

# *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

**FLEXTech HIGH SCHOOL-SHEPHERD  
(A PUBLIC SCHOOL ACADEMY)**

July 1, 2026

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## **RESOLUTIONS**

**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

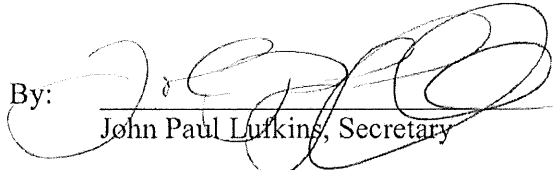
**WHEREAS**, the Bay Mills Community College Board of Regents (the "College Board") desires to establish a standard method of selection resolution related to appointments and service of the directors of the governing board of its authorized public school academies, schools of excellence, and strict discipline 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 10 for, 0 opposed, and 1 abstaining.

By: 

John Paul Lufkins, 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**

members may be reimbursed for their reasonable expenses incidental to their duties as Academy Board members.

**Dated: January 20, 2012**

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

**RESOLUTION NO. 25-66**

**Contract Reauthorization**

**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, 2018, the College Board issued to **FlexTech High School-Shepherd** (the "Academy") a Contract to Charter a Public School Academy (the "Charter Contract"); and

**WHEREAS**, the Charter Contract will expire on June 30, 2026 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, 2026;

**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 Mariah Wanic, 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 applicable law; 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, 2034.
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 11<sup>th</sup> day of July, 2025, with a vote of 5 for, 0 opposed, 1 abstaining, and 2 absent.

By: Beverly Carrick  
Beverly Carrick, Secretary

**CONTRACT TERMS  
AND CONDITIONS**

**TERMS AND CONDITIONS**

**OF CONTRACT**

**DATED: JULY 1, 2026**

**ISSUED BY**

**THE BAY MILLS COMMUNITY COLLEGE BOARD OF REGENTS**

**TO**

**FLEX TECH HIGH SCHOOL SHEPHERD**

**CONFIRMING THE STATUS OF**

**FLEX TECH HIGH SCHOOL SHEPHERD**

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

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

- (e) "Authorizing Resolution" means Resolution No. 25-66 adopted by the College Board on July 11, 2025.
- (f) "Charter Schools Office Director" or "CSO Director" means the person designated by the College Board to administer the operations of the Charter Schools Office.
- (g) "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.
- (h) "Code" means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1853 of the Michigan Compiled Laws.
- (i) "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.
- (j) "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.
- (k) "College Board Chairperson" means the Chairperson of the Bay Mills Community College Board of Regents or his or her designee. In Section 1.1(l) below, "College Board Chairperson" means the Board Chairperson of the Bay Mills Community College Board of Regents.
- (l) "College Charter Schools Hearing Panel" or "Hearing Panel" means such person(s) as designated by the College Board Chairperson.
- (m) "Community District" means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (n) "Conservator" means the individual appointed by the College President in accordance with Section 10.9 of these Terms and Conditions.

- (o) “Contract” means, in addition to the definition set forth in the Code, these Terms and Conditions, Exhibit A containing the Authorizing Resolution and the Resolution, the Master Calendar, the ESP Policies, the Lease Policies, the Schedules, and the Application.
- (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 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. The ESP Policies in effect as of this date are incorporated into and part of this Contract. Upon amendment, changes to the ESP Policies shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.
- (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 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. The Lease Policies in effect as of this date are incorporated into and part of this Contract. Upon amendment, changes to the Lease Policies shall automatically be

incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.

- (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 Resolution No. 12-01 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, codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.

- (bb) “Superintendent” means the Michigan Superintendent of Public Instruction.
- (cc) “Terms and Conditions” means this document entitled “Terms and Conditions of Contract, Dated July 1, 2026, Issued by the Bay Mills Community College Board of Regents to Flex Tech High School Shepherd Confirming the Status of Flex Tech High School Shepherd 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 Department the accreditation notice required under Section 502 of the Code, MCL 380.502.

Section 2.2. Independent Status of the Academy. The Academy is a body corporate and governmental entity authorized by the Code. The Academy is organized and shall operate as a public school academy and a nonprofit corporation. The Academy is not a division or part of the 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) recruit, select and engage employees; (ii) pay their wages; (iii) evaluate performance; (iv) discipline and dismiss employees; and (v) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The

Academy shall ensure that the term or length of any employment contract or consultant agreement does not extend beyond the term of this Contract and shall terminate in the event this Contract is revoked or terminated. In no event may an Academy employee's employment contract term, inclusive of automatic renewals, extend beyond the term of this Contract.

Section 3.7. 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 governmental entity authorized to receive state school aid funds pursuant to Section 11 of Article IX of the State Constitution of 1963.

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

Section 4.3. Academy Board Members Serve In Their Individual Capacity. All Directors of the Academy Board shall serve in their individual capacity, and not as a representative or designee of any other person or entity. A person who does not serve in their individual capacity, or who serves as a representative or designee of another person or entity, shall be deemed ineligible to continue to serve as a Director of the Academy Board. A Director who violates this Section shall be removed from office, in accordance with the removal provisions found in the Resolution

or Schedule 2: Bylaws. As set forth in the Resolution, a Director serves at the pleasure of the College Board, and may be removed with or without cause at any time.

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

- (a) An individual simultaneously serving as an Academy Board member and as an owner, officer, director, employee or consultant of or independent contractor to an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a College official, employee, or paid consultant, as a representative of the College; and
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

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

- (a) No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner:
  - (i) Is employed by the Academy;

- (ii) Works at or is assigned to work at the Academy;
  - (iii) Has an ownership, officer, policymaking, managerial, administrative non-clerical, or other significant role with the Academy's ESP or employee leasing company; or
  - (iv) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy.
- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the College finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or Schedule 2: Bylaws. For purposes of this subsection, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner.

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

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

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

## ARTICLE V

### CORPORATE STRUCTURE OF THE ACADEMY

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

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

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

Section 5.4. Quorum. Notwithstanding any document in the Contract that is inconsistent with this Section, including the Academy's Articles of Incorporation and Bylaws, a quorum of the Academy Board that is necessary to transact business and to take action shall be a majority of the Academy Board member positions 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. The Academy also shall assess pupil performance using all applicable testing that the Code or the Contract require. The Academy shall provide the Charter Schools Office with copies of reports, assessments and test results concerning the following:

- (a) educational outcomes achieved by pupils attending the Academy and other reports reasonably requested by the Charter Schools Office;
- (b) an assessment of 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. The Academy Board shall select, retain, and pay the Academy's independent auditor. The Academy Board shall not approve the retention of any independent auditor if that independent auditor or the auditor's firm is also performing accounting and/or auditing services for the Academy's Educational Service Provider, if any. 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 measurable 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 7f by contract amendment pursuant to Article IX of these Terms and Conditions. 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 6.17. New Public School Academies Located Within The Boundaries of A Community District. If the Academy is a new public school academy and either of the circumstances listed below in (a) or (b) apply to the Academy's proposed site(s), the Academy represents to the College Board, intending that the College Board rely on such representation as a precondition to issuing this Contract, that the Academy has a substantially different governance, leadership and curriculum than the public school previously operating at the site:

(a) The Academy's proposed site is the same location as a public school that (i) is currently on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state or has been on the list under federal accountability requirements as provided under the every student succeeds act, Public Law 114-95, of the public schools in this state determined to be among the lowest achieving 5% of public schools in this state during the immediately preceding 3-year period.

(b) The Academy's proposed site is the same location of another public school academy, urban high school academy, school of excellence or strict discipline academy whose contract was revoked or terminated by an authorizing body under the applicable part or section of the Code.

## **ARTICLE VII**

### **TUITION PROHIBITED**

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

## **ARTICLE VIII**

### **COMPLIANCE WITH APPLICABLE LAWS**

Section 8.1. Compliance with Applicable Law. The Academy shall comply with all applicable state and federal laws, including, but not limited to, to the extent applicable, the Code, the State School Aid Act of 1979, the Open Meetings Act, the Freedom of Information Act ("FOIA"), the Public Employment Relations Act, the Uniform Budgeting and Accounting Act, the Revised Municipal Finance Act of 2001, the Elliott-Larsen Civil Rights Act, the Persons with Disabilities Civil Rights Act, and Subtitle A of Title II of the Americans with Disabilities Act of

1990, Public Law 101-336, 42 USC & 12101 et seq. or any successor law. The Academy agrees to participate in state assessments, data collection systems, state level student growth models, state accountability and accreditation systems, and other public comparative data collection required for public schools. Additionally, the Academy shall comply with other state and federal laws which are applicable to public school academies. Nothing in this Contract shall be deemed to apply any other state or federal law to the Academy.

## **ARTICLE IX**

### **AMENDMENT**

Section 9.1. Amendments. The 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 may 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 10.6, upon a determination that one or more of the following has occurred:

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

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

- (a) The Academy fails to achieve or demonstrate measurable progress toward achieving the educational goals and related measures identified in this Contract;
- (b) The Academy fails to properly implement, consistently deliver, and support the educational programs or curriculum identified in this Contract;
- (c) The Academy is insolvent, has been adjudged bankrupt, or has operated for two or more school fiscal years with a fund balance deficit;
- (d) The Academy has insufficient enrollment to successfully operate a public school academy, or the Academy has lost more than fifty percent (50%) of its student enrollment from the previous school year;
- (e) The Academy fails to fulfill the compliance and reporting requirements or defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract or, during the term of this Contract, it is discovered by the Charter Schools Office that the Academy failed to fulfill the compliance and reporting requirements or there was a violation of a prior Contract issued by the 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; Economic Hardship Termination.**

Except as otherwise provided in this Section 10.3, if the College Board is notified by the Department that an Academy site is subject to closure under section 507 of the Code, MCL 380.507 ("State's Automatic Closure Notice"), then this Contract shall automatically be amended to eliminate the Academy's authority to operate certain age and grade levels at the site or sites identified in the State's Automatic Closure Notice. If the State's Automatic Closure Notice includes all of the Academy's existing sites, then this Contract shall automatically be terminated

at the end of the current school year in which either the State's Automatic Closure Notice is received without any further action of the College Board or the Academy.

Following receipt of the State's Automatic Closure 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, including the granting of any hardship exemption by the Department rescinding the State's Automatic Closure Notice ("Pupil Hardship Exemption"), shall be directed to the Department, in a form and manner determined by the Department.

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

If the Department elects not to issue a Pupil Hardship Exemption and the Charter Schools Officer determines, in his or her discretion, that the closure of one or more sites as directed by the Department creates a significant economic hardship for the Academy as a going concern or the possibility of a mid-year school closure, then the Charter Schools Officer 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 10.6(c) do not apply to an automatic termination initiated by the State's Automatic Closure Notice or an Economic Hardship Termination under this Section 10.3.

**Section 10.4. Grounds and Procedures for Academy Termination of Contract.** The Academy Board, by majority vote of its Directors, may, at any time and for any reason, request termination of this Contract. The Academy Board's request for termination shall be made to the Charter Schools 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. After receipt of the Academy Board's request for termination, the College Board shall consider the Academy's request no later than its next regularly scheduled meeting. The College Board shall make a final determination and vote on the proposed termination request within 90 days of receipt of the request from the Academy. The College Board may, in its sole discretion, waive the six (6) month advance notice requirement for terminating this Contract.

Section 10.5. Grounds and Procedures for 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; (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; or or (iii) if exigent circumstances exist that the College Board, in its sole discretion, determines necessitate termination of this Contract to protect the health, safety, or welfare of the Academy students, property, or funds that cannot be cured in a reasonable period as determined solely by the College Board, 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 10.5, the revocation procedures in Section 10.6 shall not apply.

Section 10.6. 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 10.6(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; (iv) the appointment of a new Academy Board of Directors or a Conservator to take over operations of the Academy; or (v) closure of an Academy site(s).

Reconstitution of the Academy does not restrict the Department from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s).

(e) Request for Revocation Hearing. The Charter Schools 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 10.6(b);

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

(iii) the Academy Board's response admits violations of the Contract or Applicable Law which the Charter Schools 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 10.6(c);

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

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

The Charter Schools 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 Department.

