverage at any time during the Term of this Agreement.

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The Academy may join with other public school academies to obtain insurance if the Academy Board finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured. The Academy shall list the College and the College Board on the insurance policies as an additional insured on insurance coverages listed in (b), (c) and (e) above. The Academy shall have a provision included in all policies requiring notice to the College Board, at least thirty (30) days in advance, upon termination or non-renewal of the policy. In addition, the Academy shall provide copies of all insurance policies required by this Contract on site for inspection by the College Board or its designee.

When changing insurance programs or carriers, the Academy must provide copies of the proposed policies to the College Board, or its designee, at least thirty (30) days prior to the proposed change. The Academy shall not cancel its existing coverage without the prior approval of the Charter Schools Office. In the event the Academy fails to purchase the insurance coverage required by this Section 11.2, the College Board may purchase on the Academy's behalf the insurance required under this Section 11.2 and subtract the total cost for placed insurance from the next state school aid payment received by the College Board for forwarding to the Academy.

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

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the full faith and credit of the College Board, the College or any other authorizing body, or to enter into a contract that would bind the College Board or the College. The Academy is also 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 covenants not to sue the College Board, the College, or any of its Regents, officers, employees, agents or representatives for any matters that arise under this Contract. The College Board and the College 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 College Board or the College, or any of its Regents, employees, agents, or independent contractors as a result of the issuing, overseeing, suspending, terminating or revoking of this Contract, or as a result of not issuing a new Contract at the end of the term of this Contract.

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

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 lease agreement shall only be incorporated into this Contract pursuant to Article IX of these Terms and Conditions.

Section 11.5. Occupancy and Safety Certificates. The Academy Board shall: (i) ensure that the Academy's physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates for the Academy's physical facilities. The Academy Board shall not conduct classes until the Academy has complied with this Section 11.5. Copies of these certificates shall be incorporated into this Contract under Schedule 6.

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

Section 11.7. Special Education. Pursuant to Section 1701a of the Code, the Academy shall comply with Article III, Part 29 of the Code, MCL 380.1701 et seq., concerning the provision of special education programs and services at the Academy.

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

Section 11.9. Nonessential Elective Courses. If the Academy Board elects to provide nonessential elective courses to part-time pupils at a nonpublic school building, the Academy shall comply with Section 166b of the State School Aid Act of 1979, as amended, MCL 388.1166b. 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 this Contract as an amendment pursuant to Article IX of these Terms and Conditions.

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

“Indemnification of Bay Mills Community College. The parties acknowledge and agree that the Bay Mills Community College Board of Regents, Bay Mills Community College and its respective members, officers, employees, agents or representatives (all collectively referred to as “Bay Mills Community College”) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify, defend, and hold harmless Bay Mills Community College against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines penalties, demands, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses, imposed upon or incurred by Bay Mills Community College on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Bay Mills Community College, which arise out of or are in any manner connected with Bay Mills Community College Board of Regents’ approval of the Academy’s application, Bay Mills Community College Board of Regents’ consideration of or issuance of a Contract, the Academy Board’s or [insert the name of Educational Service Provider] preparation for and operation of the Academy, or which are incurred as a result of the reliance by Bay Mills Community College upon information supplied by the Academy Board or [insert the name of Educational Service Provider], or which arise out of the failure of the Academy Board or [insert the name of Education Service Provider] to perform its obligations under the Contract or Applicable Law. The parties expressly acknowledge and agree that Bay Mills Community College, Bay Mills Community College Board of Regents and its members, and their respective officers, employees, agents or representatives, or any of them, may commence legal action against either party to enforce its rights as set forth in this Agreement.”

“Agreement Coterminous With Academy’s Contract. If the Academy’s Contract issued by the Bay Mills Community College Board of Regents 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 the Bay Mills Community College Board of Regents. 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 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the 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 State School Reform/Redesign Officer 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 Section 10.7 of 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 the Educational Service Provider shall have no recourse against the Academy or the College Board for implementing such site closure or reconstitution."

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

Section 11.11. Management Agreements. The Academy may enter into a Management Agreement with an ESP to contract out its administrative and/or educational functions and personnel. For purposes of this Contract, an employee leasing agreement shall be considered a Management Agreement, and an employee leasing company shall be considered an ESP. Any ESP 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 ESP 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 ESP policies shall automatically apply to the Academy without the need for a Contract amendment under article IX of these Terms and Conditions. The Charter Schools Office may disapprove the proposed Management Agreement submitted by the Academy if the Management Agreement is contrary to this Contract or Applicable Law. Any subsequent amendment to a Management Agreement shall be submitted for review by the Charter Schools Office in the same form and manner as a new Management Agreement.

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

ARTICLE XII

GENERAL TERMS

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

If to the College Board:	President Bay Mills Community College 12214 West Lakeshore Drive Brimley, Michigan 49715
If to the Tribal Office:	Tribal Attorney's Office Bay Mills Indian Community 12140 West Lakeshore Drive Brimley, Michigan 49715
If to Outside Counsel:	Leonard C. Wolfe Dykema Gossett PLLC 201 Townsend Street, Suite 900 Lansing, Michigan 48933
If to Academy:	Academy Board President Three Lakes Academy W 17540 Main Street Curtis, MI 49820

If to Academy Counsel:

Meg Hackett
3260 Eagle Park Drive, NE
Ste. 121
Grand Rapids, MI 49525

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

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

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

Section 12.5. Assignment. This Contract is not assignable by either the Academy or the College 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 until June 30, 2025, unless sooner revoked or terminated according to the terms hereof.

Section 12.10. Indemnification. As a condition to receiving a grant of authority from the College Board to operate a public school pursuant to the terms and conditions of this Contract, the Academy agrees to indemnify, defend and hold the College Board, the College and its Board of Regents members, officers, employees, agents or representatives harmless from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or

damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the College, which arise out of or are in any manner connected with the College Board's receipt, consideration or approval of the Application, the College 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 College Board as an authorizing body under Part 6A of the Code, the College 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 College Board, the College and its Board of Regents 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 College Board and no other person or entity, including without limitation, the Educational Service Provider. Except as otherwise provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

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

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

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

Section 12.17. Information Available to the Public.

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.

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

Section 12.18. Termination of Responsibilities. Upon termination or revocation of the Contract, the College 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.

As the designated representative of the Bay Mills Community College Board of Regents, I hereby issue this Contract to the Academy on the date set forth above.

BAY MILLS COMMUNITY COLLEGE
BOARD OF REGENTS

By: Michael C. Parish
Michael Parish, College Board Designee

Date: 7-7-17

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

THREE LAKES ACADEMY

By: John G. Smith

Date: 7-8-17

Tab C

CONTRACT SCHEDULES

Schedules

Articles of Incorporation 1

Bylaws2

Fiscal Agent Agreement3

Oversight Agreement4

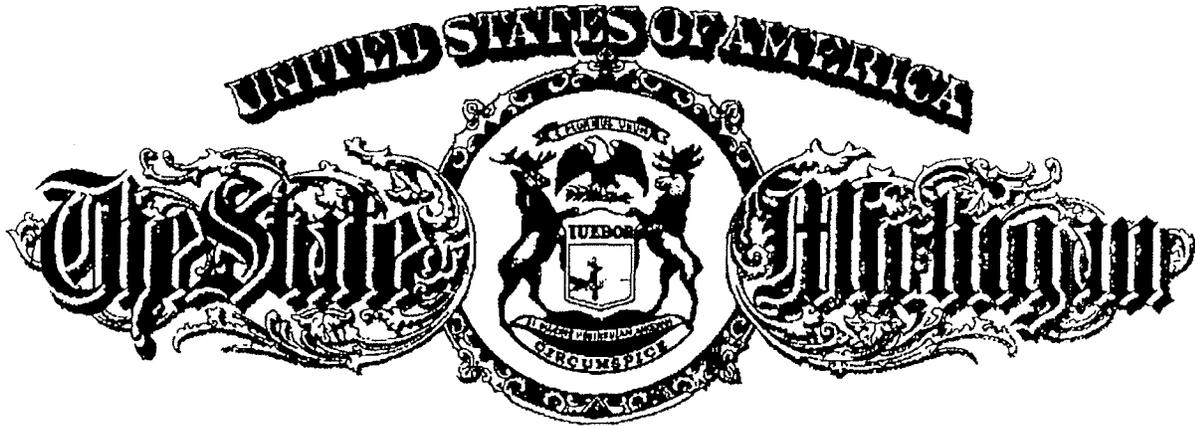
Description of Staff Responsibilities5

Physical Plant Description6

Required Information for Public School Academy7

Tab 1

CONTRACT SCHEDULE 1
ARTICLES OF INCORPORATION



Lansing, Michigan

This is to Certify That

THREE LAKES ACADEMY

was validly incorporated on April 30, 2009, as a Michigan nonprofit corporation, and said corporation is validly in existence under the laws of this state.

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

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



Sent by Facsimile Transmission
70658M

In testimony whereof, I have hereunto set my hand, in the City of Lansing, this 30th day of April, 2009.

Andrew J. Mitchell, Director

Bureau of Commercial Services

Michigan Department Of Energy, Labor & Economic Growth

Filing Endorsement

This is to Certify that the ARTICLES OF INCORPORATION - NONPROFIT

for

THREE LAKES ACADEMY

ID NUMBER: 70658M

received by facsimile transmission on April 30, 2009 is hereby endorsed

Filed on April 30, 2009 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 30TH day of April, 2009.

, Director

MICHIGAN DEPARTMENT OF CONSUMER AND INDUSTRY SERVICES									
BUREAU OF COMMERCIAL SERVICES									
Date Received		(FOR BUREAU USE ONLY)							
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ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations

OF

THREE LAKES ACADEMY

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

ARTICLE I

The name of the corporation is: Three Lakes Academy.

The authorizing body for the corporation is: The Bay Mills Community College Board of Regents.

ARTICLE II

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

1. The corporation is organized for the purpose of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Revised School 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 as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

ARTICLE III

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

The value of the assets which the corporation possesses is:

Real Property: none
Personal Property : none

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

1. State school aid payments received pursuant to the State School Aid Act of 1979 or any successor law.
2. Federal funds.
3. Donations.
4. Fees and charges permitted to be charged by public school academies.
5. Other funds lawfully received.

ARTICLE IV

The address of the registered office is W17540 Main Street, Curtis, Michigan 49820.

The mailing address of the registered office is the same.

The name of the resident agent at the registered office is Thomas Clock.

ARTICLE V

The name and address of the incorporator is as follows:

Thomas Clock
W 18061 H-42
Curtis, Michigan 49820

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

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

ARTICLE VIII

Before execution of a contract to charter a public school academy between the corporation and Bay Mills Community College Board of Regents ("Chartering Agency"), the method of selection, length of term, and the number of members of the Board of Directors of the corporation shall be approved by a resolution of the Chartering Agency as required by the Code.