(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. The College Board may also direct that a portion of the Academy's state school aid funds be directed to fund the Academy's dissolution account established under Section 10.10 of these Terms and Conditions.

Section 10.7. Contract Suspension. The 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 10.6. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.

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

(c) Immediate Revocation Proceeding. If the Academy Board, after receiving a notice of Contract suspension from the Charter Schools 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 10.6(e) of this Contract. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided

that notice of the revocation hearing shall be provided to the Charter Schools Office and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The College Board shall proceed to consider the Hearing Panel's recommendation in accordance with Sections 10.6(f) through (h).

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

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

(a) take into his or her possession all Academy property and records, including financial, Academy Board, employment and student records;

(b) institute and defend actions by or on behalf of the Academy;

(c) continue the business of the Academy including entering into contracts, borrowing money, and pledging, mortgaging, or otherwise encumbering the property of the Academy as security for the repayment of loans. However, the power shall be subject to any provisions and restrictions in any existing credit documents;

(d) hire, fire, evaluate and discipline employees of the Academy;

(e) settle or compromise with any debtor or creditor of the Academy, including any governmental or taxing authority;

(f) review all outstanding agreements to which the Academy is a party and to take those actions which the Academy Board may have exercised to pay, extend, rescind, renegotiate or settle such agreements as needed; and

(g) perform all acts necessary and appropriate to fulfill the Academy's purposes as set forth under this Contract or Applicable Law.

Section 10.10. Academy Dissolution Account. If the 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 may direct up to \$10,000 from each subsequent state school aid fund payment, not to exceed a combined total of \$30,000, to a separate Academy account ("Academy Dissolution Account") to be used exclusively by the Academy to pay the costs associated with the wind up and dissolution responsibilities of the Academy. Within five (5) business days of the 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. An intercept agreement entered into by the Academy and a third party lender or trustee shall include language that the third party lender or trustee acknowledges and consents to the funding of the Academy's dissolution account in accordance with this Contract. Any unspent funds remaining in the Academy's dissolution account after payment of all wind up and dissolution expenses shall be returned to the Academy.

## **ARTICLE XI**

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

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

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

budget. Within 10 days after Academy Board approval, revisions or amendments to the Academy's budget shall be submitted to the Charter Schools Office.

- (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 the 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) 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 required by the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C.") for public school academies authorized by university board authorizing bodies:

## **M.U.S.I.C. INSURANCE COVERAGE REQUIREMENTS**

### **for Public School Academies (PSA), Strict Discipline Academies (SDA) Urban High Schools (UHS) & Schools of Excellence (SOE)**

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

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

| <b>COVERAGE</b>                         | <b>REQUIREMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>General or Public Liability (GL)</b> | <p>Must be Occurrence form</p> <p>Must include Sexual Abuse &amp; Molestation coverage which can be Occurrence or Claims Made. If this coverage is Claims Made the Retroactive Date must be the same or before date of original College PSA/SDA/UHS/SOE contract. If this coverage is Claims Made, and the PSA/SDA/UHS/SOE goes out of business, the PSA/SDA/UHS/SOE needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the PSA/SDA/UHS/SOE.</p> <p>Must include Corporal Punishment coverage.</p> <p>\$1,000,000 per occurrence &amp; \$2,000,000 aggregate.</p> <p>In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.</p> <p>College must be included as an Additional Insured with Primary and Non-Contributory Coverage.</p> <p>NOTE: SDA must also have Security/Police Professional Liability coverage with MINIMUM of \$1,000,000 limit which can be Occurrence or Claims Made. If this coverage is Claims Made, and the SDA goes out of business, the SDA needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the SDA.</p> |

| <b>COVERAGE</b>                         | <b>REQUIREMENTS</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|-----------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Errors &amp; Omissions (E&amp;O)</b> | <p>Must include Employment Practices Liability.</p> <p>Must include Corporal Punishment coverage.</p> <p>Must include Sexual Abuse &amp; Molestation coverage.</p> <p>Must include Directors' &amp; Officers' coverage.</p> <p>Must include School Leaders' E&amp;O.</p> <p>Can be Claims Made or Occurrence form.</p> <p>If Claims Made, retroactive date must be the same or before date of original College -</p> <p>PSA/SDA/UHS/SOE Charter Contract. If this coverage is Claims Made, and the PSA/SDA/UHS/SOE goes out of business, the PSA/SDA/UHS/SOE needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the PSA/SDA/UHS/SOE.</p> <p>\$1,000,000 per occurrence &amp; \$3,000,000 aggregate.</p> <p>In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.</p> <p>College must be included as an Additional Insured with Primary and Non-Contributory Coverage.</p> |

## **M.U.S.I.C. INSURANCE COVERAGE REQUIREMENTS**

### **for Public School Academies (PSA), Strict Discipline Academies (SDA) Urban High Schools (UHS) & Schools of Excellence (SOE)**

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

| <b>COVERAGE</b>                                                                                                        | <b>REQUIREMENTS</b>                                                                                                                                                                                                                                                                                             |
|------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Automobile Liability (AL) for Owned and Non-Owned Autos</b>                                                         | <p>\$1,000,000 per accident.</p> <p>In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.</p> <p>College must be included as Additional Insured with Primary and Non-Contributory Coverage.</p> |
| See Umbrella section for higher limit                                                                                  | Higher limits are required if PSA/SDA/UHS/SOE has its own buses.                                                                                                                                                                                                                                                |
| <b>COVERAGE</b>                                                                                                        | <b>REQUIREMENTS</b>                                                                                                                                                                                                                                                                                             |
| <b>Workers' Compensation</b>                                                                                           | <p>Must be Occurrence form.</p> <p>Statutory Limits with \$1,000,000 Employers Liability Limits.</p>                                                                                                                                                                                                            |
| Requirement for PSA/SDA/UHS/SOE when leasing employees from Educational Service Provider (ESP) or Management Firm (MF) | NOTE: Must have Alternate Employer Endorsement from ESP/MF. Schedule PSA/SDA/UHS/SOE location on the ESP/MF Contract.                                                                                                                                                                                           |
|                                                                                                                        | NOTE: If PSA/SDA/UHS/SOE is leasing employees from ESP/MF and the PSA/SDA/UHS/SOE name does not have payroll, PSA/SDA/UHS/SOE still must carry Workers' Compensation coverage including Employers' Liability                                                                                                    |

| COVERAGE | REQUIREMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Crime    | Must include Employee Dishonesty coverage.<br>Must include third party coverage.<br>\$500,000 limit.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| COVERAGE | REQUIREMENTS                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Umbrella | Can be Claims Made or Occurrence form. If this coverage is Claims Made, and the PSA/SDA/UHS/SOE goes out of business, the PSA/SDA/UHS/SOE needs to purchase the longest-available tail coverage. This requirement could be stated in the exit language of the Charter Contract with the PSA/SDA/UHS/SOE.<br>Umbrella is acceptable with a \$4,000,000 limit and aggregate. Also, an Umbrella policy with an unlimited aggregate is acceptable at a \$2,000,000<br>If PSA/SDA/UHS/SOE has its own buses AND/OR has more than 1,000 students, must have MINIMUM \$5,000,000 per occurrence.<br>If PSA/SDA/UHS/SOE purchases additional Umbrella limits to meet the \$1,000,000/\$3,000,000 for E&O then they must be in addition to the required Umbrella limit.<br>In the event of name changes, mergers, etc., every past and present PSA/SDA/UHS/SOE name must be listed on the policy with the new entity as the First Named Insured.<br>College must be included as Additional Insured with Primary and Non-Contributory Coverage.<br>All coverages have to be included in the Umbrella that are in General Liability, Automobile and E&O. |

## M.U.S.I.C. INSURANCE COVERAGE REQUIREMENTS

### for Public School Academies (PSA), Strict Discipline Academies (SDA) Urban High Schools (UHS) & Schools of Excellence (SOE)

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

#### ADDITIONAL RECOMMENDATIONS

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

#### **DISCLAIMER:**

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

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.

All insurance certificates must accurately reflect the coverage provided under the Academy's policy. Certificate must expressly list or state the coverage for each item specified in the Contract. Policy and corresponding certificates, 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 the Contract.

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.

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

| COVERAGE                                | REQUIREMENTS                                                         |
|-----------------------------------------|----------------------------------------------------------------------|
| <b>General or Public Liability (GL)</b> | Must be Occurrence form                                              |
|                                         | <b>Must include Sexual Abuse &amp; Molestation coverage</b>          |
|                                         | <b>Must include Corporal Punishment coverage</b>                     |
|                                         | \$1,000,000 per occurrence & \$2,000,000 aggregate                   |
|                                         | PSA must be included as First Named Insured                          |
|                                         | College must be included as Additional Insured with Primary Coverage |

|                                                                    |                                                                                                                                                                      |
|--------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                    | <b>NOTE: Strict Disciplinary Academies must also have Security/Police Professional Liability coverage with MINIMUM of \$1,000,000 per occurrence</b>                 |
| <b>COVERAGE</b>                                                    | <b>REQUIREMENTS</b>                                                                                                                                                  |
| <b>Errors &amp; Omissions (E&amp;O)</b>                            | Must include Employment Practices Liability                                                                                                                          |
|                                                                    | Must include Directors' and Officers' coverage                                                                                                                       |
|                                                                    | Must include School Leaders' E&O                                                                                                                                     |
|                                                                    | Can be Claims Made or Occurrence form                                                                                                                                |
|                                                                    | <b>If Claims Made, Retroactive Date must be the same or before date of original College-PSA contract</b>                                                             |
|                                                                    | \$1,000,000 per occurrence & \$3,000,000 aggregate                                                                                                                   |
|                                                                    | PSA must be included as First Named Insured                                                                                                                          |
|                                                                    | College must be included as Additional Insured with Primary Coverage                                                                                                 |
| <b>COVERAGE</b>                                                    | <b>REQUIREMENTS</b>                                                                                                                                                  |
| <b>Automobile Liability (AL)<br/>for Owned and Non-Owned Autos</b> | \$1,000,000 per accident                                                                                                                                             |
|                                                                    | PSA must be included as First Named Insured                                                                                                                          |
|                                                                    | College must be included as Additional Insured with Primary Coverage                                                                                                 |
|                                                                    | <b>Higher limits may be required if PSA has its own buses</b>                                                                                                        |
| <b>COVERAGE</b>                                                    | <b>REQUIREMENTS</b>                                                                                                                                                  |
| <b>Workers' Compensation</b>                                       | Must be Occurrence Form                                                                                                                                              |
|                                                                    | Statutory Limits                                                                                                                                                     |
|                                                                    | <b>NOTE: If PSA is leasing employees from ESP, ESP must have Employers' Liability with \$1,000,000 per occurrence AND Alternate Employer Endorsement naming PSA.</b> |
|                                                                    | PSA must be included as First Named Insured                                                                                                                          |
| <b>COVERAGE</b>                                                    | <b>REQUIREMENTS</b>                                                                                                                                                  |
| <b>Crime</b>                                                       | Must include Employee Dishonesty coverage                                                                                                                            |
|                                                                    | Must be Occurrence form                                                                                                                                              |
|                                                                    | \$500,000 per occurrence                                                                                                                                             |
|                                                                    | PSA must be included as First Named Insured                                                                                                                          |
| <b>COVERAGE</b>                                                    | <b>REQUIREMENTS</b>                                                                                                                                                  |
| <b>Umbrella</b>                                                    | Can be Claims Made or Occurrence form                                                                                                                                |
|                                                                    | \$2,000,000 per occurrence & \$4,000,000 aggregate                                                                                                                   |
|                                                                    | <b>If PSA has its own buses AND/OR has more than 1,000 students, must have MINIMUM \$5,000,000 per occurrence</b>                                                    |
|                                                                    | PSA must be included as First Named Insured                                                                                                                          |
|                                                                    | College must be included as Additional Insured with Primary Coverage                                                                                                 |
| <b>ADDITIONAL RECOMMENDATIONS</b>                                  |                                                                                                                                                                      |
| <b>COVERAGE</b>                                                    | <b>REQUIREMENTS</b>                                                                                                                                                  |

|                                                                    |                                                                                                        |
|--------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| <b>Property</b>                                                    | Limits to cover replacement for PSA's property exposures, including real and personal, owned or leased |
| <b>COVERAGE</b>                                                    | <b>REQUIREMENTS</b>                                                                                    |
| <b>Performance Bond (or Letter of Credit with Indemnification)</b> | \$1,000,000 per claim/aggregate                                                                        |

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

The 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, or M.U.S.I.C requires changes in coverage and amounts for public school academies authorized by university board public school academy authorizing bodies, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the College’s insurance carrier or adopted by M.U.S.I.C. 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 agrees and 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.

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

A copy of the Academy's amended lease or deed shall be incorporated into this Contract under Schedule 6. Any subsequent amendments to any Academy 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. The Academy shall comply with the Code concerning criminal background and criminal history checks for its teachers, school administrator(s), and for any other position requiring State Board approval. In addition, the Academy shall comply with the Code concerning the disclosure of unprofessional conduct by persons applying for Academy employment. This Section 11.6 shall apply to such persons irrespective of whether they are employed by the Academy or employed by an Educational Service Provider contracting with the Academy.

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

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

Section 11.9. Nonessential Elective Courses. If the Academy Board elects to provide nonessential elective courses to part-time pupils at a nonpublic school building, the Academy shall comply with Section 166b of the State School Aid Act of 1979, as amended, MCL 388.1766b. Prior to providing instruction, the Academy Board shall ensure that the Academy has sufficient

documentation to qualify for part-time pupil funding under the State School Aid Act. The provision of nonessential elective courses by the Academy shall be incorporated into Schedule 7c of this Contract by amendment pursuant to Article IX of these Terms and Conditions.

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

“Indemnification of 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, [insert name of Educational Service Provider] hereby promises to indemnify, defend, and hold harmless Bay Mills Community College against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses, imposed upon or incurred by 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, [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 [insert the name of Educational Service Provider], or which arise out of the failure of [insert the name of Educational Service Provider] to perform its obligations under the Contract, the Agreement or Applicable Law, as applicable. The parties expressly acknowledge and agree that 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 [insert name of Educational Service Provider] to enforce its rights as set forth in this Agreement.”

“Agreement Coterminous With Academy’s Contract. If the Academy’s Contract issued by the 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 Department. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this agreement."

"Amendment Caused By Academy Site Closure or Reconstitution. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the Department under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and 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 Management Agreement shall state that the ESP must acquire insurance in addition to the insurance the Academy must obtain under the Contract. The coverage must be similar to the insurance coverage required by the Contract and the Management Agreement must detail the type and amount of such required coverage. Prior to entering any Management Agreement with an ESP, the Academy shall submit a copy of the final draft Management Agreement to the Charter Schools Office in a form and manner consistent with the ESP Policies. A copy of the final executed Management Agreement shall be included in this Contract under Schedule 5. The Charter Schools Office may, from time to time during the term of this Contract, amend the ESP Policies and the amended ESP Policies shall automatically apply to the Academy without the need for a Contract amendment under article IX of these Terms and Conditions. The Charter Schools Office may

disapprove the proposed Management Agreement submitted by the Academy if the Management Agreement is contrary to this Contract or Applicable Law. Any subsequent amendment to a Management Agreement shall be submitted for review by the Charter Schools Office in the same form and manner as a new Management Agreement.

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

## **ARTICLE XII GENERAL TERMS**

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

|                          |                                                                                                                 |
|--------------------------|-----------------------------------------------------------------------------------------------------------------|
| If to the College Board: | President<br>Bay Mills Community College<br>12214 West Lakeshore Drive<br>Brimley, Michigan 49715               |
| If to the Tribal Office: | Tribal Attorney's Office<br>Bay Mills Indian Community<br>12140 West Lakeshore Drive<br>Brimley, Michigan 49715 |
| If to Outside Counsel:   | Courtney F. Kissel<br>Dykema Gossett PLLC<br>201 Townsend Street, Suite 900<br>Lansing, Michigan 48933          |
| If to Academy:           | Academy Board President<br>418 W. Blanchard Rd<br>Shepherd, MI 48883                                            |
| If to Academy Counsel:   | Laney J. Sullivan<br>Dickinson Wright PLLC<br>350 S. Main Street, Ste 300<br>Ann Arbor, MI 48104-2131           |

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 for eight (8) years until June 30, 2034, 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.

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

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

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

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

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

- (i) for students enrolled in the Academy, providing such information to an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the College;
- (ii) providing the information as necessary for standardized testing that measures a student's academic progress and achievement; or
- (iii) providing the information as necessary to a person that is providing educational or educational support services to the student under a contract with either the Academy or an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the College.

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

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

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

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

- (i) to the Department or CEPI;
- (ii) to the student's parent or legal guardian;
- (iii) by the Academy to the College Board, College, Charter Schools Office or to the educational management organization with which the Academy has a management agreement that has not been disapproved by the College;
- (iv) by the Academy to the Academy's intermediate school district or another intermediate school district providing services to Academy or the Academy's students pursuant to a written agreement;

- (v) to the Academy by the Academy's intermediate school district or another immediate school district providing services to pupils enrolled in the Academy pursuant to a written agreement;
- (vi) to the Academy by the College Board, College, Charter Schools Office;
- (vii) to a person, agency, or organization with written consent from the student's parent or legal guardian, or from the student if the student is 18 years of age;
- (viii) to a person, agency, or organization seeking or receiving records in accordance with an order, subpoena, or ex parte order issued by a court of competent jurisdiction;
- (ix) to a person, agency, or organization as necessary for standardized testing that measures a student's academic progress and achievement; or
- (x) in the absence of, or in compliance with, a properly executed opt-out form, as adopted by the Academy in compliance with section 1136(6) of the Code, pertaining to uses for which the Academy commonly would disclose a pupil's "directory information."

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

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

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

(a) Subject to Section 12.23, the Academy shall do all of the following:

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

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

Section 12.23. Confidential Address Restrictions.

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

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

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

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

Section 12.26. Academy Emergency Operations Plan. (a) Beginning in the 2019-2020 school year, and at least biennially thereafter, the Academy shall, in conjunction with at least 1 law enforcement agency having jurisdiction over the Academy, conduct either (i) a review of the Academy’s emergency operations plan, including a review of the vulnerability assessment; or (ii) a review of the Academy’s statewide school safety information policy, as applicable.

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

Section 12.27. School Safety Liaison. The Academy Board shall designate a liaison to work with the School Safety Commission, as defined under section 6 of the Code, MCL 380.6, and the Office of School Safety created by law. The Liaison shall be an individual employed or assigned to regularly and continuously work under contract in the school operated by the Academy. The Liaison shall work with the School Safety Commission and the Office of School Safety to identify model practices for determining school safety measures.

Section 12.28. New Building Construction or Renovations. The Academy shall not commence construction on a new school building or the major renovation of an existing school building unless the Academy consults on the plans of the construction or major renovation regarding school safety issues with the law enforcement agency that is or will be the first responder for that school building. A school building, including any addition to the school building, must be constructed or remodeled in accordance with Applicable Law. School building includes either a building intended to be used to provide pupil instruction or a recreational or athletic structure or field used by pupils.

Section 12.29. Annual Expulsion Report and Website Report on Criminal Incidents. On an annual basis, the Academy Board shall do the following:

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

(ii) post on its website, in a form and manner prescribed by the Superintendent, a report on the incidents of crime occurring at schools operated by the Academy. Each school building shall collect and keep current on a weekly basis the information required for the website report, and must provide that information, within seven (7) days upon request; and

(iii) make a copy of the report on the incidents of crime, disaggregated by school building, available to the School Safety Commission, as defined under section 6 of the Code, MCL 380.6, and the parent or legal guardian of each pupil enrolled in the Academy.

Section 12.30. Standardized Response Terminology. Beginning with the 2026-2027 school year, the Academy Board shall adopt and implement the standardized response terminology as described in section 1308c of the Code, MCL 380.1308c.

Section 12.31. Behavior Threat Assessment and Management Team. By not later than October 1, 2026, the Academy Board shall ensure that the Academy has a behavior threat assessment and management team as required under section 1308e of the Code, MCL 380.1308e.

Section 12.32. Required Statutory Disclosures. The Academy shall ensure that the names of Bay Mills Community College Board of Regents and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:

(a) Unless prohibited by a local ordinance or local zoning authority, signage that is on the Academy's property and is erected, repaired, or installed on or after April 2, 2025;

(b) Promotional material that is created, modified, or distributed on or after April 2, 2025;

(c) The footer of the Academy's website pages; and

(d) The school application that a student must submit to enroll in the Academy.

For purposes of this section, “primary educational management organization” shall have the same meaning as defined in MCL 380.503.

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: Mariah Wanic  
Mariah Wanic, College Board Designee

Date: July 1, 2026

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.

By: Dawn Thomas  
Dawn Thomas (Jul 8, 2026 11:33:08 EDT)

Its: Board chair

Date: July 1, 2026

## **CONTRACT SCHEDULES**

### Schedules

|                                                      |   |
|------------------------------------------------------|---|
| Articles of Incorporation .....                      | 1 |
| Bylaws .....                                         | 2 |
| Fiscal Agent Agreement .....                         | 3 |
| Oversight Agreement .....                            | 4 |
| Description of Staff Responsibilities .....          | 5 |
| Physical Plant Description .....                     | 6 |
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**CONTRACT SCHEDULE 1**

**ARTICLES OF INCORPORATION**



*This is to certify:*

**Entity Name:** FLEX TECH HIGH SCHOOL SHEPHERD

**Entity ID#:** 802176734

**Entity Type:** Domestic Nonprofit Corporation

**Initial Filing Date:** 03/21/2018

**Delayed Effective Date:**

**Formation Jurisdiction:** Michigan

**Act Formed Under:** 162-1982 Nonprofit Corporation Act

*That the above referenced entity was validly incorporated and said corporation is validly in existence under the laws of this state.*

*This certificate is issued in conformity with the Act it is formed under, to attest to the fact that the company is in good standing in Michigan as of this date and is duly authorized to transact business 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.*



*In testimony whereof, I have hereunto set my hand, in the City of Lansing, on June 17, 2026.*

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau

Certificate Number: 78900

Verify this certificate at: [www.michigan.gov/corpverifycertificate](http://www.michigan.gov/corpverifycertificate)



| MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS<br>CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU |                    |                                                                                                                                                |                       |
|-------------------------------------------------------------------------------------------------------------------|--------------------|------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------|
| Date Received                                                                                                     | <b>MAR 20 2016</b> | AC1                                                                                                                                            | (FOR BUREAU USE ONLY) |
|                                                                                                                   |                    | This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document. |                       |
|                                                                                                                   |                    | <b>FILED</b><br><br><b>MAR 21 2016</b><br><br>ADMINISTRATOR<br>CORPORATIONS DIVISION                                                           |                       |
| Name<br>Aimee R. Gibbs                                                                                            |                    |                                                                                                                                                | EFFECTIVE DATE.       |
| Address<br>Dickinson Wright PLLC, 350 S. Main Street Suite 300                                                    |                    |                                                                                                                                                |                       |
| City<br>Ann Arbor                                                                                                 | State<br>Michigan  | Zip Code<br>48104                                                                                                                              |                       |

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

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

**OF**

**FLEX TECH HIGH SCHOOL SHEPHERD**

Pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended (the "Act"), being MCL 450.2101 *et seq.*, the undersigned corporation executes the following Articles:

**ARTICLE I**

The name of the corporation is: Flex Tech High School Shepherd.

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

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## ARTICLE II

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

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

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

## ARTICLE III

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

The value of assets which the corporation possesses is:

Real Property: None.

Personal Property: None.

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

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

## ARTICLE IV

The address of the initial registered office is: 350 S. Main Street Suite 300, Ann Arbor, MI 48104.

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

The name of the initial resident agent at the registered office is: Aimee R. Gibbs.

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## **ARTICLE V**

The name and address of the incorporator is as follows:

Aimee R. Gibbs  
Dickinson Wright PLLC  
350 S. Main Street Suite 300  
Ann Arbor, MI 48104

## **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 the Act No. 170 of the Public Acts of 1964, being section 691.1407 of the Michigan Compiled Laws.