ARTICLE IX

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

ARTICLE X

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

ARTICLE XI

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its board, directors, 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 hereto). 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 from federal income tax under section 115 of the IRC, or comparable provisions of any successor law.

To the extent permitted by law, upon the dissolution of the corporation, the board shall after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the Chartering Agency for forwarding to the state school aid fund established under article IX, section 11 of the Constitutions of the State of Michigan of 1962, as amended.

ARTICLE XII

These Articles of Incorporation shall not be amended except by the process provided in Article IX of the Terms and Conditions of the Charter Contract issued by the Chartering Agency to Three Lakes Academy. 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 College Board through its designee. The College Board delegates to its President the review and approval of changes or amendments to these Articles of Incorporation. In the event that a proposed change is not accepted by the College President, the College Board shall consider and vote upon a change proposed by the corporation following an opportunity for a written and oral presentation to the College Board by the corporation.

At any time and for any reason, the College Board or an authorized designee may propose specific changes to these Articles of Incorporation or may propose a meeting to discuss potential revision. The corporation's Board of Directors may delegate to an officer of the corporation the review and negotiation of changes or amendments to these Articles of Incorporation. The Articles of Incorporation shall be amended as requested by the College 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 Chartering Agency or the Charter School Office Director, and the amendments are 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 Chartering Agency's or Charter School Office Director's approval of the amendment.

ADOPTION OF ARTICLES

These Articles of Incorporation are hereby signed by the incorporator on this 21st day of April, 2009. These Articles of Incorporation shall become effective upon filing. However, the corporation shall not carry out the purposes set forth in Article II unless the Chartering Agency issues to the corporation a contract to operate as a public school academy, and the contract is executed by both the corporation and the Chartering Agency.



Thomas Clock
Incorporator, Three Lakes Academy

Tab 2

CONTRACT SCHEDULE 2

BYLAWS

**BYLAWS OF
THREE LAKES PUBLIC SCHOOL ACADEMY**

ARTICLE I

NAME

This organization shall be called Three Lakes Public School Academy (the "Academy" or the "corporation").¹

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 resident agent, as required by the Michigan Non-Profit Corporation Act. Changes in the resident agent and registered address of the Academy must be reported to the Michigan Department of Labor and Economic Growth and to the BMCC Charter Schools Office.

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 exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or pursuant to Part 6A of the Revised School Code ("Code"). The Academy Board may delegate such powers to the officers and committees of the Academy Board as it deems necessary, so long as such delegation is consistent with the Article, these Bylaws, the Contract and Applicable Law. The Academy Board may adopt policies related to the operation, administration and management of the Academy, provided such policies do not (i) violate Applicable Law; (ii) conflict with any provision of this Contract; or (iii) conflict with any policy adopted by BMCC Board of Trustees ("BMCC Board") or BMCC Charter Schools Office relating to public school academies. Policies

adopted by the Academy Board are not a part of the Contract, and may be amended from time to time by the Academy Board without prior BMCC Board or BMCC Charter Office approval.

Section 2. Method of Selection and Appointment. The BMCC Board shall prescribe the methods of appointment for members of the Academy Board by resolution.

Section 3. Length of Term. The term of each position of the Academy Board shall be for a period of three (3) years. All appointments shall be for a period of three (3) years, except appointments made to fill the unexpired term of a vacant position and appointment to the initial Board which will be two (2) one (1) year terms, two (2) two (2) year terms and three (3) three year terms.

Section 4. Number of Board of Director Positions. The number of Director positions on the Academy Board shall be seven (7). If the Academy Board fails to maintain its full membership by making appropriate and timely nominations, the Board or its designee may deem that failure an exigent condition.

Section 5. Prerequisite Qualifications of Members. Before an individual becomes a member of the Academy Board, the nominee must: (a) receive a majority of votes of the families present at a public meeting (each family receiving one (1) vote (no votes will be received by proxy or absentee vote); (b) be recommended by a resolution and majority vote of the Academy Board; (c) submit the *Public School Academy Board Member Questionnaire* which must include authorization to process a criminal background check; (d) be recommended for appointment by the BMCC Charter Schools Office; (e) be appointed by BMCC Board of Regents or its designee; (f) take the constitutional oath of office; (g) sign and file the *Oath of Public Office* with the BMCC Charter Schools Office.

The members of an Academy Board shall not include: (a) employees of the public school academy; (b) any director, officer, or employee of a service provider or management company that contracts with the academy; (c) a BMCC official or employee, as a representative of BMCC.

Section 6. Oath of Public Office. All members of the Academy Board must take the constitutional oath of office and sign the *Oath of Public Office*. No appointment shall be effective prior to the filing of the *Oath of Public Office* with BMCC Charter Schools Office.

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

Section 8. Removal. If it is deemed to be in the best interest of the Academy or BMCC, the BMCC Board reserves the right to remove a member of the Academy Board. The process is as follows:

- (a) If the BMCC Charter Schools Officer determines that the removal of an Academy Board member is in the best interest of BMCC and the Academy, the BMCC Charter Schools Officer shall prepare a report and recommendation for the BMCC president and the BMCC Board of Regents.
- (b) If the action is deemed advisable by the BMCC president, the president shall immediately, on a temporary basis, suspend the Academy Board

member and submit a recommendation concerning removal to the BMCC Board of Regents at its next meeting.

- (c) At its next meeting, the BMCC Board will review the recommendation and supporting documentation and determine whether the Academy Board member's removal shall be permanent or if the Academy Board member should be reinstated. The BMCC Board's decision will be final and is not subject to appeal.

Section 9. Resignation. Any Director may resign at any time by providing written notice to the corporation or by communicating such intention (orally or in writing) to the BMCC Charter Schools Office. Notice of resignation will be effective upon receipt or at a subsequent time if designated in a written notice. A successor shall be appointed as provided in Section 2 of this Article.

Section 10. Board Vacancies. A board of Director vacancy shall occur because of death, resignation, removal, failure to maintain residency in the State of Michigan, disqualification or as otherwise specified in the Code. Any vacancy shall be filled as provided in Section 2 of this Article.

Section 11. Compensation. A Director of the Academy shall serve as a volunteer Director. By resolution of the Board, the Directors may be reimbursed for their reasonable expenses incident to their duties.

ARTICLE V

MEETINGS

Section 1. Annual and Regular Meetings. The Academy board shall hold an annual meeting each year. The Academy Board must provide, by resolution, the time and place, within the state of Michigan, for the holding of regular monthly meetings. The Academy Board shall provide notice of the annual and all regular meetings as required by the Open Meetings Act.

Section 2. Special Meetings. Special meetings of the Academy Board may be called by or at the request of any Director. The person or persons authorized to call special meetings of the Academy Board may fix the place within the state of Michigan for holding any special meeting of the Academy Board called by them, and, if no other place is fixed, the place of meeting shall be the principal business office of the corporation in the state of Michigan. The corporation shall provide notice of all special meetings as required by the Open Meetings Act.

Section 3. Notice Waiver. The Academy Board must comply with the 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, mailed, sent by facsimile or electronic mail to each Director at the Director's address. Any Director may waive notice of any meeting by written statement, facsimile or electronic mail 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. In order to legally transact business, the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be

defined as four (4) of the seven (7) Board members.

Section 5. Manner of Acting. The Academy Board shall be considered to have "acted", when a duly called meeting of the Academy Board has a quorum present and the number of board members voting in favor of an action is as follows:

<u># of Academy Board positions</u>	<u># for Quorum</u>	<u># Required to Act</u>
Seven (7)	Four (4)	Four (4)

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 is to consist of one or more Directors selected by the Academy Board. As provided in the resolutions 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 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. 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 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 meeting, the election shall be held as soon thereafter as may be convenient. Each officer shall hold office while qualified or until the officer resigns or is removed in the manner provided in Section 3.

Section 3. Removal. Any officer or agent elected or appointed by the Academy Board may be removed by 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 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 to 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 duties of an officer whenever for any reason it is impractical for such officer to act personally. Such acting officer so appointed shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Academy Board may by resolution otherwise determine.

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

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

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS;

SPECIAL CORPORATE ACTS

Section 1. Contracts. The Academy Board may authorize any officer 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 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 BMCC or impose any liability on BMCC, its trustees, officers, employees or agents.

Section 2. Loans. No loans shall be contracted on behalf of the Academy 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 BMCC or impose any liability on BMCC, 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 1221 of the Revised School Code, being Section 380.1221.

Section 5. Voting of Gifted, Bequested, 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 the 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. As required by Applicable Law, any Director, officer or employee of the Academy, who enters into a contract with the Academy, that meets the definition of contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being section 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirements set forth in Section 3 of the statute.

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 each 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 affirmation vote of the 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 BMCC Charter School Officer. In the event that a proposed change is not accepted by the BMCC Charter School Officer, the BMCC Board shall consider and vote upon a change proposed by the corporation following an opportunity for a written presentation to the BMCC Board by the Academy Board. These Amended Bylaws and any amendments to them take effect only after they have been approved by both the Academy Board and by the BMCC Charter Schools Officer or the BMCC Board.

ARTICLE XII

TERMS AND CONDITIONS DEFINITIONS

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

CERTIFICATION

The Board certifies that these Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 21st day of April, 2009.

The Board further certifies that a copy of the executed Bylaws are being presented to the Bay Mills Community College Board of Regents.

Nancy Seel
Secretary

EXECUTED BY:

Thomas J. Clark
Thomas Clark, Incorporator
President of Three Lakes Academy

Subscribed and sworn before me
this 28 day of May, 2009.

Julie M. Cochran
Notary Public
Schoolcraft County, Michigan

My Commission Expires: 7-3-2014
Acting in Mackinac County, Michigan

JULIE M. COCHRAN
Notary Public, State of Michigan
County of Schoolcraft
My Commission Expires Jul 03, 2014
Acting in the County of Mackinac

Tab 3

CONTRACT SCHEDULE 3
FISCAL AGENT AGREEMENT

SCHEDULE 3

FISCAL AGENT AGREEMENT

This Agreement is part of the Contract issued by the Bay Mills Community College Board of Regents ("College Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to the Three Lakes Academy, a public school academy.

Preliminary Recitals

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

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

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

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

"Agreement" means this Fiscal Agent Agreement.

"Fiscal Agent" means the College Board or an officer or employee of Bay Mills Community College as designated by the College Board.

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

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

"State" means the State of Michigan.

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

ARTICLE II

FISCAL AGENT DUTIES

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

Section 2.02. Transfer to Academy. Except as provided in Article X of the Terms and Conditions and in the Oversight Agreement, the Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within ten (10) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable State Board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the 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 membership count, as defined in the State School Aid Act of 1979, as amended, or to authorize, to approve or to determine the accuracy of the State Aid School Payments received on behalf of the Academy from the State Treasurer. The duties of the Fiscal Agent are limited to the receipt and transfer to the Academy of State School Aid Payments and Other Funds received by the Academy. The Fiscal Agent shall have no duty to monitor or approve expenditures made by the Academy Board.