## **ARTICLE VIII**

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

## **ARTICLE IX**

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

## **ARTICLE X**

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

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## ARTICLE XI

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

To the extent permitted by law, upon the dissolution of the corporation the Board shall after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the College Board for forwarding to the State School Aid Fund established under Article IX, Section 11 of the Constitution of the State of Michigan of 1963, as amended.

## ARTICLE XII

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

The corporation, by a majority vote of its Board of Directors, may, at any time, propose specific changes to these Restated Articles of Incorporation or may propose a meeting to discuss potential revision to these Restated 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 Restated 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 Restated 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 Restated Articles of Incorporation. The Restated 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 Restated Articles of Incorporation take effect only after they have been approved by the corporation's Board of Directors and by the College Board or its designee and filed with the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services. In addition, the corporation shall file with the amendment a copy of the College Board's or its designee's approval of the amendment.

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### **ARTICLE XIII**

No member of the Board of Directors of the corporation who is a volunteer director, as that term is defined in the Michigan Nonprofit Corporation Act (the "Act"), or a volunteer officer shall be personally liable to this corporation or its members for monetary damages for a breach of the director's or officer's fiduciary duty.

### **ARTICLE XIV**

The corporation assumes the liability for all acts or omissions of a volunteer director, volunteer officer or other volunteer to the fullest extent allowed by the Act.

If the Act is amended after the filing of these articles of incorporation to authorize the further elimination or limitation of the liability of directors, officers, or nondirector volunteers of nonprofit corporations, then the liability of the corporation's directors, officers, and nondirector volunteers set forth in Article XIII and the limitation, elimination, and assumption of personal liability contained in this Article, will be assumed by the corporation or eliminated or limited to the fullest extent permitted by the Act as so amended, except to the extent such limitation, elimination, or assumption of liability is inconsistent with the status of the corporation as an organization described in section 501(c)(3) of the Code. No amendment or repeal of this Article will apply to or have any effect on the liability or alleged liability of any such person for any act or omissions occurring prior to the effect date of any such amendment or repeal.

### **ARTICLE XV**

Upon winding up and dissolution of the corporation, the assets of the corporation remaining after payment of all debts and liabilities shall be distributed in accordance with the Act. Assets held for a charitable purpose shall be distributed to an organization to be designated by the Board of Directors; such organization must be recognized as exempt under section 501(c)(3) of the Internal Revenue Code of 1986 to be used exclusively for charitable and educational purposes consistent with the purposes described herein. Any assets not disposed of in accordance with this provision shall be disposed of by the circuit court of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations that the court shall determine and that are organized and operated exclusively for such purposes.

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### ADOPTION OF THE ARTICLES

These Articles of Incorporation are hereby signed by the incorporator on this 20th day of March, 2018. 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 College Board issues to the corporation a contract to operate as a public school academy, and the contract is executed by both the corporation and the College Board.

By:



Aimee R. Gibbs, Incorporator

**CONTRACT SCHEDULE 2**

**BYLAWS**

**BYLAWS OF  
FLEX TECH HIGH SCHOOL – SHEPHERD**

**ARTICLE I**

**NAME**

This organization shall be called Flex Tech High School – Shepherd (the "Academy" or the "corporation").

**ARTICLE II**

**FORM OF ACADEMY**

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

**ARTICLE III**

**OFFICES**

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

Section 2. Registered Office. The registered office of the Academy may be the same as the principal office of the Academy, but in any event must be located in the state of Michigan, and be the business office of the 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 Bill Mills Community College ("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 powers to the officers and committees of the Academy Board as it deems necessary, so long as such delegation is consistent with the Articles, these Bylaws, the Contract and Applicable Law. 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 the BMCC Board of Regents ("BMCC Board") or BMCC Charter Schools Office. 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 Schools 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, as well as monthly meetings thereafter. 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 to the Charter Schools Office and as required by the Open Meetings Act.

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

Section 3. 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.

Section 8. Votes by Directors. The Academy Board meeting minutes shall reflect the vote, whether in favor, in opposition or in abstention, of each Director present at the meeting.

## ARTICLE VI

### COMMITTEES

Section 1. Committees. The Academy Board, by resolution, may designate one or more committees, each committee 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 at the corporation's annual meeting. 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 a majority vote of 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 the Bay Mills Community College, or impose

any liability on the Bay Mills Community College, the College Board, its regents, 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 the Bay Mills Community College, or impose any liability on the Bay Mills Community College, the College Board, its regents, 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**

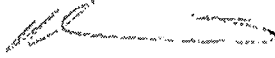
### **TERMS AND CONDITIONS DEFINITIONS**

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

### CERTIFICATION

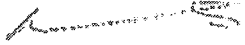
The Board certifies that these Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the \_\_\_\_ day of March, 2018.

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



Secretary

EXECUTED BY:



[NAME] Matthew Miller  
[TITLE] Board Secretary

Subscribed and sworn before me  
this 19 day of March, 2018.

Holly Kilbourn

Notary Public

Genesee County, Michigan

My Commission Expires: 12/25/2020  
Acting in Isabella County, Michigan

**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 FlexTech High School Shepherd (the “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 3.03.

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

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

Section 2.04. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board directs that a portion of the Academy’s State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit to the Charter Schools Office: (i) a copy of the Academy Board’s resolution authorizing the direct intercept of State School Aid Payments; and (ii) a copy of a State School Aid Payment Agreement and Direction document that is in a form and manner acceptable to the Fiscal Agent. The State School Aid Payment and Direction document shall include language that the third party lender or trustee acknowledges and consents to the transfer of State School Aid Payments into the Academy’s dissolution account, as set forth in Article X of the Terms and Conditions. Any unspent funds remaining in the Academy’s dissolution account after payment of all wind up and dissolution expenses shall be returned to the Academy.

## **ARTICLE III**

### **STATE DUTIES**

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

Section 3.02. State School Aid Payment Overpayments and Penalties. The State, through its Department of Education, has sole responsibility for determining State School Aid Payment overpayments to the Academy and the method and time period for repayment by the Academy. The State, through its Department of Education, has sole responsibility for assessing State School Aid penalties against the Academy for noncompliance with the Code and the State School Aid Act of 1979, as amended.

Section 3.03. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent by electronic funds transfer into an account specified by the Fiscal Agent, or by such other means deemed acceptable to the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

## **ARTICLE IV**

### **ACADEMY DUTIES**

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

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

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

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

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

## ARTICLE V

### RECORDS AND REPORTS

Section 5.01. Records. The Fiscal Agent shall keep books of record and accounts 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, 2026, and annually thereafter, a written report dated as of August 31<sup>st</sup> 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 Applicable Law or this Agreement, nor shall the Fiscal Agent be responsible for the consequences of any error of judgment; and the Fiscal Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its gross negligence or willful default.

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

Acknowledgment of Receipt

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

BY: 

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David Boyne, Director  
State Finance Division, Bureau of State and Authority Finance  
Michigan Department of Treasury

Date: May 21, 2026

**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 FlexTech High School Shepherd (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, terminate, reconstitute or revoke 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 October pupil membership count; (ii) revised personnel costs; (iii) any start-up expenses incurred by the Academy; and (iv) the total amount of short-term cash flow loans obtained by the Academy. The Academy shall make budget revisions in a manner prescribed by law. Within thirty (30) days of the Academy Board approving the budget (original and amended, if applicable), the Academy shall place a copy of that budget on the Academy's website within a section of the website that is accessible to the public.

o. Within 5 days of its submission to the Center for Educational Performance and Information (CEPI) of the budgetary assumptions that are required by Section 1219 of the Code, the Academy shall provide a copy of those budgetary assumptions to the Charter Schools Office, and confirm that the submitted budgetary assumptions were used in the adoption of the Academy's annual budget.

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

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

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

Section 2.03. Waiver and Delegation of Oversight Procedures. The 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 College Board from each State School Aid Payment received by the College Board for forwarding to the Academy. This fee shall compensate the College Board for overseeing the Academy's compliance with the Contract and all Applicable Law and other related activities for which compensation is permissible. If the Academy elects to enter into a contract for an administrative review with the Charter Schools Office, the costs of performing an administrative review shall not be part of the administrative fee under this section but shall be an added service provided by the Charter Schools Office to the Academy on a fee for service basis, as authorized under the Code.

Section 4.02. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Academy and the 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 access to data, documents or information submitted to the Michigan Department of Education, the Superintendent of Public Instruction, the State Board of Education, the Center for

Educational Performance and Information, the Michigan DataHub or any other state or federal agency.

Section 4.04. Fiscal Stress Notification from State Treasurer. If the State Treasurer notifies the Academy that the State Treasurer has declared the potential for Academy financial stress exists, the Academy shall provide a copy of the notice to the Charter Schools Office. Within fifteen (15) days of receipt of the notification from the Academy, the Charter Schools Office Director shall notify the Academy whether the Charter Schools Office is interested in entering into a contract to perform an administrative review for the Academy. The parties shall consult with the Department of Treasury on the development of the contract and the contract for administrative review shall comply with the Code. If the 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 4.04 shall prohibit the Academy from electing to enter into a contract for an administrative review with the College or an intermediate school district.

## **ARTICLE V**

### **TRANSPARENCY PROVISION**

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

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

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

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

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

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

**CONTRACT SCHEDULE 5**

**DESCRIPTION OF STAFF RESPONSIBILITIES**

## **DESCRIPTION OF STAFF RESPONSIBILITIES**

|                                  |      |
|----------------------------------|------|
| Office Manager .....             | 5-1  |
| School Leader .....              | 5-3  |
| Special Education Personnel..... | 5-6  |
| Teacher.....                     | 5-9  |
| Services Agreement .....         | 5-12 |

## **OFFICE MANAGER**

**Reports To:** School Leader

**Employed By:** Partner Solutions

**FLSA Status:** Exempt

**Other Titles:** Business Manager, Executive Assistant

### **Core Principles**

Employees of Partner Solutions are dedicated to the mission of student and Academy success. The employees understand and contribute to building a culture that is driven by a belief and a desire that every child deserves a high quality, safe and orderly school where students and families are held in the highest regard. In every location, every position supports one another, works collaboratively to solve problems, demonstrates a willingness to improve and aspires to play an integral role in fulfilling the goals of education reform. All employees work in collegial environments that prize innovation and a solution oriented frame of mind to meet and exceed the goals of Partner Solutions.

### **Essential Duties**

An employee in this position is responsible for establishing positive relationships with students, families and staff to develop a culture that fulfills the mission of the Academy. The Office Manager will be the point of contact for all individuals visiting the Academy. The Office Manager will supervise assigned office staff. The Office Manager is responsible for maintenance of Academy financial records. The Office Manager is responsible for scheduling, reporting and communicating with parents, students and staff. In addition, the Office Manager is responsible for any and all duties as assigned.

### **Qualifications**

#### *Supervision*

Individuals in this position must be able to apply effective supervision methods. The Office Manager will be responsible for assisting in the supervision of assigned office staff. Supervisory responsibilities include assisting in the evaluation process, rewarding and disciplining employees, addressing complaints, delegating work related tasks and assisting in the interviewing, hiring and training of all employees.

#### *Planning & Implementation*

An effective employee in this position will possess the ability to provide leadership, initiative, support and assistance with all administrative functions. In addition, an individual in this position will be able to lead staff in the creation of schedules, record maintenance and all necessary reporting.

#### *Knowledge & Expertise*

Qualified employees in this position will possess knowledge of all office functions. The Office Manager must be able to manage the Academy office and its business aspects. The Office Manager must be comfortable working with business related documents, such as budgeting, compliance, student enrollment and all other necessary documentation.

### *Reasoning Ability*

An employee in this position must be able to effectively draw conclusions based on their ability to identify problems, collect information and establish facts. In addition, an individual in this position will possess the ability to provide both logical and abstract solutions in standard and non-standard situations.

### *Interpersonal Qualities*

A qualified employee in this position will possess outstanding oral and written communication skills. This employee must have the ability to provide effective responses to all inquiries from all parties, including students, parents, staff, Partner Solutions, the community and the Academy Board. An employee in this position must also be able and willing to work with staff and administration to problem solve.

\*All employees must successfully pass a criminal background check.

\*All employees must follow the policies as outlined in the Employee Handbook.

### **Education & Experience**

It is the employee's responsibility to understand and fulfill any license and training obligations specific to position and/or for equipment that will be operated.

### **Physical Demands & Work Environment**

In order to successfully perform the essential duties of this job, the employee must be able to meet the following physical demands:

Occasionally lift and/or move objects weighing up to 25 pounds.

Stand and walk frequently.

Withstand all demands presented by outside weather conditions at any time of the year.

Withstand a moderate noise level.

Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions of the job.

## **SCHOOL LEADER**

**Reports To:** Partner Solutions

**Employed By:** Partner Solutions

**FLSA Status:** Exempt

**Other Titles:** Principal, Director, Executive Director, Chief Academic Officer

### **Core Principles**

Employees of Partner Solutions are dedicated to the mission of student and Academy success. The employees understand and contribute to building a culture that is driven by a belief and a desire that every child deserves a high quality, safe and orderly school where students and families are held in the highest regard. In every location, every position supports one another, works collaboratively to solve problems, demonstrates a willingness to improve and aspires to play an integral role in fulfilling the goals of education reform. All employees work in collegial environments that prize innovation and a solution oriented frame of mind to meet and exceed the goals of Partner Solutions.

### **Essential Duties**

The School Leader is responsible for communicating the mission and purpose of the Academy to all stakeholders. An employee in this position is responsible for establishing positive relationships with students, families and staff to develop a culture that fulfills the mission of the Academy. The School Leader will select, supervise, mentor and evaluate assigned Academy staff and determine required professional development. If also acting as the instructional leader, the School Leader will interpret data and implement instructional and procedural strategies that reflect high expectations for students and staff. The School Leader is responsible for daily operations at the Academy with regard to safety, compliance and living within the approved Academy budget. Ultimately, the School Leader will demonstrate innovative ways of responding to challenges that reflect a dedication and belief that all children can succeed. The School Leader is also responsible to report to the board, regarding the management and performance of the Academy. In addition, the School Leader is responsible for any and all duties as assigned including tasks as designated on the applicable Partner Solutions/CS Partners Services Grid(s).

### **Qualifications**

#### *Supervision*

Individuals in this position must be able to apply effective supervision methods. The School Leader is responsible for the supervision of all assigned employees, and ultimately the effectiveness of the Academy. Supervisory responsibilities include selecting staff, leading the staff evaluation process, developing and being faithful to procedures and plans that result in 100% compliance and positive stakeholder perception.

#### *Planning & Implementation*

An effective employee in this position will act as the Academy leader by planning, evaluating and recommending goals and objectives for all assigned staff. In addition, the School Leader must provide leadership in curriculum, instruction, administration, school improvement and professional development. An employee in this position is responsible for overseeing the development of all programs within the Academy and guarantees they are carried out with fidelity.

### *Knowledge & Expertise*

Qualified employees in this position will possess and continuously build knowledge of all aspects of school reform and improvement. The School Leader will actively seek to increase and apply their knowledge of curriculum development, training design, metrics for evaluation, analysis of student achievement data and research on effective pedagogy. The School Leader must be able to provide classroom observation and feedback regarding the execution of the curriculum. An employee in this position must be comfortable working with all business related documents including budget, compliance, student records and any other supplemental documents.

### *Reasoning Ability*

An employee in this position must be able to effectively draw conclusions based on their ability to identify problems, collect information and establish facts. In addition, an individual in this position will possess the ability to provide both logical and abstract solutions in standard and non-standard situations. An employee in this position will evidence this quality through mission-driven, research-based decision making.

### *Interpersonal Qualities*

A qualified employee in this position will possess outstanding oral and written communication skills. This employee must have the ability to provide effective responses to all inquiries from all parties, including students, parents, Partner Solutions, the community and the Academy Board. An employee in this position must also be able and willing to work with staff and other administration to problem solve.

\*All employees must successfully pass a criminal background check.

\*All employees must follow the policies as outlined in the Employee Handbook.

### **Education & Experience**

All administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing education requirements as described in MCL 380.1246.

It is the employee's responsibility to understand and fulfill any license and training obligations specific to position and/or for equipment that will be operated.

### **Physical Demands & Work Environment**

In order to successfully perform the essential duties of this job, the employee would ideally be able to meet the following physical demands:

Occasionally lift and/or move objects weighing up to 25 pounds.

Stand and walk frequently.

Withstand all demands presented by outside weather conditions at any time of the year.

Withstand a moderate noise level.

Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions of the job.

## **SPECIAL EDUCATION PERSONNEL**

**Reports To:** School Leader and/or Department Director

**Employed By:** Partner Solutions, or contracted

**FLSA Status:** Exempt

**Other Titles:** School Social Worker, Occupational Therapist, Physical Therapist, Certified Occupational Therapist Assistant, School Psychologist, Speech-Language Therapist, School Counselor, Special Population Personnel

### **Core Principles**

Employees of Partner Solutions are dedicated to the mission of student and Academy success. The employees understand and contribute to building a culture that is driven by a belief and a desire that every child deserves a high quality, safe and orderly school where students and families are held in the highest regard. In every location, every position supports one another, works collaboratively to solve problems, demonstrates a willingness to improve and aspires to play an integral role in fulfilling the goals of education reform. All employees work in collegial environments that prize innovation and a solution oriented frame of mind to meet and exceed the goals of Partner Solutions.

### **Essential Duties**

The successful Special Education Personnel employee provides support for students across a variety of areas, including behavior, rehabilitation, counseling and therapy. The Special Education Personnel employee provides confidentiality for students and parents. In addition, the successful Special Education Personnel employee will work as a consultant to parents, teachers and administration in regard to learning styles and behavior modification techniques. The Special Education Personnel employee will work to reinforce positive student behavior, counsel students as necessary and promote maximum student achievement, especially for disabled students. In addition, the Special Education Personnel employee is responsible for all other duties as assigned.

### **Qualifications**

#### *Supervision*

Individuals in this position must be able to apply effective supervision methods. When necessary, the Special Education Personnel employee may be required to supervise students or facilitate meetings.

#### *Planning & Implementation*

An effective employee in this position will possess the ability to provide leadership, initiative, support and assistance with student related functions. The Special Education Personnel employee must possess exceptional planning and organization skills, as well as a high level of confidentiality. The Special Education Personnel employee should assist in the planning and implementation of student development.

#### *Knowledge & Expertise*

Qualified employees in this position will possess knowledge of behavior modification techniques, rehabilitation, learning styles, behavior analysis, child development and data

analysis. The Special Education Personnel employee must also be able to manage a variety of documents while maintaining legality and confidentiality. In addition, the Special Education Personnel employee must possess the ability to implement programs that promote advanced learning and development at the individual level. The Special Education Personnel employee should possess expertise in behavioral intervention, rehabilitative programs and reinforcement techniques. In addition, the Special Education Personnel employee should have knowledge in the assigned areas of psychology, counseling, education, training, child development or therapy.

### *Reasoning Ability*

An employee in this position must be able to effectively draw conclusions based on their ability to identify problems, collect information and establish facts. In addition, an individual in this position will possess the ability to provide both logical and abstract solutions in standard and non-standard situations.

### *Interpersonal Qualities*

A qualified employee in this position will possess outstanding oral and written communication skills. This employee must have the ability to provide effective responses to all inquiries from all parties, including students, parents, staff, Partner Solutions, the community and the Academy Board. An employee in this position must also be able and willing to work with staff and administration to problem solve.

\*All employees must successfully pass a criminal background check.

\*All employees must follow the policies as outlined in the Employee Handbook.

### **Education & Experience**

- A School Social Worker must possess a master's degree in social work. In addition, A School Social Worker must have a Limited Master Social Worker ("LMSW") License or Master Social Worker ("MSW") License. If in possession of a LMSW License, the School Social Worker must pass a comprehensive exam within six years to obtain a MSW License. If applicable, approval via the Office of Special Education Services may be required. Meet all requirements established by the Michigan Department of Education for School Social Workers.
- A School Psychologist must possess a valid Michigan School Psychologist Certificate or a Preliminary School Psychologist Certificate.
- An Occupational Therapist must possess a valid Michigan Occupational Therapist License.
- A Physical Therapist must possess a Doctorate of Physical Therapy ("DPT") degree. In addition, a Physical Therapist must successfully complete the national physical therapy licensure examination. Must possess valid Michigan Physical Therapist License.
- A Speech-Language Pathologist must possess a master's degree in speech-language pathology from an accredited institution. In addition, a Speech-Language Pathologist must possess a Certificate of Clinical Competency from the American Speech-Language-Hearing Association. Must possess a Speech Language Pathologist Therapist License.
- A School Counselor must possess a valid Temporary School Counselor License (TSCL), Preliminary School Counselor Credential (PSCC), Michigan Teaching Certificate with the School Counselor (NT) endorsement, or School Counselor License (SCL).

**Physical Demands & Work Environment**

In order to successfully perform the essential duties of this job, the employee must be able to meet the following physical demands:

- Occasionally lift and/or move objects or individuals weighing up to 75 pounds.
- Stand and walk frequently.
- Withstand all demands presented by outside weather conditions at any time of the year.
- Withstand a moderate noise level.

Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions of the job.

## **TEACHER**

**Reports To:** School Leader and/or Department Director

**Employed By:** Partner Solutions

**FLSA Status:** Exempt

**Other Titles:** Resource Room Teacher, Special Education Teacher, Lead Teacher, Intervention Teacher, Online Facilitator Teacher, Substitute Teacher, MTSS Coordinator, Instructional Coach, Success Coach and all other subject or grade level teachers

### **Core Principles**

Employees of Partner Solutions are dedicated to the mission of student and Academy success. The employees understand and contribute to building a culture that is driven by a belief and a desire that every child deserves a high quality, safe and orderly school where students and families are held in the highest regard. In every location, every position supports one another, works collaboratively to solve problems, demonstrates a willingness to improve and aspires to play an integral role in fulfilling the goals of education reform. All employees work in collegial environments that prize innovation and a solution oriented frame of mind to meet and exceed the goals of Partner Solutions.

### **Essential Duties**

Teachers are members of a professional community, where they work collaboratively to promote high expectations and academic growth. Teachers are dedicated to the mission of the Academy by participating in professional development and applying it to their classrooms. Exceptional Teachers demonstrate a solution-oriented approach to challenges, are reflective and work to understand and use best practices to continuously improve instruction and increase student achievement. Teachers are responsible for implementing the Academy curriculum, participating in its revision, developing assessments and monitoring student progress and for maintaining positive home-Academy relationships.

Special Education Teachers are responsible for promoting a positive learning environment for students with disabilities. Special Education Teachers must modify instructional techniques in order to enhance learning for all students. In addition, Special Education Teachers are responsible for collaboration, participation in professional development and continuous improvement of instructional practices. Special Education Teachers are responsible for tracking the progress of students with disabilities and communicating progress with parents.

### **Qualifications**

#### *Supervision*

Individuals in this position must be able to apply effective supervision methods. Teachers will be responsible for the supervision of students. Supervisory responsibilities include establishing respectful routines and procedures that maximize learning by establishing a safe and orderly environment and overseeing all classroom activities. Teachers may also participate as supervisors in Teacher led school improvement activities.

#### *Planning & Implementation*

An effective employee in this position will assist in the creation of an instructional plan based on student needs in coordination with the published education program. In addition, the Teacher must implement instructional strategies as expected and described by administration and leadership. The Teacher is responsible for researching and employing instructional methods and carrying out practices required for student success.

#### *Knowledge & Expertise*

Qualified employees in this position will possess knowledge of curriculum development and metrics for evaluation. The Teacher must be an expert in instructional implementation and be committed to a reflective, solutions-oriented approach to continuous school improvement. Excellent Teachers understand and expect to be exemplars of life-long learning. The Teacher must possess a high level of knowledge and expertise in their specific subject matter. The Teacher must execute a variety of instructional techniques.

#### *Reasoning Ability*

An employee in this position must be able to effectively draw conclusions based on their ability to identify problems, collect information and establish facts. Teachers possess the intellectual capacity and agency to affect student achievement and positive Academy change. In addition, the Teacher will possess the ability to provide both logical and abstract solutions in standard and non-standard situations.