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

ARTICLE III

STATE DUTIES

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

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

ARTICLE IV

ACADEMY DUTIES

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

Section 4.02. Expenditure of Funds. The Academy may expend funds that it receives from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy 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 or applicable State Board rules.

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

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

ARTICLE V

RECORDS AND REPORTS

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

Section 5.02. Reports. The Fiscal Agent shall prepare and send to the Academy within thirty (30) days of September 1, 2017, and annually thereafter, a written report dated as of August 31 summarizing all receipts, deposits and transfers made on behalf or for the benefit of the Academy during the period beginning on the latter of the date hereof or the date of the last such written report and ending on the date of the report, including without limitation, State School Aid Payments received on behalf of the Academy from the State Treasurer and any Other Funds which the College Board receives under this Agreement.

ARTICLE VI

CONCERNING THE FISCAL AGENT

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

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

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

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

Acknowledgment of Receipt

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement that is part of the Contract issued by the Bay Mills Community College Board of Regents to the Three Lakes Academy.

BY:

Mary G. Martin

Mary G. Martin, Executive Director
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: 7-7-17

Acknowledgment of Receipt

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement that is part of the Contract issued by the Bay Mills Community College Board of Regents to the Three Lakes Academy.

BY: Mary G. Martin
Mary G. Martin, Executive Director
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: 7-7-17

Acknowledgment of Receipt

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement that is part of the Contract issued by the Bay Mills Community College Board of Regents to the Three Lakes Academy.

BY: Mary G. Martin
Mary G. Martin, Executive Director
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: 7-7-17

Tab 4

CONTRACT SCHEDULE 4
OVERSIGHT AGREEMENT

SCHEDULE 4

OVERSIGHT AGREEMENT

This Agreement is part of the Contract issued by the Bay Mills Community College Board of Regents ("College Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to the Three Lakes Academy (the "Academy"), a public school academy.

Preliminary Recitals

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

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

"Agreement" means this Oversight Agreement.

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

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

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

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

ARTICLE II

OVERSIGHT AND COMPLIANCE CERTIFICATION RESPONSIBILITIES

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

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

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

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

must set forth in all public notices the date for the holding of a random selection drawing if such a drawing becomes necessary.

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

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

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

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

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

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

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

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

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

ARTICLE III

RECORDS AND REPORTS

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

ARTICLE IV

MISCELLANEOUS

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

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

Section 4.03. Audit and Evaluation. The Academy:

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

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

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

ARTICLE V

TRANSPARENCY PROVISION

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

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

1. Copy of the Contract
2. Copies of the executed Constitutional Oath of public office form for each serving Director
3. List of currently serving Directors with name, address, and term of office
4. Copy of the Academy Board's meeting calendar
5. Copy of public notice for all Academy Board meetings
6. Copy of Academy Board meeting agendas
7. Copy of Academy Board meeting minutes
8. Copy of Academy Board approved budget and amendments to the budget

9. Copies of bills paid for amounts of \$10,000.00 or more as submitted to the Academy Board
10. Copy of the quarterly financial reports submitted to the Charter Schools Office
11. Copy of curriculum and other educational materials given to the Charter Schools Office
12. Copy of school improvement plan (if required)
13. Copies of facility leases, mortgages, modular leases and/or deeds
14. Copies of equipment leases
15. Proof of ownership for Academy owned vehicles and portable buildings
16. Copy of Academy Board approved ESP Agreement(s)
17. Copy of Academy Board approved services contract(s)
18. Office of Fire Safety certificate of occupancy for all Academy facilities
19. MDE letter of continuous use (if required)
20. Local County Health Department food service permit (if required)
21. Asbestos inspection report and Asbestos management plan (if required)
22. Boiler inspection certificate and lead based paint survey (if required)
23. Phase I 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 back-ground and record checks and unprofessional conduct check required by the Code for all Academy teachers and administrators
27. Academy Board approved policies
28. Copy of the annual financial audit and any management letters issued to the Academy Board
29. Proof of insurance as required by the Contract
30. Any other information specifically required under the Code

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

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

Tab 5

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

Three Lakes Academy
Description of Staff Responsibilities

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Administrator/Director	5-1
Primary Teachers	5-2
Teaching Assistants	5-4

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DESCRIPTION OF STAFF RESPONSIBILITIES

ADMINISTRATOR/DIRECTOR

The Academy Administrator/Director will be the primary leaders of the Academy and will have direct supervision of the fiscal operations, organizational management and employment areas.

QUALIFICATIONS:

1. A Masters degree in Education, with a minimum of 15 hours of advanced study beyond the MA level.
2. Minimum of five years experience in educational administration with responsibilities commensurate with those required of an Academy Administrator. Significant areas of experience include educational program development, curriculum, assessment, staff development, student discipline, and special education programs.
3. Demonstrated ability and experience in understanding and interpreting complexities of school finance. Minimum of three years experience in management and developing educational program budgets.
4. Demonstrated ability and experience in understanding, interpreting and implementing complex school regulations, laws, and administrative rules.
5. Excellent written and oral communication skills.
6. Demonstrated ability to communicate with all parts of the community.
7. Demonstrated ability to direct school operations in a fair, firm and decisive manner.
8. Effective interpersonal relationship skills.
9. Ability to work within a stressful environment and handle disruptive situations in a calm, organized manner.
10. Free of criminal record and possess moral character.

RESPONSIBILITIES:

1. Attend all meetings of the Academy Board and serve as their executive officer and professional advisor. Serve as a Board liaison with the chartering agent for charter school requirements.
2. Develop and recommend to the Academy Board policies concerning the organization, finance, curriculum, instruction, plant operations, and other functions of the Academy.
3. Develop into action administrative policies and procedures consistent with Board policy and State and Federal rules and regulations.
4. Ensure all aspects of Academy operation, comply with all applicable laws and regulations.

5. Supervise the preparation of the annual budget, appropriate resolutions, and present them to the Academy Board for adoption.
6. Serve as fiscal agent for the Academy Board in the management, use, reporting of all the school funds and securities according to State and Federal guidelines.
7. Develop, implement, and maintain the written educational plan consistent with applicable laws and the educational goals adopted by the Board.
8. Prepare and submit all reports and maintain such records as required by regulations and the Academy Board.
9. Conduct a continuous study of the Academy's development and needs and inform the Academy Board of such information on an ongoing basis.
10. Evaluate the progress of professional and support staff toward the attainment of educational goals.
11. Analyze the results of instructional program development as it applies to the Board's educational goals, and making recommendations for instructional or staffing patterns based on program progress.
12. Take immediate action, as necessary , in all cases of calamity, acts of nature, or other emergencies. This includes closing of school due to inclement weather or building programs.
13. Develop and recommend the Academy calendar to the Board.
14. Assure that schedules of classes, courses of study, and curriculums conform to the State standards and Board adoptions.

PRIMARY TEACHERS

QUALIFICATIONS:

1. Valid Michigan Teaching Certificate.
2. Special endorsement may be required depending on grade, subject or specialty area.
3. Excellent oral, written, and interpersonal communication skills are required.
4. Must have patience, tolerance, and be able to work as a team member.
5. Prefer minimum of two years teaching experience.
6. Prefer experience in implementation and assessment of state standard curriculum model.
7. Must have clear criminal history background.

RECRUITMENT:

1. Contacting University placement offices.
2. Post positions locally.
3. Advertise in newspapers.
4. Work with nearby Universities as a training site for student teachers.

HIRING:

1. Develop hiring criteria including education, experience, skills and certification relevant to this Charter School's vision.
2. Establish an Interview Team and relevant interview questions.
3. Develop an applicant screening tool.
4. Develop an interview scoring instrument.
5. Conduct inter views using Behavior Based Interviewing.
6. Make selection using the above objective criteria.
7. All prospective hires will undergo professional reference and criminal background checks.

RESPONSIBILITIES:

1. Provide instruction consistent with approved curriculum to assist all students, including special education and special needs students, in mastering standards and benchmarks.
2. Demonstrate profession skills in providing effective planning for instruction, implementing effective lesson designs, motivating students to achieve at appropriate grade level, and utilizing a variety of appropriate instructional techniques.
3. Develop and implement appropriate performance based assessments (portfolios, teacher constructed tests, rubric evaluations) to assess student mastery of subject matter.
4. Provide preparation to the class and administer state and national standardized tests.
5. Demonstrate professional organizational skills by preparing and submitting clear, usable lesson plans, maintaining substitute plans and activities; and preparing and submitting progress reports, report cards, and completing student file information within the appropriate time frames.
6. Establish and maintain effective and cooperative working relationships with peers, administrators, community members, non-teaching staff, students, and parents.
7. Maintain valid certification for instructional area and provide evidence of on-going professional growth and development.
8. Establish and maintain on-going communication with parents through timely notification of academic and/or behavior problems, provide information on student accomplishments and timely follow up with parent inquiries and requests for meetings, and maintain respectful and courteous communications with parents under all circumstances.
9. Comply with exceptional educational programs by participating in Child Study Team meetings, IEP meetings, and implementing appropriate educational programs within the classroom.
10. Maintain an organized and effective classroom environment. Discipline, control, and supervision of students are to be maintained at all times. Develop a classroom discipline policy as directed by the principal and monitor student behavior and compliance with the policy.
11. Provide homework that is relevant to the learning objectives.

12. Maintain accurate pupil accounting records and become familiar with the cumulative records of all students in classes.
13. Develop and maintain an on going inventory of all texts, equipment, furniture, and supplies assigned to the classroom.
14. Develop and maintain a textbook assignment roster each year and submit names of students who have lost or damaged textbooks by the end of the marking period, or school year.
15. Respect and comply with all school policies and procedures.
16. Refer attendance, health, and psychological/emotional problems to principal, nurse and/or school counselor and comply with mandatory reporting requirements.
17. Assist in the selection of textbooks, equipment, and other instructional supplies.
18. Serve on Academy committees as requested or assigned.
19. Maintain appropriate dress.
20. Serve as a role model for students in how to conduct themselves as citizens and as responsible, intelligent, and respectful individuals. Refrain from the use of any inappropriate language, gestures, or physical contact with students.
21. Other related duties assigned.

TEACHING ASSISTANTS

QUALIFICATIONS:

1. All paraprofessionals will be certified.
2. Paraprofessionals will receive daily assignments from the staff member with whom they are scheduled and supervised.
3. Must have patience, tolerance, and be able to work as a team member.
4. Must have clear criminal history background.

RESPONSIBILITIES:

1. Assists teachers in preparing and disseminating instructional materials and units. Typical activities include locating and organizing instructional materials; developing and duplicating worksheets; creating thematic and relevant bulletin boards, and gathering supplemental materials from library.
2. Provide direct assistance to all students in remediation of subject matter such as reading, writing, math, science, computers, language, culture, and other curriculum areas.
3. Assist and supervise students in center based and small group instructional activities.
4. Assist teacher in appropriate record keeping functions such as correcting papers, recording grades and attendance, and organizing homework and take home folders.
5. Monitor and carry out behavior plans and interventions as determined by the instructional or counseling staff.

6. Provide student supervision prior to and after school, during recess, and lunch periods as assigned. May be assigned bus supervision or after school detention monitoring as needed.
7. Attend in-service training, staff meetings, and professional development activities as assigned.
8. May provide direct assistance, inclusion to students with disabilities as per the child's IEP. Typical activities include working 1:1, filling out inclusion log; accommodations/modifications, etc.
9. All other job related duties as assigned.

Tab 6

CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

THREE LAKES ACADEMY
Physical Plant

Physical Plant Description6-1

Site Plan6-3

Floor Plan.....6-4

Occupancy Approval6-6

Sublease Agreement.....6-10

SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

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

2. The address and a description of the proposed physical plant (the "Proposed Site") of Three Lakes Academy ("Academy") is as follows:

Address: W17540 Main Street
Curtis, Michigan 49820

Description: The proposed site consists of cement floors, with tile and carpet coverings, and is constructed of cement block and brick. There are six classrooms with exterior windows. Each classroom is 30 feet by 30 feet, and three of the classrooms have a stool and sink. The multi-purpose room is also used as a gymnasium and cafeteria.

The building also has an office that originally was used as a small classroom, staff bathroom, furnace room, custodial room and two centrally located handicapped accessible bathrooms. Currently the site has four portable, handicapped accessible classrooms. Each portable is 24 feet by 36 feet. One portable has a handicapped accessible bathroom.

The playground with equipment was developed in 1998 by the parents who also provided the necessary funding. This equipment consists of swings, slides, monkey bars, a trolley and a ball field. There is a large parking lot that includes electrical services. This building could accommodate about 160 students. If the portables are utilized, that number would increase.

This facility sits on 34.4 acres of land. A township sport center that consists of two softball fields, tennis courts, a basketball court and a small playground is within walking distance. Also included on this property, is a medical office operated by Helen Newberry Joy Hospital. The basement of this medical facility is used as an emergency gathering point for the school children in severe weather situations. Because of the acreage, there is room for expansion if necessary.

All buildings are handicapped accessible and at ground level. All classrooms are equipped with fire and security lock systems, intercom systems and phonic ear for the hearing impaired.

Term of Use: Term of Contract.

Configuration of Grade Levels: Pre-Kindergarten through Seventh Grade.

Name of School District and Intermediate School District:

Local: Tahquamenon Area Schools
ISD: Eastern Upper Peninsula ISD

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

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

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

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

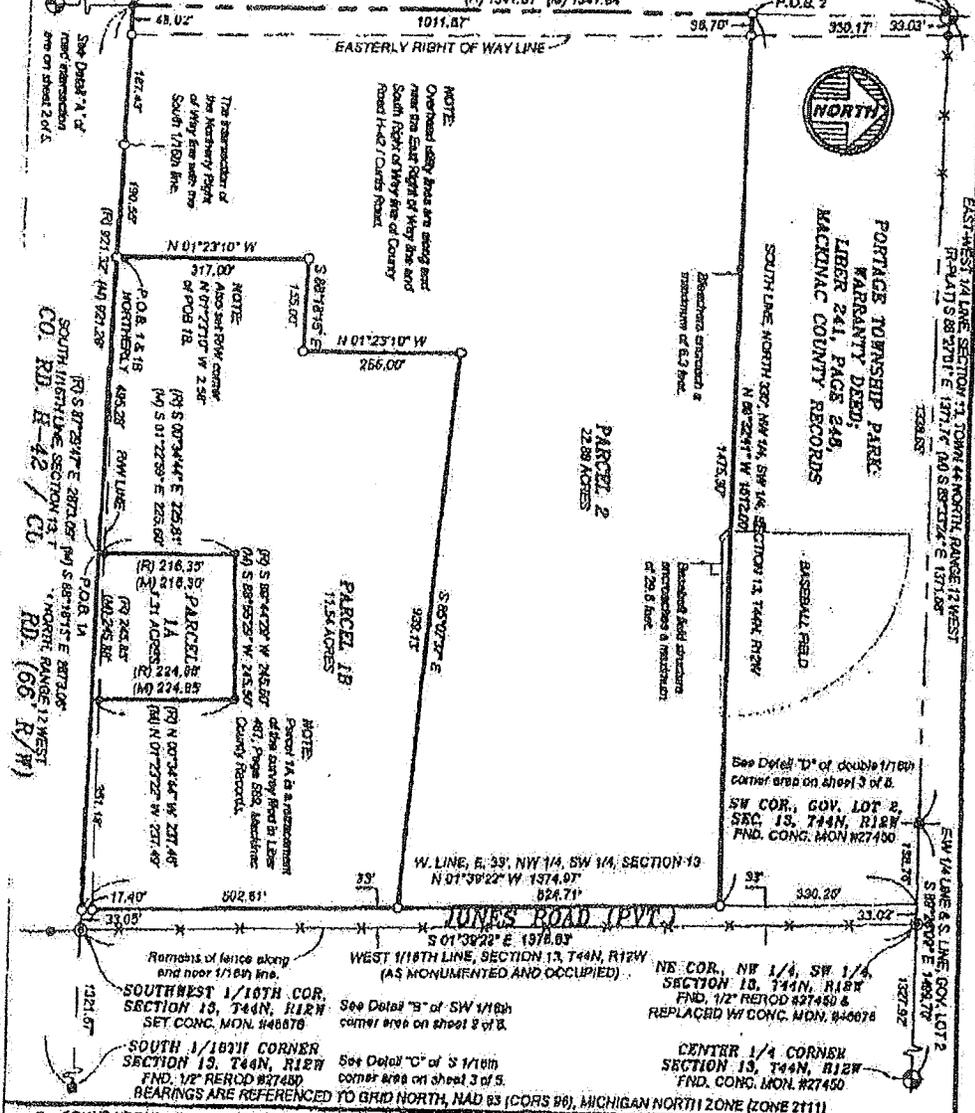
6. The Academy agrees to comply with the single site restrictions contained in this Schedule 6 for the configuration of grade levels identified at the site. Any change in the configuration of grade levels at the site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions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

LAN01M98182.1
IDVTHA - 078905/0001

CERTIFIED SURVEY

PART OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 13,
TOWN 44 NORTH, RANGE 12 WEST, PORTAGE TOWNSHIP, MACKINAC COUNTY, MICHIGAN

PREPARED FOR: TAHOUMENON AREA SCHOOLS
SECTION 15, T44N, R12W CO. RD. H-42 / CURTIS RD. (86° R/W) WEST 1/4 CORNER SECTION 13, T44N, R12W
FND. 5/8" RECORDED W. REMON, CAP. WEST LINE, SECTION 13, TOWN 44 NORTH, RANGE 12 WEST FND. 5/8" RECORDED W. REMON, CAP.
(R) S 00°34'44" E (M) S 01°23'10" E 2683.07' (R) 1341.61' (M) 1341.84'



* = FOUND "IRON", ○ = SET "IRON", ■ = FOUND CONCRETE MONUMENT, -X-X- = FENCE, (R) = RECORDED AS, (M) = MEASURED AS

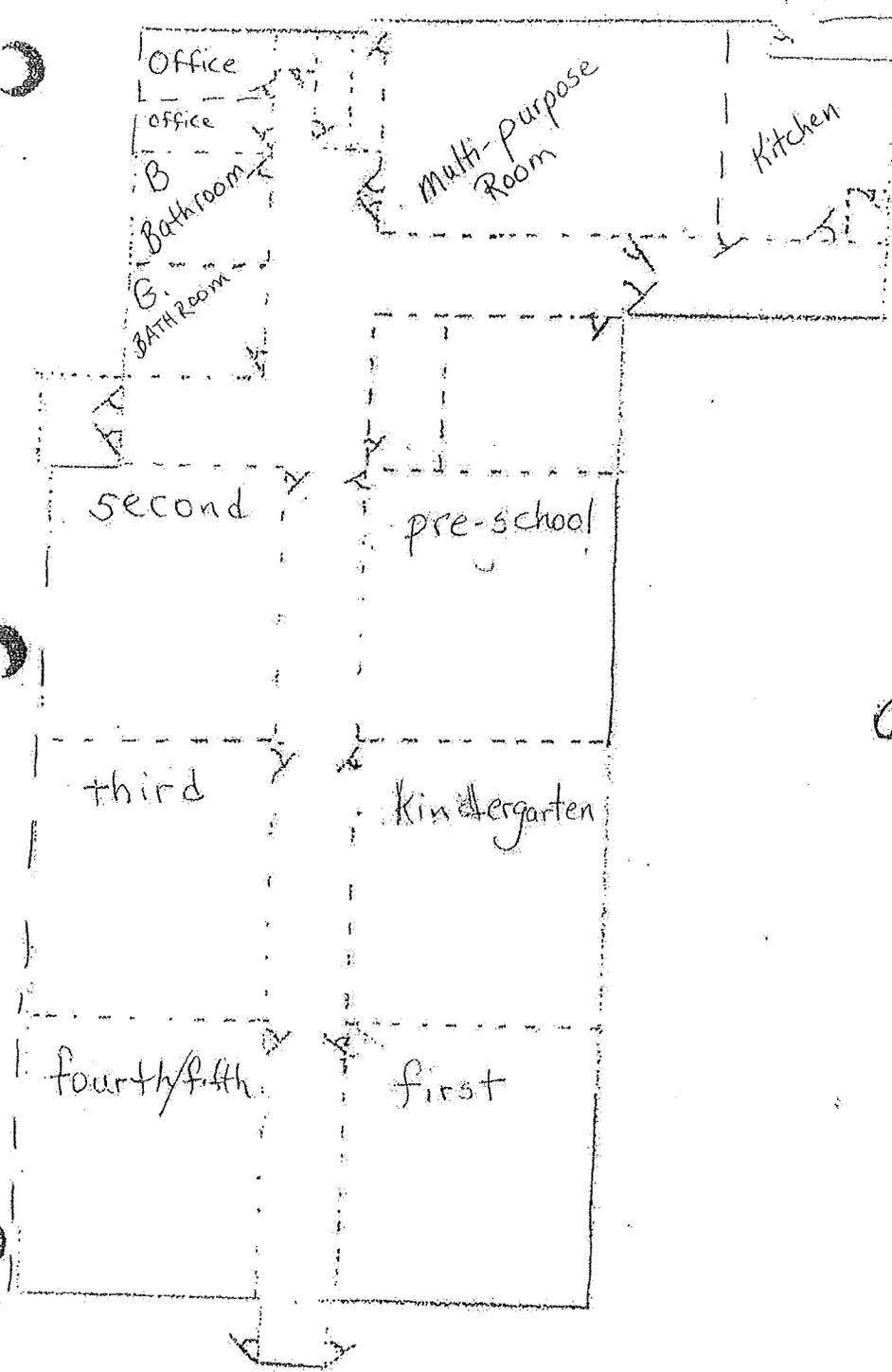
I, ERIC T. LEWICK, PROFESSIONAL SURVEYOR #46678, HEREBY CERTIFY THAT I HAVE SURVEYED THE LAND AS PLATTED AND DESCRIBED HEREON IN OCT. OF 2007, THAT THE MEASUREMENT PRECISION WAS ACCEPTABLE, AND THAT THE REQUIREMENTS OF PUBLIC ACT 132 OF 1970, AS AMENDED, HAVE BEEN COMPLIED WITH.