#### *Interpersonal Qualities*

A qualified employee in this position will possess outstanding oral and written communication skills. This employee must have the ability to provide effective responses to all inquiries from all parties, including students, parents, staff, Partner Solutions, the community and the Academy Board. An employee in this position must also be able and willing to work with staff and administration to problem solve.

\*All employees must successfully pass a criminal background check.

\*All employees must follow the policies as outlined in the Employee Handbook.

#### **Education & Experience**

- Except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule.
- The Physical Education Teacher must complete concussion training prior to beginning their assignment.
- The Science Teacher must complete Hazardous Materials Training prior to beginning their assignment.

It is the employee's responsibility to understand and fulfill any license and training obligations specific to position and/or for equipment that will be operated.

#### **Physical Demands & Work Environment**

In order to successfully perform the essential duties of this job, the employee would ideally be able to meet the following physical demands:

- Occasionally lift and/or move objects weighing up to 25 pounds.
- Stand and walk frequently.
- Withstand all demands presented by outside weather conditions at any time of the year.
- Withstand a moderate noise level.
- Assist/lift students, as necessary.

Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions of the job.

## **SERVICES AGREEMENT**

This Services Agreement (the "Agreement") is made and entered into as of July 1, 2026 by and among **CS PARTNERS, INC.**, a Michigan corporation ("CS Partners"), **CSP MANAGEMENT INC.**, a Michigan corporation d/b/a **PARTNER SOLUTIONS FOR SCHOOLS** ("Partner Solutions for Schools" and together with CS Partners, collectively "CSP"), and **FLEXTECH HIGH SCHOOL SHEPHERD**, a Michigan public school academy (the "Academy") formed under Part 6(A) of the Revised School Code (the "Code"), as amended.

As a wholly owned subsidiary of CS Partners, Partner Solutions for Schools is the employer of record for all staff assigned to work at the Academy. CS Partners provides the educational consulting services and oversees the management and operational services of the Academy. Together, CS Partners and Partner Solutions for Schools are jointly responsible for providing the Services under this Agreement.

The Academy has been issued a contract dated July 1, 2026 (the "Contract") by the **BAY MILLS COMMUNITY COLLEGE BOARD OF REGENTS** (the "Authorizer") to organize and operate a public school academy. The Authorizer is the statutory authorizing body. The Code and the Contract permit a public school academy to contract with persons and entities for the operation and management of the public school academy.

The Academy and CSP desire to create an enduring educational partnership whereby the Academy and CSP will work together to develop and bring about systems of educational excellence and services to the Academy based on CSP's vision of school design, CSP's management principles, the Educational Program (defined below), and the educational goals and curriculum adopted by the Board of Directors of the Academy (the "Board").

THEREFORE, the parties hereby agree as follows:

### **ARTICLE I Relationship of the Parties and Other Matters**

Section 1. Authority. The Academy represents that (a) it is authorized by law to contract with a private entity for the provision of management and operational services to the Academy, (b) it has been issued the Contract from the Authorizer to organize and operate a public school academy, (c) it is authorized by the Authorizer to supervise and control the Academy, and (d) it is vested with all powers necessary or desirable for carrying out the Educational Program (defined below) contemplated in this Agreement.

To the extent permitted by law, the Academy hereby authorizes and grants to CSP, the necessary authority and power to perform under this Agreement. No provision of this Agreement shall interfere with the Board's exercise of its duties under the Contract or any statutory, contractual, and fiduciary responsibilities governing the Academy, nor shall any provisions of this Agreement be construed so as to prohibit the Academy from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.

Section 2. Services; Educational Program. The parties agree that CSP, to the extent permitted by and in conformity with the Contract and applicable laws, shall provide all labor, materials, and supervision necessary for the provision of the management and operational services to the Academy contemplated by this Agreement as specifically set forth on the attached Exhibit A (the "Services").

CSP shall provide Services to the Academy so the Academy can carry out the educational program, curriculum, method of pupil assessment, admissions, policy and criteria, school calendar and school day schedule, and age and grade range of pupils to be enrolled, educational goals and methods to be used to monitor compliance with performance of targeted educational outcomes, as previously adopted by the Board and as included in the Contract (collectively, the "Educational Program").

No changes in the Educational Program shall be permitted without the prior approval of the Board and the Authorizer.

Section 3. Compliance with Academy's Contract. CSP 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 Authorizer. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.

Section 4. Relationship of the Parties. CSP is not a division or any part of the Academy. The Academy is a corporate and governmental entity authorized under the Code. The Academy is not a division nor any part of CSP. The relationship between the parties hereto was developed and entered into through arms-length negotiation and is based solely on the terms of this Agreement.

Section 5. CSP as Independent Contractor; Agency. The parties to this Agreement intend that the relationship of CSP to the Academy is that of an independent contractor, and not an employee of the Academy. No agent or employee of CSP shall be determined to be an agent or employee of the Academy, except as expressly acknowledged, in writing, by the Academy. Notwithstanding the foregoing, CSP and its employees are hereby designated as "School Officials" having a legitimate educational interest such that they are entitled to access educational records under the Family Educational Rights and Privacy Act ("FERPA"), 20 U.S.C. §1232g and its implementing regulations during the Term of this Agreement (defined below). CSP shall promulgate and recommend to the Board policies and administrative guidelines sufficient to implement this Section. CSP and its employees agree to comply with FERPA and corresponding regulations applicable to school officials to the extent CSP or its employees access educational records related to the Academy.

During the Term of this Agreement, the Academy may disclose confidential data and information to CSP, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation, FERPA, 20 USC §1232g, 34 CFR 99; the Individuals with Disabilities Education Act ("IDEA"), 20 USC §1401 et seq., 34 CFR 300.610 -300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36;

the Michigan Mandatory Special Education Act, MCL 380.1701 et seq.; the American with Disabilities Act, 42 USC §12101 et seq.; the Health Insurance Portability and Accountability Act ("HIPAA"), 42 USC 1320d -13200d-8; 45 CFR 160, 162 and 164; Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL 445.84. CSP agrees that it shall comply with all applicable laws, rules and regulations in the handling, maintaining, and safeguarding of confidential data and information disclosed or accessed under this Agreement.

CSP will be solely responsible for its acts and omissions, the acts and omissions of its agents, employees, and those subcontractors who are contracted through CSP. If CSP receives information that is part of a pupil's education records from any source as permitted under the Code, CSP shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136.

Section 6. No Related Parties or Common Control. The parties hereby agree that none of the voting power of the governing body of the Academy or the Board will be vested in CSP or its directors, members, managers, officers, shareholders, or employees. Further, the Academy and CSP are not, and shall not become: (a) members of the same controlled group, as that term is defined in the Internal Revenue Code of 1986, as amended (the "IRS Code"); or (b) related persons, as that term is defined in the IRS Code.

Section 7. Personnel Responsibility. CSP has the ultimate authority to select, discipline and transfer personnel, consistent with applicable laws. The Lead Administrator (as defined below) shall be responsible for approving and submitting appropriate hours-worked reports for all hourly employees. Evaluation and compensation systems administered by Partner Solutions for Schools shall comply with all applicable laws, including Sections 1249, 1249a, 1249b and 1250 of the Revised School Code and any successor statute that is substantially similar to Sections 1249, 1249a, 1249b and 1250.

Section 8. Lead Administrator. CSP shall identify and appoint a Lead Administrator, with advisory input from the Board, to oversee the management, operation and performance of the Academy, including the Educational Program at the Academy (the "Lead Administrator"). The Lead Administrator will hold all required certifications as required by the Code. The Lead Administrator will be an employee of Partner Solutions for Schools, who may be disciplined and/or terminated by CSP in its sole discretion. The Lead Administrator will serve as the on-site supervisor to Staff. The Lead Administrator, in consultation with CSP, will select and hold accountable all staff in leadership team positions. The Lead Administrator shall be responsible for supervising and managing the educational program and instruction of students. CSP will have the authority, consistent with applicable laws, to select and supervise the Lead Administrator and to hold the Lead Administrator accountable for the success of the Academy. CSP shall notify the Board prior to the termination of the Lead Administrator.

If the Board becomes dissatisfied with the performance of the Lead Administrator, it shall state the causes of such dissatisfaction in writing and deliver it to CSP. CSP shall have a reasonable period of time to remedy the dissatisfaction; however, if CSP cannot remedy the dissatisfaction, CSP shall remove and replace the Lead Administrator at the Academy as soon as practicable. Additionally, it is agreed that any dissatisfaction of the Board shall be reasonable in nature and related specifically to the duties and responsibilities of the Lead Administrator at the Academy.

Section 9. Teachers and Staff. CSP will provide administrative support to the Lead Administrator to obtain resumes and credential information for the staff at the Academy... CSP will empower the Lead Administrator with the authority to select and hold accountable the teachers and support staff ("Worksite Staff") for the operation of the Academy. After qualified staff are selected by the Lead Administrator, Partner Solutions for Schools will onboard and provide additional administrative support to the Lead Administrator. Teachers employed by Partner Solutions for Schools shall not be considered public employees and are not eligible for purposes of continuing tenure under MCL §38.71 et seq.

Section 10. Criminal Background Checks. Partner Solutions for Schools agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b and related provisions of the Code pertaining to criminal background and criminal conduct checks. The Academy shall require that the results of the criminal background check are received, reviewed, and used (subject to a verification process) by the Academy's Authorized User acting on behalf of the Academy and/or the Board, only as permitted by law to evaluate the qualifications of the individual for his/her assignment.

Section 11. The Board. The Board is the governing body with oversight responsibilities over the Academy. The parties acknowledge that throughout this Agreement the term "Board" and the term "Academy" are sometimes used interchangeably in some sections for the sole purpose of readability based on the nature and subject-matter of the article/section. This Agreement must be approved by the Board and executed by a duly authorized member of the Board (on behalf of the Academy), and by so executing this Agreement the Board acknowledges and accepts all obligations and responsibilities related to the Board as set forth in this Agreement.

Section 12. Availability of Funds. Notwithstanding any other term or provision in this Agreement to the contrary, CSP shall not be, directly or indirectly, liable to any third party for any cost or expense incurred by the Academy. Subject to the provisions of the Code and Article VI of this Agreement, CSP shall only be required to perform its responsibilities under this Agreement to the extent that CSP has received such revenues from the Academy pursuant to the terms of this Agreement.

Section 13. Information Available to the Public; Compliance with Section 503c. On an annual basis, CSP agrees to provide the Board with the same information that a public school is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the Academy's website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in Section 503c of the Code shall have the same meaning in this Agreement. Further CSP 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 14. Non-Compete Agreement. CSP agrees that it shall not impose any contractual requirement or contractual obligation on any of its employees assigned to the Academy to enter into a non-compete, no-hire, or similar provision or agreement.

Section 15. Lease and Loans. If the Academy and CSP enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationship, then such agreements must be separately documented and separately approved and shall not be part of or incorporated into this Agreement. In addition, all such agreements must comply with the Contract and applicable law, as well as any applicable Authorizer policies.

Section 16. Data Security Breach. CSP shall report to the Board, not later than five (5) business days following the discovery of any use or disclosure of personally identifiable information (PII) from the Academy's education records or other information not suitable for public release (collectively, "Covered Data or information" or "CDI") that is not authorized by this Agreement or applicable law. In the event the Academy experiences a data security breach of personally identifiable information from the Academy's education records not suitable for public release, CSP shall assist the Academy, in accordance with MCL 445.72, to take appropriate action to assess the risk and notify affected individuals whose personal information may have been compromised.

Section 17. Information Concerning Operation and Management. CSP shall make information concerning the operation and management of the Academy, including but not limited to, information in the Contract, including all exhibits, schedules, and the like, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Contract. Except as permitted under the Contract and applicable law, this Agreement shall not restrict the Authorizer's, the Authorizer's Charter School Office's ("CSO"), or the public's access to the Academy's records.

## **ARTICLE II**

### **Term**

Section 1. Term. This Agreement shall be effective for the duration of the Academy's current authorizing Contract with the Authorizer, subject to earlier termination under Article VI. Unless terminated earlier as provided in this Agreement, the Term will be for an eight (8) year period beginning July 1, 2026 and ending June 30, 2034 (the "Term"). The maximum term of this Agreement shall not exceed the term of the Academy's Contract. The Agreement may not become effective until the effective date of the Contract.