foresightandsurvey.com 988-293-1888
FORESIGHT
 PROFESSIONAL SURVEYORS
 5289 County Road 427 Newberry, MI 49868

FIELD CREW ETL/BEM	DATE OCT. 28, 2008
CALCULATIONS ETL	REVISED N/A
DRAFTING ETL	SHEET # 1 OF 5
C.A.D. FILE 08026-S	JOB # 08026-S

Portables

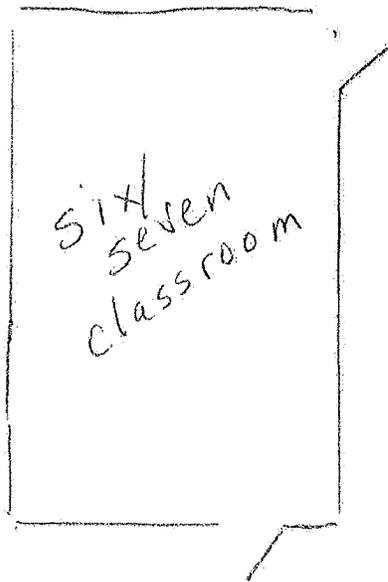
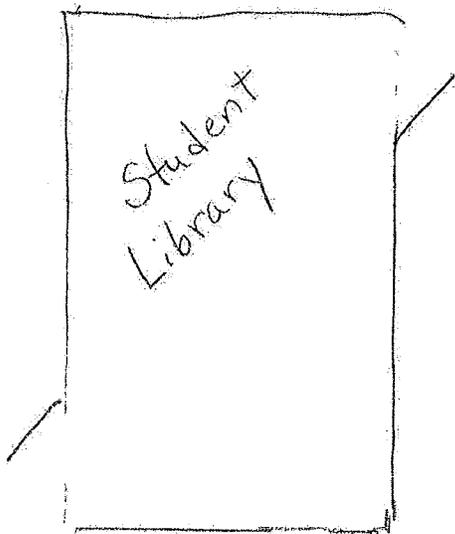
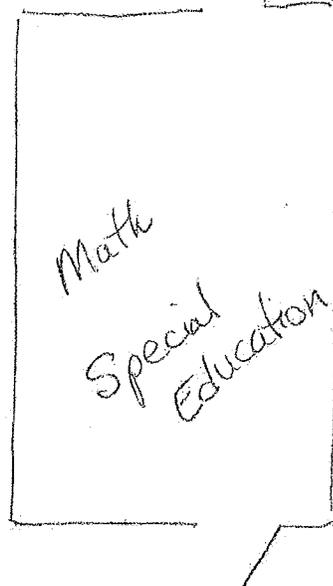
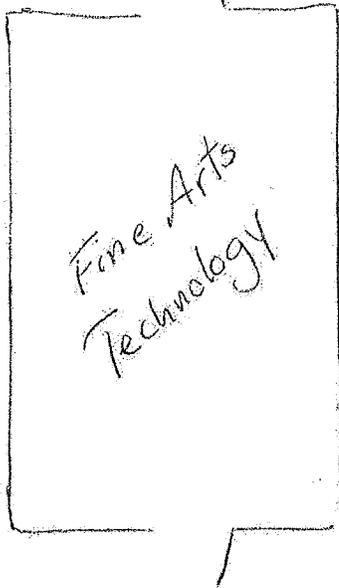
Playground



S
N
B
M

24' x 36'
buildings

2014/15 Purchase



Portable Classrooms

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

Building Permit No. B040835
Three Lakes Academy
17540 W Main Street
Portage Township, Michigan
Mackinac County

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

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



Todd Y. Cordill, NCARB
Chief

Charles E. Curtis, Assistant Chief
Building Division

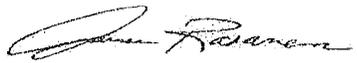
January 21, 2015

INSPECTION REPORT
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF FIRE SERVICES
FIRE MARSHAL DIVISION

FACILITY NAME Three Lakes Academy	INSPECTION DATE 01/07/15	COUNTY Mackinac	PROJECT 135267
ADDRESS W 17540 Main St	FACILITY TYPE School - Charter	RULES/CODES 1999 School	JOB/LIC/FAC. NO. 14-31C
CITY, STATE ZIP CODE Curtis, MI 49820	FACILITY REPRESENTATIVE Sue Pann, Superintendent		INSPECTION TYPE Inspection Final
FACILITY PHONE 906-586-6631	PHONE 2	FACILITY EMAIL/FAX spann@eup.k12.mi.us	

A fire safety inspection was completed on this date. This facility was found to be in compliance with the fire safety rules.

Cc: BCC Building
 Jed Dingsens, Dingsens Architects - jed@dingsensarchitects.com

FIRE SAFETY CERTIFICATION Approved	PROJECT STATUS Closed	REVIEWED BY JCE
INSPECTING OFFICIAL James A. Rasanen, Fire Marshal Inspector	ADDRESS	3101 Technology Blvd., Ste. H Lansing, MI 48910
SIGNATURE OF OFFICIAL 	TELEPHONE FAX E-MAIL	906-228-2439 517-332-1427 rasanenj@michigan.gov
The Department of Licensing And Regulatory Affairs will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.		Authority: PA207 of 1941, as amended Completion: Required Penalty: Misdemeanor

BFS-40 (Rev. 1/07)

Distribution: Architect, BFS Central/Field Office, BHS/DHS/DOC/DOE, Facility, Local Fire Department

Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes / Building Division

INSPECTION APPROVAL

Permit Number BO 40835

Foundation

Rough Frame

Other Final 1-13-15 

Date _____ Inspector _____

BCC-3807 (Rev. 4/11)

Authority: 1972 PA 230

Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes / Building Division

INSPECTION APPROVAL

Permit Number BO 40836

Foundation

Rough Frame

Other Final 1-13-15 McL Mich

Date _____ Inspector _____

BCC-3807 (Rev. 4/11)

Authority: 1972 PA 230

SUBLEASE AGREEMENT

PORTAGE TOWNSHIP - THREE LAKES ACADEMY

Sublease Agreement ("Sublease") dated May 14, 2009, by and between PORTAGE TOWNSHIP, a body corporate organized and existing under the laws of the State of Michigan, with mailing address of P.O. Box 70, Curtis, Michigan 49820 ("Sublessor"); and THREE LAKES ACADEMY, a Michigan non-profit corporation, with mailing address of West 17540 Main Street, Curtis, Michigan 49820 ("Sublessee").

The parties agree as follows:

1. SITUATION, PRIOR LEASE. Sublessor is the Lessee and Tahquamenon Area Schools ("TAS") is Lessor under a Lease dated February 13, 2009 (the "TAS Lease"), of real estate located in Portage Township, Mackinac County, Michigan, described as follows:

Parcel 1B:

A Parcel of land located in the Northwest 1/4 of the Southwest 1/4 of Section 13, Township 44 North, Range 12 West, Portage Township, Mackinac County, Michigan; originally surveyed more particularly described as follows:

Commencing at the West 1/4 corner of said Section 13, thence South 01°23'10" East 1341.84 feet along the West line of said Section 13 to the South 1/16th line of said Section 13; thence South 88°18'15" East 426.00 feet along said South 1/16th line to the Point of Beginning; thence continuing South 88°18'15" East 495.28 feet along said South 1/16th line to the West line of the Survey filed in Liber 487, Page 589, Mackinac County Records; thence North 01°22'59" West 225.60 feet along the West line of said survey to the North line of said survey; thence North 88°55'28" East 245.50 feet along said North line to the East line of said survey; thence South 01°23'22" East 237.49 feet along said East line to said South 1/16th line; thence South 88°18'15" East 351.18 feet along said South 1/16th line to the West line of the East 33 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 13; thence North 01°39'22" West 520.01 feet along the West line of the East 33 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 13; thence North 85°07'37" West 939.13 feet; thence South 01°23'10" East 255.00 feet parallel with the West line of said Section 13; thence North 88°18'15" West 155.00 feet parallel with said South 1/16th line; thence South 01°23'10" East 317.00 feet parallel with the West line of said Section 13 to said South 1/16th line and the Point of Beginning.

and;

Parcel 2:

A Parcel of land located in the Northwest 1/4 of the Southwest 1/4 of Section 13, Township 44 North, Range 12 West, Portage Township, Mackinac County, Michigan; originally surveyed more particularly described as follows:

Commencing at the West 1/4 corner of said Section 13, thence South 01°23'10" East 330.17 feet along the West line of said section 13 to the South line of the North 330.00 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 13 and the point of beginning; thence continuing South 01°23'10" East 1011.87 feet along said West line to the South

1/16 line of said Section 13; thence South 88°18'15" East 426.00 feet along said South 1/16 line; thence North 01°23'10" West 317.00 feet parallel with said West line; thence South 88°18'15" East 155.00 feet parallel with said South 1/16 line; thence North 01°23' 10" West 255.00 feet parallel with said West line; thence South 85°07'37" East 939.13 feet to the West line of the East 33 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 13; thence North 01°39'22" West 524.71 feet along the West line of the East 33 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 13 to the South line of the North 330.00 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 13; thence South 89°32'41" West 1512.00 feet along the South line of the North 330.00 feet of the Northwest 1/4 of the Southwest 1/4 of said Section 13 to the West line of said Section 13 and the Point of Beginning.

Sublessee is aware of said TAS Lease and familiar with its provisions. Said TAS Lease allows Sublessor (as Lessee thereunder) to sublet all or any portion of said real estate to third parties; and accordingly Sublessor has agreed to enter into this Sublease with Sublessee.

Sublessee is also aware of the Sublease Agreement entered into between Sublessor Portage Township and the Three Lakes Area Education Committee dated February 23, 2009. The identified Sublease between Portage Township and the Three Lakes Area Education Committee shall have no legal implication on the Three Lakes Academy's rights and obligations under this Sublease.

2. PREMISES CONDITION. Sublessor, in consideration of the rental payments to be made by Sublessee, and of the other obligations of Sublessee as herein provided, hereby subleases the "Subleased Premises" to Sublessee; as follows: one (1) classroom to be designated by the parties in the former "Curtis Elementary School" located on said Parcel 1B. It is also understood and agreed that Sublessee shall have the non-exclusive and incidental right to use the hallways and restrooms in the school building and make use of the driveways, parking areas and sidewalks for vehicular and pedestrian access. Sublessee shall also have access to the entire building and grounds to complete necessary inspections required by the Michigan Department of Labor and Economic Growth and other agencies of the State of Michigan pertaining to possible future use of the school building for charter school purposes. Such inspections may include such things as the plumbing, heating, electrical, water and sewer systems, fire marshal requirements, handicap accessibility, etc.

Sublessee accepts the Subleased Premises in current "as is" condition.

3. TERM. The Sublease term will begin on as of the date of execution of this Sublease, and terminate on August 31, 2009; unless terminated at an earlier date by either party as hereby permitted.

4. RENTAL. Rent payable in monthly installments of \$400.00/mo. on or before the first day of each calendar month. If the lease term commences other than the first day of a given month, the rent for that month shall be prorated and paid within seven (7) days after that date.

5. POSSESSION. Sublessee shall be entitled to possession on the first day of the term of this Sublease, and shall yield possession to Sublessor on the last day of the term of this Sublease, unless otherwise agreed by both parties in writing. Upon Sublease termination, Sublessee shall remove Sublessee's goods and effects and peaceably yield up the Subleased Premises to Sublessor in as good a condition as when delivered to Sublessee, ordinary wear and tear excepted.

6. USE OF SUBLEASED PREMISES. Sublessee shall not use the Subleased Premises for any purposes other than for office space and to hold meetings, without the prior written consent of Sublessor which consent shall not be unreasonably withheld.

7. INSURANCE. Sublessee is aware that in accordance with the TAS Lease, Sublessor is not and shall not be responsible to insure the Subleased Premises (including the building and all its

components and other improvements owned by Sublessor) against fire, windstorm or other casualty.

Sublessee shall, at Sublessee's expense, be solely responsible for insuring all personal property and fixtures belonging to Sublessee which may be located in, on, or about the Subleased Premises against loss or damage by theft, fire, windstorm or other casualty; and Sublessor shall not be responsible for any loss or damage to such personal property and fixtures of Sublessee, except only such loss or damage as may be caused by the intentional or willful act of Sublessor, or its employees, officials, agents, servants, contractors, guests or other invitees.

Sublessee agrees to indemnify and hold Sublessor harmless from and against any and all claims, demands, and causes of action, of whatsoever kind of nature, which may be asserted against Sublessor by any person(s) or entity(ies), for or on account of any and all damages or injuries to person or property, as a consequence of or arising out of the use, possession, and/or enjoyment of the Subleased Premises or any part thereof by Sublessee under this Sublease. Further, upon execution hereof, the Sublessee shall forthwith, at Sublessee's expense, insure itself, with a reputable insurance carrier authorized to do business in Michigan, and naming Sublessor as an additional insured, against loss or damage by reason of the aforesaid risks in amounts not less than the following: bodily injury \$500,000.00 each person, and \$1,000,000.00 each accident; property damage, \$500,000.00 each accident, and \$1,000,000.00 aggregate. All such insurance coverage herein required shall be evidenced by appropriate certification, and such certification shall be furnished to Sublessor upon its request therefor. All insurance coverages herein required shall continue and be maintained in force throughout the entire term of this lease. Sublessee may satisfy the insurance provisions herein by being added as an additional insured to the insurance already in place and maintained by the Three lakes Education Committee.

8. MAINTENANCE

A. Under the TAS Lease, it is the responsibility of TAS (not Sublessor) to maintain the building on the Subleased Premises in good repair at all times, including the structural components of the building (including roof, windows and doors), the electrical system, the well, plumbing and sewage disposal systems, and the furnace and components of the heating system.

B. Except as provided in subparagraph 8.C. below, janitorial services, if any, general cleaning and all miscellaneous supplies (cleaning supplies, light bulbs, floor mats, etc.) shall be Sublessor's responsibility, as shall exterior maintenance of the Subleased Premises, including snow removal, lawn mowing, landscape maintenance, etc.

C. Sublessee shall keep the designated classroom in neat, tidy, clean and safe condition, and shall be responsible to dispose of its own trash.

9. UTILITIES. During the Sublease term, Sublessee shall pay one half of the heat and electric expenses (for the entire school building) which have not already been covered by donations made to Portage Township. On a monthly basis, Sublessor shall invoice Sublessee for its share of such expenses and such invoices shall be due and payable within ten (10) days.

10. TAXES. Sublessee shall be responsible to pay any personal property taxes which may be levied against personal property owned by Sublessee, including furniture, fixtures, equipment and inventory before any such taxes become delinquent.

11. DESTRUCTION OR CONDEMNATION OF SUBLEASED PREMISES. If the Subleased Premises are damaged by fire or other casualty to an extent that prevents Sublessee's use of the Subleased Premises in a normal manner, this Sublease shall terminate upon twenty (20) days written notice of termination by either party and any unearned rent paid in advance by Sublessee shall be apportioned and refunded to Sublessee retroactive to the date of the fire or other casualty.

12. **DEFAULT.** Sublessee shall be in default of this Sublease if Sublessee fails to fulfill any Sublease obligation or term by which Sublessee is bound. Subject to any governing provisions of law to the contrary, if Sublessee fails to cure any financial obligation within fifteen (15) days (or any other obligation within thirty (30) days) after written notice of such default is provided by Sublessor to Sublessee, Sublessor may take possession of the Subleased Premises without further notice (to the extent permitted by law), and without prejudicing Sublessor's rights to damages. In the alternative, Sublessor may elect to cure any default and the cost of such cure shall be added to Sublessee's financial obligations under this Sublease. Sublessee shall pay all costs, damages, and expenses (including reasonable attorney fees and expenses) incurred by Sublessor by reason of Sublessee's defaults. All sums of money or charges required to be paid by Sublessee under this Sublease shall be additional rent, whether or not such sums or charges are designated as "additional rent". The rights provided by this paragraph are cumulative in nature and are in addition to any other rights afforded by law.
13. **HOLDOVER.** If Sublessee maintains possession of the Subleased Premises for any period after the termination of this Sublease ("Holdover Period"), Sublessee shall continue to pay monthly rent in the same amount as the month preceding such termination, until such date as Sublessee vacates the Subleased Premises
14. **REMODELING, SIGNS, ETC.** During the Sublease term, Sublessee shall not be permitted to remodel or decorate/redecorate the Subleased Premises, or install fixtures thereon, without the advance written consent of both Sublessor and TAS (if it still owns the property). Sublessee shall also not be permitted to install signs on the Subleased Premises, except with Sublessor's prior approval, which shall not be unreasonably withheld. At the end of the Sublease term, all fixtures and signs installed by Sublessee shall be removed by Sublessee, and Sublessee also shall repair any damage caused by such installation/removal; unless Sublessor agrees otherwise in writing
15. **ACCESS BY SUBLESSOR TO SUBLEASED PREMISES.** Throughout the Sublease term, Sublessor shall have the right to enter the Subleased Premises to make inspections, provide necessary services, etc. Sublessee also acknowledges that Sublessor shall have the right to use all the rooms (other than the one designated classroom which Sublessee may use) and grounds for any and all purposes allowed under the TAS Lease.
16. **ASSIGNMENT AND SUBLEASING.** Sublessee may not assign Sublessee's rights under this Sublease, or sublease the Subleased Premises, or any portion thereof, to any third party, without the prior written consent of Sublessor. Sublessor shall have absolute discretion whether to consent to any proposed assignment or sublease.
17. **TAS LEASE PROVISIONS.** Being aware of the terms and conditions of the TAS Lease, Sublessee agrees not to do or allow any activity or condition to happen or exist on the Subleased Premises, which would cause Sublessor to be in default under said TAS Lease. Sublessee also agrees that if TAS terminates the TAS Lease, then this Sublease shall then also terminate on the same date.
18. **COMPLIANCE WITH REGULATIONS.** Both parties shall comply with all laws, ordinances, requirements and regulations of federal, state, county and municipal authorities, and of fire insurance underwriters, relating to their respective interests in the Subleased Premises. However, Sublessor shall not by this provision be required to make alterations to the exterior of the building or alterations of a structural nature
19. **TERMINATION.** Either party may terminate this Sublease or any renewal thereof by giving written notice of termination to the other party at least fifteen (15) days prior to the

designated termination date.

20. NOTICES. Notices under this Sublease shall not be deemed valid unless given or served in writing and forwarded by mail, postage prepaid, addressed as follows:

SUBLESSOR:

Portage Township
P.O. Box 70
Curtis, Michigan 49820

SUBLEESSEE:

Three Lakes Academy
c/o Peter Webster
Dickinson Wright, PLLC
500 Woodward Ave., Suite 4000
Detroit, MI 48226

With copy to:

Attorney John Wood
Herbert & Wood
102 South Maple Street
Manistique, MI 49854

Such addresses may be changed from time to time by either party by providing notice as set forth above. Notices mailed in accordance with the above provisions shall be deemed received on the third business day after posting.

21. MISCELLANEOUS. This Sublease shall be construed in accordance with the laws of the State of Michigan. The paragraph captions in this Sublease are for convenience only and are not otherwise part of this agreement. This Sublease contains the entire agreement of the parties and there are no other promises, conditions, understandings or other agreements, whether oral or written, relating to the subject matter of this Sublease. This Sublease may be modified or amended in writing, if the writing is signed by the party obligated under the amendment. If any portion of this Sublease shall be held to be invalid or unenforceable for any reason, the remaining provisions shall continue to be valid and enforceable. If a court finds that any provision of this Sublease is invalid or unenforceable, but that by limiting such provision, it would become valid and enforceable, then such provision shall be deemed to be written, construed, and enforced as so limited. The failure of either party to enforce any provision of this Sublease shall not be construed as a waiver or limitation of that party's right to subsequently enforce and compel strict compliance with all the provisions of this Sublease. The provisions of this Sublease shall be binding upon and inure to the benefit of both parties and their respective legal representatives, successors and assigns.

Date: 5-14-09

SUBLESSOR

PORTAGE TOWNSHIP,
A Michigan body corporate

By: Donna O'Grady
Donna O'Grady

Its: Supervisor

STATE OF MICHIGAN
COUNTY OF Mackinac

The foregoing instrument was acknowledged before me this 14 day of May, 2009 by
Donna O'Grady / Marcia McDonald the Township of Portage, a Michigan body corporate.

Julie M Cochran
Notary Public

Mackinac County, Michigan
My commission expires: 7-3-2014

JULIE M. COCHRAN
Notary Public, State of Michigan
County of Schoolcraft
My Commission Expires Jul. 03, 2014
Acting in the County of Mackinac

SUBLESSEE

THREE LAKES ACADEMY,
A Michigan non-profit corporation

By: Thomas J. Clock
Thomas Clock

Its: President

STATE OF MICHIGAN
COUNTY OF Mackinac

The foregoing instrument was acknowledged before me this 19 day of May, 2009 by
Thomas Clock, the Three Lakes Academy, a Michigan non-profit corporation.