## **ARTICLE III**

### **Obligations of the Academy**

Section 1. Good Faith Obligation. The Academy shall exercise good faith in considering CSP's recommendations relative to the Educational Program and/or the Services.

Section 2. Academy Funds. The Board shall determine the depository of all funds received by the Academy including, but not limited to, the State School Aid and any Additional Revenue (as defined in Exhibit A). All funds received by the Academy shall be deposited in the Academy's depository account as required by law. Signatories on the Academy Board accounts shall solely be members of the Board properly designated annually by Board resolution. All interest or investment earnings on Academy accounts shall accrue to the Academy.

Section 3. Notification Requirement. The Academy agrees to use reasonable efforts to notify CSP in writing if the Academy receives a notification from its Authorizer regarding an intent to revoke the Contract. Further, in the event the Board discusses a possible non-renewal or closure of the Academy, or if the Authorizer suggests such a discussion, CSP will be notified.

Section 4. Budget. The Board is responsible for adopting a budget in accordance with the provisions of the Uniform Budgeting and Accounting Act, MCL 141.121 *et seq.*, that has adequate resources to fulfill its obligations under the Contract, including but not limited to its oversight of CSP, lease payments, the organization of the Academy, negotiation of the Contract and any amendments, payment of employee costs, insurance required under the Contract and this Agreement, the annual financial audit and retention of the Board's legal counsel and consultants. In addition, the Board shall be responsible for determining the budget reserve amount included as part of the Academy's annual budget. The Academy Board is also responsible for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount.

#### **ARTICLE IV**

##### **Compensation and Reimbursement of Costs**

Section 1. Compensation for Services. During the Term of this Agreement, the Board shall pay CS Partners an annual fee (the "Fee") equal to a percentage (%), per the schedule below, of the total Aid received from the State of Michigan (including any State categorical funds), pursuant to the State School Aid Act of 1979, as amended, for the particular number of students enrolled in the Academy ("Student Enrollment"). "Student Enrollment" shall be based on the Academy's final blended student count added to the number of students enrolled in the Academy's Great Start Readiness Program (if applicable).

For 2026-2027, the Fee shall be ten percent (10%). At no time shall the annual Fee be less than \$90,000.

For 2027-2028, the Fee shall be eleven percent (11%). At no time shall the annual Fee be less than \$100,000.

For 2028-2029; 2029-2030; 2030-2031; 2031-2032; 2032-2033, and 2033-2034, the Fee shall be eleven percent (11%). At no time shall the annual Fee be less than \$110,000.

The Fee may also include the percentage (%), as outlined above, applied to any Additional Revenue (as defined in Exhibit A) as agreed to by the Academy and included in the Academy's annual budget, or any revised budget, prior to the application of such Fee.

The parties intend that this Agreement meet all of the applicable safe harbor conditions as set forth in Sections 5.02 through Sections 5.07 of the Revenue Procedure 2017-13. In this regard, the Academy and CSP make the following representations:

1. (A) CSP's compensation under this Agreement is reasonable compensation for services to be rendered hereunder and is not based, in whole or in part, on a share of net profits and/or a share of the net losses from the operation of the Academy or upon the disposition, damage or destruction of the Academy's property; (B) This Agreement does not pass on to CSP the burden of bearing any share of net losses from the operation of the Academy or upon the disposition, damage or destruction of the Academy's property; (C) The term of this Agreement is not greater than 30 years or 80 percent of the useful life of the Academy's school facilities currently financed with tax-exempt debt (if shorter) including all renewal options; (D) The Academy bears the risk of loss upon the disposition, damage or destruction of the Academy's property; and (E) CSP is not entitled to and will not take any federal tax position that is inconsistent with being a service provider under this Agreement to the Academy.
2. In interpreting this Agreement and in the provision of the services required hereunder, CSP shall not have any role or relationship with the Academy that, in effect, substantially limits the Academy's ability to exercise its rights and obligations under State law. As required by the Academy's Article of Incorporation and Bylaws, the Academy Board may not include any director, officer or employee of a management company that contracts with the Academy. In furtherance of such restriction, it is agreed between the Academy and CSP that none of the voting power of the governing body of the Academy will be vested in CSP or its directors, members, managers, officers, shareholders and employees, and the Academy and CSP will not be related parties as defined in Treas. Reg. 1.150-1(b).

Section 2. Payment of Payroll Costs. In addition to the Fee, Partner Solutions for Schools will invoice the Academy for all employment costs ("Payroll Costs") for Partner Solutions for Schools' employees assigned to the Academy. Payroll Costs include salary, benefits, and other costs attributable to personnel employed and assigned by Partner Solutions for Schools to perform Services at the Academy under this Agreement, including but not limited to gross wages, FICA, Medicare, FUTA, SUTA, workers' compensation insurance, professional liability insurance, separation costs, tuition reimbursement, independent investigation fees, legal fees for Academy specific employment matters, employer portions of health, dental, vision and life insurance, and 401K employer contributions (if applicable).

Partner Solutions for Schools shall be advanced funds for Payroll Costs no later than the third business day preceding each payroll date ("Payroll Date") for Partner Solutions for Schools employees assigned to perform services at the Academy under this Agreement. For purposes of this Agreement the Payroll Date shall be that date or dates established annually by Partner Solutions for Schools.

If Payroll Costs have not been funded by the Academy by the payroll date, Partner Solutions for Schools will notify the Academy and, if costs are not advanced within two-days after written notice to the Academy, Partner Solutions for Schools may send lay-off notices to Partner Solutions for Schools' employees. At that time, Partner Solutions for Schools will also provide

the Academy an invoice for all accrued Partner Solutions for Schools' staff wages (earned but not yet paid) for employees and staff assigned to the Academy for payment. Partner Solutions for Schools accepts full liability and is responsible for paying all salaries, benefits, payroll taxes, workers compensation, unemployment compensation and liability insurance for its employees leased to the Academy or working on Academy operations for work already completed irrespective of whether CSP receives an advancement of its costs or the payment of service from the Academy. However, Academy's non-payment of such funds is considered a material breach of this Agreement and must follow Article VI Termination.

Section 3. Payment of Reimbursable Expenses. In addition to the Fee, the Academy shall reimburse CSP for all costs reasonably incurred and paid by CSP ("Reimbursable Expenses") in providing the Services specifically related to the Academy. Reimbursable Expenses include, but are not limited to, Payroll Costs (as defined in Section 2 above) for Partner Solutions for Schools' employees assigned to the Academy that are not advanced under Section 2 above, costs mandated by a governmental entity, administrative agency or court of law, e.g., payment into Michigan Public Employees Retirement System (MPERS), other expenses for equipment, software, supplies, food service, transportation, special education, psychological services and medical services.

CSP will invoice the Academy for reimbursement of Reimbursable Expenses with a detailed receipt of material or services provided. The Academy shall only reimburse for costs included in an annual operating budget approved by the Board or as amended during the academic year. In paying such costs on behalf of the Academy, CSP shall not charge an added fee (or mark-up). Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program, and shall not include any costs for the marketing and development of CSP. No corporate costs or "central office" personnel costs of CSP shall be charged to, or reimbursed by, the Academy.

If desired, the Board may advance funds to CSP for such costs reimbursable under the Agreement before such costs are incurred (rather than reimburse CSP after the expense is incurred).

CSP shall provide to the Academy or the Board proper documentation and accounting of any advanced funds or reimbursement. Documentation of all expenses must be reflected in the Academy Board's financial packets and presented to the Board for approval and/or ratification at its next regularly scheduled meeting.

All items acquired with Academy funds including, but not limited to, instructional materials, equipment, supplies, furniture, computers, and other technology, shall be owned by and remain the property of the Academy.

Section 4. Other Institutions. The Academy acknowledges that CSP may enter into agreements similar to this Agreement with other public or private educational schools or institutions (the "Institutions"). CSP shall maintain separate accounting for reimbursable expenses incurred on behalf of the Academy and for reimbursable expenses incurred on behalf of the Institutions. CSP shall only charge the Academy for expenses incurred on behalf of the Academy.

If CSP incurs reimbursable expenses on behalf of the Academy and the Institutions which are incapable of precise allocation between the Academy and the Institutions, then CSP shall allocate such expenses among the Institutions and the Academy, on a pro-rata basis, based on the number of students enrolled at the Academy and the Institutions, or the number of staff assigned to the Academy and the Institutions or upon such other equitable basis as agreed by the parties. Such expenses shall be included in an annual operating budget approved by the Board or as amended during the academic year

Section 5. Review of Budget. CSP shall propose an annual budget for the Academy to the Academy's Chief Administrative Officer ("CAO") and the Board. The Board shall review, revise, and timely approve the annual budget. The Board is responsible for designating the CAO for the Academy in accordance with applicable law, the Contract, and applicable Authorizer policies. The Academy's CAO shall not be an owner, officer, director, employee or agent of CSP, but a CSP employee may assist an Academy Board member who is the CAO in carrying out their responsibilities.

Section 6. Procurement Policies. The Board hereby retains the obligation, as provided in the Code, to adopt written policies governing the procurement of supplies, materials, and equipment for the Academy. Unless otherwise prohibited by law, CSP shall directly procure all supplies, materials, and equipment provided that CSP complies with the Code including, but not limited to, Sections 1267 and 1274 as if the Academy were making these purchases directly from a third party supplier and the Board's written policies promulgated thereunder related to such items. CSP shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties. Any purchases made by CSP on the Academy's behalf or as the Academy's agent with Academy funds are Academy property and shall remain owned by the Academy.

## **ARTICLE V**

### **Proprietary Information**

Section 1. Academy's Rights to Curriculum and Educational Materials. The Academy shall own, without restriction, all proprietary rights to curriculum and educational materials that: (a) are or were directly developed by the Academy and paid for with Academy funds; or (b) are or were developed by CSP at the direction of the Board using Academy funds.

Section 2. CSP's Rights to Curriculum and Educational Materials. To the extent applicable, CSP shall own, without restriction, all curriculum, educational materials, and all other proprietary information owned by CSP. CSP's curriculum and educational materials and teaching techniques used by the Academy are subject to disclosure under the Code and the Freedom of Information Act.

Section 3. Non-Disclosure of Proprietary Information; Remedy for Breach. Except as specifically required by the Code, court order, the Contract, or the Michigan Freedom of Information Act, the proprietary information and materials of CSP shall be held in strict confidence by the Academy. Notwithstanding anything to the contrary, the Academy shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching

techniques or methods to the Authorizer and the State Board of Education, which teaching techniques or methods may thereafter be made available to the public, as provided in Section 505(3) of the Code.

During the Term of this Agreement, and continuing for three (3) years thereafter, both parties hereby agree that they will not use or disclose to anyone, directly or indirectly, for any purpose whatsoever, any such proprietary information without the prior written consent of the other party unless required by applicable law or court order.

If a party uses or discloses such proprietary information in violation of this Section 3, the disclosing party shall, to the extent permitted by law, (a) be liable to the other party for all damages, including, but not limited to, lost profits resulting from the breach, and (b) be obligated to reimburse the non-disclosing party for its legal costs and reasonable attorney fees related to the enforcement of this Section 3.

## **ARTICLE VI**

### **Termination**

Section 1. Termination by CSP. Subject to Section 6 of this Article VI, CSP may terminate this Agreement prior to the end of the Term in the event the Board fails to remedy a material breach within the required time frames below. A material breach includes, but is not limited to, the following:

1. CSP may immediately terminate this Agreement with no additional liability or responsibility if CSP fails to receive compensation for Payroll Costs. For this breach only, the Academy has until the Payroll Date to fund payroll or reach an agreement with CSP on the payment of these funds or else a breach may be declared.
2. CSP may also terminate this Agreement upon the occurrence of the following:
  - a) Academy operations cease to exist due to, but not limited to, bankruptcy or insolvency, discontinued operations by successors and assigns, facility closure, or reconstruction;
  - b) The Academy requests a reduction in workforce greater than 20%;
  - c) The Academy is a financially distressed business as set forth in the Worker Adjustment and Retraining Notification Act (WARN), 29 U.S.C. §2101, et seq. The Board shall notify CSP 90 days prior to the facility closure in order for CSP to satisfy notice requirements to staff under WARN;
  - d) A determination has been made by a governmental entity, administrative agency or court of law that CSP is required to pay into MPSERS ;
  - e) Failure by the Academy to pay the Fee or Reimbursable Expenses;
  - f) If there is a substantial and unforeseen increase in the cost of administering services of this Agreement; or

- g) The Academy makes decisions that are adverse to the Educational Program approved by the Board and substantially inconsistent with the recommendations of CSP relative to the Services.