Julie M Cochran
Notary Public

Mackinac County, Michigan
My commission expires: 7-3-2014

JULIE M. COCHRAN
Notary Public, State of Michigan
County of Schoolcraft
My Commission Expires Jul. 03, 2014
Acting in the County of Mackinac

DETROIT 38923-1 1109037v2

10/2/03

By: 
Marcia McDonald

Its: Clerk

Tab 7

CONTRACT SCHEDULE 7
REQUIRED INFORMATION FOR
PUBLIC SCHOOL ACADEMY

SCHEDULE 7

REQUIRED INFORMATION FOR PUBLIC SCHOOL ACADEMY

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

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

Tab A

SECTION A

GOVERNANCE STRUCTURE

SECTION a: GOVERNANCE STRUCTURE

The College 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. Contract Schedule 2: Bylaws, Articles IV and V, set forth a further description of the Academy Board's governance/structure.

The Academy is incorporated as a non-stock, directorship nonprofit corporation. The Academy Board shall have at least five (5), but no more than nine (9) members, as determined by the College Board. The College Board shall select the members of the Academy Board according to the terms and conditions set forth by the Bay Mills Community College Board of Regents.

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.

With the issuance of this Contract, the Academy Board may Contract with a service provider to implement the Academy's educational program as set forth in Schedule 7 of this Contract. If the Academy Board retains a service provider, the service provider will be responsible for the performance of the Academy and will be accountable to the Academy Board. A service provider 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 Administrator, who will have the authority to operate the school and supervise the staff.

The Governance Structure of the Academy:

Board of Directors of the Academy



Administrator



Staff

**Teachers, Teacher Assistants,
Aides, Secretarial, Custodial**

Schedule 7a: Governance Structure

The Three Lakes Academy Board of Directors currently consists of seven (7) members. The Bay Mills Community College Board of Regents appointed each of the following individuals as Academy Board members. The term of office for each individual was decided by resolution of the Academy Board.

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

Eric Wiegand
PO.Box 203
Curtis, MI 49820
Date of Term Expiration: June 30, 2017

John Gowan
PO Box 308
Curtis, MI 49820
Date of Term Expiration: June 30, 2018

Nancy Sell
PO Box 246
Curtis, MI 49820
Date of Term Expiration: June 30, 2019

Donnalea (Cain) Phinney
W18750 Barker Rd
Germfask, MI 49836
Date of Term Expiration: June 30, 2018

Karen Norris
PO Box 70
McMillan, MI 49853
Date of Term Expiration: June 30, 2017

Michele Byrns
PO Box 213
Curtis, MI 49820
Date of Term Expiration: June 30, 2019

Aaron M.D. Weller
5520 County Rd. 415
McMillan, MI 49853
Date of Term Expiration: June 30, 2018

Tab B

SECTION B

EDUCATIONAL GOALS

MEASURABLE EDUCATIONAL GOALS

Three Lakes Academy's educational goals are grounded in best practices for teaching and learning, which is a framework for the intricacies of the pedagogy that occurs in the classroom on a daily basis.

FEDERAL GOAL

Each year, the Academy will increase student achievement in accordance with state and federal School Report Card requirements in the core academic subjects of math and language arts, and in the non-academic indicators as defined by the state. For all grades and years, the Academy expects each student to achieve 1.2 years of development during the school year. Annual growth or progress targets will be determined by mandated School Report Card grades and the incremental progress determined to be feasible from an analysis of the current performance and expected goals as demonstrated by NWEA fall and spring assessments.

STATE GOAL

The two primary educational goals of Three Lakes Academy align with the Michigan Department of Education School Indicators. One, all students will achieve demonstrated growth as assessed through on-going classroom, summative, and normative assessments. A prescriptive data approach, on an individual student basis, will be implemented through the analysis of student generated data, the identified re-teaching approaches, and reassessment of the Common Core State Standards. Teachers will utilize a Multi-Tiered System of Support for students and differentiate instruction to meet the needs of each student. Two, all students will achieve a 1 or 2 on the M-STEP Assessment as a result of the implementation of the aforementioned growth model.

MISSION SPECIFIC GOALS

The Mission of Three Lakes Academy is to build a partnership among the community, parents, and school staff to ensure that each child has the best educational environment, the best teaching practices, and the highest expectations for mastering skill and acquiring the knowledge to be successful in today's world.

When students leave Three Lakes Academy they will be prepared to succeed in their next educational experience.

It is the vision of Three Lakes Academy that children learn best and that all children can be successful in an involved and caring community that is supportive and encouraging. Parents and volunteers are committed to the success of our students and have shown their commitment day after day, year after year. They have actively raised funds for school field trips, equipment, storage space, and teacher appreciation.

Teachers are expected to reach out to parents before the start of the school year, and orient families to the curriculum and programs offered by Three Lakes Academy.

Three Lakes Academy will utilize Illuminate to record student attendance, record student progress, show missing grades, communicate to parents, and house behavior and assessment data. Teachers utilize this system and update it regularly. Administration will use this system to keep up to date on students as well.

Pursuant to Applicable Law and Terms and Conditions of this Contract, including Article VI, Section 6.2, the Academy shall achieve or demonstrate measurable progress for all groups of pupils toward the achievement of the educational goal identified in this schedule. Upon request, the Academy shall provide Bay Mills Community College Charter Schools Office (BMCSO) with a written report, along with supporting data, assessing the Academy's progress toward achieving this goal. In addition, Bay Mills Community College Board of Regents Public School Academy Authorizing Body expects the Academy will meet the State of Michigan's accreditation standards pursuant to state and federal law.

Educational Goal to be Achieved:

Prepare students academically for success in college, work, and life.

To determine whether the Academy is achieving or demonstrating measurable progress toward the achievement of this goal, BMCSO will annually assess the Academy's performance using the following measures:

Measure 1: Student Achievement

The academic achievement of all students grades 2-7 will be assessed using the following metrics and achievement targets.

GRADES	METRICS	ACHIEVEMENT TARGETS
Grades 2-7 (fall and spring NWEA testing)	The average grade-level scores in reading and math as measured by the Measure of Academic Progress (MAP) by NWEA	Students enrolled for three* or more years will on average achieve scores equal to or greater than the grade-level reading and math college readiness achievement targets identified in this schedule

*If the cohort of students enrolled for three or more years is not sufficient in size to conduct a valid analysis, the cohort of students enrolled for two or more years will be used.

Measure 2: Student Growth

The academic growth of all students in grades 2 through 10 at the Academy will be assessed using the following metrics and growth targets:

Grades	Metrics	Growth Targets
Grades 2-7	Growth made by students from fall-to-spring in reading and math as measured by growth targets set for each student on the Measure of Academic Progress by NWEA	Students will on average achieve fall-to-spring academic growth targets for reading and math as set for each student on the Measure of Academic Progress by NWEA

The measure of student growth is the most important, but not the only factor the authorizing body considers when determining whether the Academy is "demonstrating measurable

progress" toward the contractual goal of preparing students academically for success in college, work, and life.

Some of the other factors considered are: academy's comparative position within state accountability reports, required state test proficiency rates compared to surrounding district's, the trend in the number of students reaching growth targets and achievement targets over the contract period.

NWEA Achievement Target Table

Grade	NWEA Reading End-of-Year Target	NWEA Math End-of-Year Target
K	157.7	159
1	176.9	179
2	190	191
3	201	204
4	208	212
5	215	224
6	218	229
7	222	233

Tab C

SECTION C

EDUCATIONAL PROGRAM

EDUCATIONAL PROGRAM

PURPOSE

The purpose of Three Lakes Academy is to provide a diverse, quality education for all children. We feel we have truly achieved this in our neighborhood school. We want to continue to remove the need for students to spend 2.5 to 5 hours on a bus each day to get to school as many would be forced to do if our doors did not remain open. The Academy will continue to provide an alternative and improved educational choice to the huge number of children in the Curtis area. In addition, the Academy hopes to attract new families who are interested in taking advantage of high-quality education with an emphasis on the environment.

PHILOSOPHY

The instructional design of Three Lakes Academy is based on mastery learning. Mastery learning is an instructional philosophy based on the belief that all students can learn if given the appropriate amount of time and the appropriate instructional opportunities. We believe that students can achieve mastery when the curricular standards are clearly articulated and defined, when assessment accurately measure the students' progress toward performance of the objective(s), and when instructional lessons are tightly aligned to the curriculum.

Because children learn at different rates and in different ways, it will be necessary for our teachers to be flexible in their approach to teaching and "must be able to adjust curriculum and presentation of information to learners rather than students to modify themselves and for the curriculum". (Differentiated Instruction by Tracey Hall, Ph.D.) Teachers must be able to communicate what the day's goals are, how they will be reached, and to evaluate at day's end whether goals have been met. Teachers must be able to facilitate learning by:

- Setting a positive climate for learners
- Organizing and making available learning resources
- Balancing intellectual and emotional components of learning
- Sharing feelings and thoughts with learners, but not dominating
- Using a student-centered approach to learning

Teachers must use a variety of methods when teaching. Small groups, whole group, self-directive activities, or hands-on activities will necessitate the teacher to adopt many different roles such as a moderator, facilitator, mentor or one who simply encourages his/her students. Environmental studies will be integrated in all academic areas where possible and as a result, teachers must be able to adjust to hands-on and exploratory activities, especially in outdoor classrooms. Research has shown that hands-on experiential learning assists and reinforces the student's retention of the material presented. As David Kolb said, "Tell me, and I will forget. Show me and I may remember. Involve me, and I will understand." To help our teachers better serve our students, they will be encouraged to participate in staff development workshops. The Seney Wildlife Refuge and the Michigan DNR will be partnering with Three Lakes Academy in the environmental component of our curriculum. Teachers will be trained in environmental programs that will be used at Three Lakes Academy. Additionally, Three Lakes Academy will

draw on the significant talents of the community as well as the environmental opportunities from our lakes, forests, rivers, meadows, and the following resources:

- Michigan Alliance for Environmental and Outdoor Education
- Michigan DNR
- Seney Wildlife Refuge

EDUCATIONAL FOCUS

The focus of the Academy as well as all areas of the curriculum will be environmental studies. The wide variety of services available nearby and in our community will allow the Academy to expose the children to a multitude of learning experiences not often available in traditional schools. We have identified the following sources of support for the environmental components of the Academy's program:

- Michigan Environmental Education Curriculum Support developed by the Michigan DEQ
- Project WILD/Project Aquatic, a joint project of the Western Association of fish and Wildlife Agencies and the Western Regional Environmental Education Council
- Project Learning Tree
- Battle Creek Science, an inquiry-based approach to science teaching

CURRICULUM PLAN

The school's curriculum is driven by the Common Core State Standards, the Next Generation Science Standards, and the C3 Framework for Social Studies. Three Lakes Academy's curriculum is research-based and was selected with assistance from our Intermediate School District School Improvement Facilitator. These programs were adopted in conjunction with professional development around progress-monitoring pieces such as the ILC and PLCs to monitor fidelity of implementation.

The school's instructional approach is three-tiered: First is direct instruction that is properly implemented. Second, small group and classroom interventions with struggling students. Third, is pull out and strategic intervention for students needing intensive support.

Daily lesson plans will include the following components:

Standards—List the specific standards that the lesson pertains to.

Objective—The objective in a given lesson plan should be a measurable indicator of what the teacher expects students to do.

Connection—The review of the previous lesson or an activity that sparks the students' interest in the lesson about to be taught.

Modeling—The modeling portion is where the teacher models what the students are expected to do.

Independent/Guided Practice—Independent practice indicates that students are practicing concepts in class with limited assistance from the teacher. This is the time that teachers assess student understanding.

Assessment—Assessments can be of various types. All assessments fall into two categories: Summative and Formative. Summative assessments are unit, semester, chapter, exams; statewide exams, national tests, etc. Formative assessments include anecdotal notes, quizzes, essays, lab reports, diagnostics etc. They can be written, oral, demonstrative, criterion reference, higher order thinking, etc.

Differentiated Instruction—Differentiated Instruction is an over-arching term to describe how instruction is being modified to best meet the individual learning needs of all students in your class. Differentiated Instruction is not exclusive to special education students who receive accommodations, and in fact, is recommended for general education students. Techniques may include the following:

- Leveled instruction
- Lesson menus
- Varied instruction
- Multiple intelligences
- Modifications

The third tier is the daily teaching and learning cycle that occurs within the classroom. Best practices and methods of daily instructional delivery will include a balanced mixture of:

- Use of manipulatives
- Student-constructive models
- Lecture style
- Differentiated instruction
- Multiple intelligences
- Hands-on approaches
- Standards-based instruction
- Algorithms

The Three Lakes Academy curriculum consists of writing/reading, math, and science with a particular focus on inquiry and the environment. Additionally, the academy provides physical education, health, technology, music, library, and art. Special education and Title I services are provided to students in need. The components of the curriculum were designed based on consultation with the EUPISD, curriculum design experts, teachers, and the CCSS guidelines.

To deliver these programs, the following materials are used:

- Writing—Implementation of 6+1 Traits of Writing and Writing Workshop
- Reading/Language—Reading Workshop, Fountas and Pinnell assessment, DIBELS and Reading Street spelling and grammar
- Math—Everyday Mathematics, AIMSweb and Connected Math
- Science—Battle Creek Science
- Health—Michigan Model
- Social Studies—MC3 Curriculum; a Michigan model based on the C3 Framework
- Technology—is taught in the classrooms. Three Lakes Academy is striving toward 1:1 computers
- Music—Vocal and instrumental music is taught to all students
- Art—Introduction to various media
- PE—The school uses Exemplary Physical Education Curriculum
- Other delivery systems will include:
 - Illuminate
 - Moby Max
 - Read Naturally
 - Pearson Success Makers

Tab D

SECTION D

CURRICULUM

THREE LAKES ACADEMY CURRICULUM INDEX

Lower Elementary (K-2) Resources	<ul style="list-style-type: none"> • Assessment Records • Common Core State Standards Parent and Teacher Guidelines • Graphic Organizers • Library Resources • Parent Links • Resource Links
Upper Elementary (3-5) Resources	<ul style="list-style-type: none"> • Common Core State Standards Parent and Teacher Guidelines
Middle School (6-8) Resources	<ul style="list-style-type: none"> • Common Core State Standards Parent and Teacher Guidelines

Kindergarten	<p>Math</p> <ul style="list-style-type: none"> • Geometry • Measurement • Number and Operations
	<p>Reading</p> <ul style="list-style-type: none"> • Print concepts • Decoding strategies • Accuracy • Fluency • Comprehension • Fictional Stories
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

First Grade	<p>Math</p> <ul style="list-style-type: none"> • Data and Probability • Geometry • Measurement • Number and Operations
	<p>Reading</p> <ul style="list-style-type: none"> • Building good reading habits • Nonfiction • Phonics and Comprehension • Fluency • Story Elements
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Social Studies</p> <ul style="list-style-type: none"> • Citizen Involvement • Civics • Economics • Geography • History • Inquiry • Public discourse
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

<p>Second Grade</p>	<p>Math</p> <ul style="list-style-type: none"> • Data and Probability • Geometry • Measurement • Number and Operations
	<p>Reading</p> <ul style="list-style-type: none"> • Reading strategies • Nonfiction • Figurative language and comprehension • Fluency • Series Book Clubs
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Social Studies</p> <ul style="list-style-type: none"> • Civics • Economics • Geography • History • Inquiry • Public discourse
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

Third Grade	<p>Math</p> <ul style="list-style-type: none"> • Data and Probability • Geometry • Measurement • Number and Operations
	<p>Reading</p> <ul style="list-style-type: none"> • Fiction • Main Idea/Text Structure • Character Studies • Research Clubs
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Social Studies</p> <ul style="list-style-type: none"> • Civics • Economics • Geography • History • Inquiry
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

Fourth Grade	<p>Math</p> <ul style="list-style-type: none"> • Data and Probability • Geometry • Measurement • Number and Operations
	<p>Reading</p> <ul style="list-style-type: none"> • Characters/Themes • Close Reading • Compare/Contrast • Evaluating Sources • Historical Fiction
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Social Studies</p> <ul style="list-style-type: none"> • Civics • Economics • Geography • History • Inquiry
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

Fifth Grade	<p>Math</p> <ul style="list-style-type: none"> • Data and Probability • Geometry • Measurement • Number and Operations
	<p>Reading</p> <ul style="list-style-type: none"> • Interpretation Book Clubs: Analyzing Themes • Tackling Complexity: Moving up Levels of Nonfiction • Researching Debatable Issues • Fantasy Book Clubs
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Social Studies</p> <ul style="list-style-type: none"> • Civics • Economics • Geography • History • Inquiry
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

Sixth Grade	<p>Math</p> <ul style="list-style-type: none"> • Data and Statistics • Geometry and Measurement • Number Sense and Numeration • Numerical and Algebraic Operations and Analytic Thinking • Patterns, Relationships and Functions • Probability and Discrete Mathematics
	<p>Reading</p> <ul style="list-style-type: none"> • Independent Reading • Narrative Reading • Literary Essays • Informational Reading
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Social Studies</p> <ul style="list-style-type: none"> • Civics • Economics • Geography • History • Inquiry
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

Seventh Grade	<p>Math</p> <ul style="list-style-type: none"> • Data and Statistics • Geometry and Measurement • Number Sense and Numeration • Numerical and Algebraic Operations and Analytic Thinking • Patterns, Relationships and Functions • Probability and Discrete Mathematics
	<p>Reading</p> <ul style="list-style-type: none"> • Independent Reading • Narrative Reading • Literary Essays • Informational Reading
	<p>Science</p> <ul style="list-style-type: none"> • Earth Science • Life Science • Physical Science
	<p>Social Studies</p> <ul style="list-style-type: none"> • Civics • Economics • Geography • History • Inquiry
	<p>Writing</p> <ul style="list-style-type: none"> • Opinion • Narrative • Informational

Curriculum

The curriculum referenced in the Curriculum Index is in a separate file on this CD.

Tab E

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

Three Lakes Academy staff and administration uses student assessment results to assess student progress, differentiate instruction, and identify areas for improvement. Three Lakes Academy has developed appropriate assessment tools and educational methods through research of best practices and resources available through the EUPISD. In accordance with the law, the Academy uses all state mandated assessment programs, including M-STEP, and also administers the NWEA and On Demand Writing Assessments to grades K-7. The results are used to identify program strengths and areas of improvement, as well as individual student needs. Teachers are trained and encouraged to conference: with other teachers to assess individual student needs and progress; with students to keep them informed of and further encourage and address their progress; and with the parents to report student progress and develop complementary or supplementary learning strategies. The Academy continues to monitor students as they complete one grade and move to the higher grade to assess their individual progress and performance, and the effectiveness of the Academy's mission. This data will also be fed back into the curriculum and instructional design.

In applicable grades and years where the M-STEP is administered, the Academy expects 85% of its students to meet or exceed state mandated standards. For all grades and years, the Academy expects each student to achieve 1.2 years of development during the school year. Annual growth or progress targets will be determined by mandated School report Card grades and the incremental progress determined to be feasible from analysis of current performance and expected goals as demonstrated by pre and posttests. Progress toward standards/targets will be communicated to teachers through evaluations, and to students and parents through report cards, teacher/student conferences, parent/teacher conferences, and parent and student access to student progress data through internet media such as Illuminate.

Beyond student academic achievement, Three Lakes Academy employs Positive Behavior Intervention System to support positive behavior. When students misbehave, they will be re taught expected behavior. For every one negative interaction teachers have with students, they are encouraged to have five positive interactions. Mentors, volunteers, and teachers model a cooperative atmosphere. Science fosters inquiry and an appreciation for the natural environment and its conservation. The school's governing body uses data on student enrollment and retention, teacher retention, student and parent feedback, and alumni monitoring to determine whether the school achieves these qualitative objectives.

Tab F

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

Application and Enrollment Requirements

Enrollment Limits

The Academy will offer pre-kindergarten through seventh grade. The maximum enrollment shall be 130 students. The Academy will annually adopt maximum enrollment figures prior to its application and enrollment period.

Requirements

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

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

Application Process

- The application period shall be a minimum of two weeks in duration, with evening and/or weekend times available.
- The Academy shall accept applications all year. If openings occur during the academic year, students shall be enrolled. If openings do not exist, applicants shall be placed on the official waiting list. The waiting list shall cease to exist at the beginning of the next application period.

- In the event there are openings in the class for which students have applied, students shall be admitted according to the official waiting list. The position on the waiting list shall be determined by the random selection drawing. If there is no waiting list, students shall be admitted on a first-come, first-served basis.
- The Academy may neither close the application period nor hold a random selection drawing for unauthorized grades prior to receipt of approval from the Charter Schools Office.

Legal Notice

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

Re-enrolling Students

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

Random Selection Drawing

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

Prior to the application period, the Academy shall:

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

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

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

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

Tab G

SECTION G

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

SECTION 7g: SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

School Calendar

The Academy's school calendar shall comply with Sections 1175 and 1284 of the Code. The Academy's school calendar shall also comply with the minimum requirements set forth in Section 101 of the School Aid Act of 1979 (MCL 388.1701). The Academy Board must submit a copy of the Academy's school calendar to the College Board.

School Day Schedule

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

Tab H

SECTION H

AGE OR GRADE RANGE OF PUPILS

SECTION 7h: AGE OR GRADE RANGE OF PUPILS

The Academy will enroll students in pre-school through seventh grade. The Academy may add grades with the prior written approval of the Charter Schools Office Director or the College Board.

Students of the Academy will be children who have reached the age of 5 by September 1st of the current school year.