The Academy has thirty (30) days after notice from CSP to remedy any of these breaches, except for the breach of non-payment of Payroll Costs.

Termination prior to the end of the Term shall not relieve the Academy of any financial or other obligations to CSP outstanding as of the date of termination. Failure by CSP to (a) declare a breach, (b) place the Academy on notice thereof, or (c) fail to exercise or exert any remedy available to CSP under this Agreement or applicable laws, shall not be deemed a waiver of CSP's rights and remedies whatsoever.

Notwithstanding the foregoing, CSP may terminate this Agreement without cause and without penalty to be effective upon completion of an academic year provided that CSP delivers written notice of intention to terminate to the Academy at least ninety (90) days prior to the end of the then-current academic year.

Section 2. Termination by Academy. The Academy may terminate this Agreement prior to the end of the Term in the event that CSP fails to remedy a material breach within the required time frames below. A material breach includes, but is not limited to:

1. Material failure by CSP to account for its expenditures or to pay funds for all compensation required for payroll (provided that CSP has received such funds from the Academy to do so);
2. Material failure by CSP to provide the Services as required by this Agreement ;
3. A determination has been made by a governmental entity, administrative agency or court of law that CSP is required to participate in MPSERS ; or
4. Any action or inaction by CSP that causes the Contract to be revoked, terminated, suspended, or which causes the Contract to be put in jeopardy of revocation, suspension or termination, as evidenced by written notification from the Authorizer and is not cured within sixty (60) days of that notice.

CSP has ten (10) days after notice from the Academy to remedy a breach that involves the non-payment of funds for all "compensation" required for payroll (provided that CSP has received such funds from the Academy to do so) or to reach an agreement with the Academy on the payment of those funds. CSP has thirty (30) days after written notice from the Academy to remedy all other breaches. Upon expiration of this Agreement, or termination for any reason, all amounts due to CSP shall immediately become due and payable by the Academy, unless otherwise agreed in writing by CSP.

Termination prior to the end of the Term shall not relieve CSP of any financial or other obligations to the Academy outstanding as of the date of termination. Failure by the Academy to (a) declare a breach, (b) place CSP on notice thereof, or (c) fail to exercise or exert any remedy

available to the Academy under this Agreement or applicable laws, shall not be deemed a waiver of the Academy's rights and remedies whatsoever.

Notwithstanding the foregoing, the Academy may terminate this Agreement without cause and without penalty to be effective upon completion of the academic year provided that the Academy delivers written notice of intent to terminate to CSP at least ninety (90) days prior to the end of the then-current academic year.

Section 3. Revocation or Termination of 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 for any reason, 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, or terminated or expires without further action of the parties.

Section 4. 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 Michigan Department of Education under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and the Contract, and such closure of an Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and CSP shall have no recourse against the Academy or the Authorizer for implementing such site closure or reconstitution.

Section 5. Change in Law. If any federal, State or local law or regulation, or court or administrative decision, or attorney general's opinion (collectively referred to in this Agreement as the "applicable laws") has a substantial and material adverse impact (as reasonably determined by the party suffering the impact) on the ability of the impacted party to carry out its obligations under this Agreement, then the impacted party, upon written notice, may request a renegotiation of this Agreement. If the parties are unable or unwilling to successfully renegotiate the terms of this Agreement within ninety (90) days after the notice, and after making good faith efforts which shall include, but not be limited to, the use of a third party arbitrator and/or alternative dispute resolution process, the impacted party may terminate this Agreement as of the end of the then-current academic year.

Section 6. Effective Date of Termination. Any termination of this Agreement for cause or without cause shall not take effect until the earlier of (i) an approved agreement by the Academy with another Educational Service Provider ("ESP") (or self-management) is in effect; or (ii) the end of the current school year in which the termination is invoked. The parties acknowledge that a change in ESP (or a decision to self-manage) in mid-school year is strongly discouraged and will be disapproved by the Authorizer absent compelling circumstances and a clear demonstration that the new ESP (or transition to self-management) can seamlessly assume management and operations of the school without disrupting the school's operations.

Section 7. Transition. The Academy and CSP agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Academy and CSP agree to work cooperatively to transition management and operations of the school without disrupting the school's operations. In the event of any termination prior to the end of the Term of this Agreement, CSP shall provide reasonable assistance in accordance with the Authorizer's Educational Service Provider Policies. CSP shall perform this transition or termination as described in Article VI, Section 9 below based upon completion of the then-current school period.

If CSP is requested to complete other transition services not outlined in Section 9 below, a transition fee of \$15,000 will be invoiced.

Notwithstanding the foregoing, for purposes of Section 7 of this Article VI only, CSP shall not be obligated to provide such reasonable assistance if the reason for the termination was the documented willful misconduct of the Academy which resulted in financial damages to CSP exceeding \$10,000, as reasonably determined by CSP.

Section 8. Personal Property upon Termination or Expiration. Upon any termination or the expiration of this Agreement, the Academy may elect (a) to purchase any personal property which has been purchased or leased from a third party solely with CSP funds, provided such purchase or lease is permitted under the purchase or lease documents relating thereto, at the fair market, depreciated value of such personal property or (b) to return same to CSP. All personal property purchased or leased by CSP using Academy funds is and shall remain the personal property of the Academy.

Section 9. Obligations Upon Termination or Expiration. Upon any termination or the expiration of this Agreement, the parties shall remain obligated for all financial or other obligations due at the time of the termination or expiration.

Upon termination or expiration of this Agreement, or when this Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, CSP shall, without charge: (i) close the books on the then-current school fiscal year; (ii) organize and prepare the Academy's records for transition to the new ESP, self-management or dissolution; (iii) provide the Academy with an updated fixed asset schedule showing all property owned by the Academy; (iv) provide an updated list of outstanding vendor invoices with total amount owed (including the total outstanding owed by the Academy to CSP, if any); (v) the amount owed by CSP to the Academy, if any; (vi) organize and prepare student records for transition to the new ESP, self-management or in the case of a school closure, transfer to a student's new school as designated by the student's parent / legal guardian or to a person or entity authorized to hold such records; (vii) ensure the closeout of existing grants and the transfer of grant funded property to Academy, if applicable; and (viii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all legally required employee compensation, benefit and tax obligations related to services provided by CSP to the Academy.

After any termination or the expiration of this Agreement, and once all such obligations referenced above are satisfied, the parties shall have no further obligations to each other under this Agreement whatsoever except for the continuing obligations under (a) Article V (Proprietary Information) and (b) Article VII (Indemnification and Cooperation).

## **ARTICLE VII**

### **Indemnification and Cooperation**

Section 1. Indemnification of CSP. To the extent permitted by law, the Academy shall indemnify, save, and hold harmless CSP and all of its employees, officers, directors, subcontractors, and agents against any and all lawsuits and causes of action or other forms of liability that may arise out of or by reason of any noncompliance by the Academy with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement, any misrepresentations or breach of this Agreement, and any acts or failures to act by the Academy which occurred prior to the Effective Date of this Agreement.

If applicable, in the event the Board approves the presence, possession, and use of weapons (including firearms) by a vendor or Worksite Staff on Academy premises, the Academy shall indemnify, save, defend, and hold harmless CSP and all of its employees, officers, directors, subcontractors, agents from and against any and all claims, liabilities, damages, losses, costs (including reasonable attorney fees), and expenses of any nature arising out of or by reason of the presence, possession, and use of weapons (including firearms) by a vendor or Worksite Staff, including injury, death, or property damage, and not caused by the gross negligence or willful misconduct of CSP. The Board acknowledges and assumes all known and unknown risks associated with weapons (including firearms).

In addition, to the extent permitted by law, the Academy shall indemnify, save, hold harmless, and reimburse CSP for any and all legal expenses and costs associated with the defense of any such claim, demand or suit. The Academy agrees to advance to CSP all costs, actual attorneys' fees, actual experts' fees, and similarly related expenses immediately upon request so that CSP is not required to pay such expenses out of its own funds.

CSP agrees that for any claim for indemnification made by CSP, to the extent that the interests of the Academy and CSP are aligned, the parties agree to coordinate a defense to minimize the costs of such defense. To the extent the Academy shall be responsible for indemnification of CSP, the Academy shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which the Academy and CSP are defended. Notwithstanding the foregoing, in no event shall the Academy indemnify CSP for the attorney fees accrued by CSP in the regular course of business.

To the extent the parties are coordinating a defense, the parties shall utilize shared counsel which shall be paid for by the Academy and no reimbursement of any costs or fees shall be necessary. The Academy may reimburse CSP for pre-approved legal expenses and costs associated with the defense of any such claim, demand, or suit which are not otherwise covered by the shared defense. Nothing in this paragraph is intended to preclude either party from asserting separate defenses as may be required by the applicable facts and circumstances.

If desired, all or part of the indemnification obligations set forth in this Section may be met by the purchase of insurance by the Academy. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of the Academy.

Section 2. Indemnification of the Academy. CSP shall indemnify, save, and hold harmless the Academy and all of its employees (if any), officers, directors, subcontractors, and agents against any and all lawsuits and causes of action or other forms of liability that may arise out of, or by reason of any noncompliance by CSP with any agreements, covenants, warranties, or undertakings of CSP contained in or made pursuant to this Agreement, any misrepresentation or breach of this Agreement, and any acts or failures to act by CSP which occurred prior to the Effective Date of this Agreement.

In addition, CSP shall indemnify, save, hold harmless, and reimburse the Academy for any and all legal expenses and costs associated with the defense of such claim, demand or suit. CSP agrees to advance to the Academy all costs, actual attorneys' fees, actual experts' fees, and such similarly related expenses immediately upon request so that the Academy is not required to pay such expenses out of its own funds.

The Academy agrees that for any claim for indemnification made by the Academy, to the extent the interests of CSP and the Academy are aligned, the parties agree to coordinate a defense to minimize the costs of such defense. To the extent CSP shall be responsible for indemnification of the Academy, CSP shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which CSP and the Academy are defended. Notwithstanding the foregoing, in no event shall CSP indemnify the Academy for the attorney fees accrued by the Board in the regular course of business.

To the extent the parties are coordinating a defense, the parties shall utilize shared counsel which shall be paid for by CSP and no reimbursement of any costs or fees shall be necessary. CSP may reimburse the Academy for pre-approved legal expenses and costs associated with the defense of any such claim, demand, or suit which are not otherwise covered by the shared defense. Nothing in this paragraph is intended to preclude either party from asserting separate defenses as may be required by the applicable facts and circumstances.

If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by CSP. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of CSP.

Section 3. Indemnification for Negligence. To the extent permitted by law, each party to this Agreement shall indemnify and hold harmless the other, and their respective boards of directors, partners, officers, employees, agents, and representatives, from any and all claims and liabilities which they may incur and which arise out of the negligence of the other party's trustees, directors, officers, employees, agents, or representatives.

Section 4. Immunities and Limitations. The Academy may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement. Nothing in this Agreement is intended, nor will be construed, as a waiver of the governmental immunity provided to the Academy and its incorporators, board members, officers, employees (if any), and volunteers under Section 7 of Act 170, Public Acts of Michigan, 1964, as amended, MCL 691.1407. Nothing in this Agreement shall be interpreted to restrict the Academy Board from waiving its governmental immunity or to require an Academy Board to assert, waive or not waive its governmental immunity.

Section 5. Responsibilities of the Parties. Each party will be solely and entirely responsible for its acts and omissions and for the acts and omissions of its agents and employees (if any) in connection with the performance of that party's responsibilities under this Agreement.

Section 6. Mutual Duty to Cooperate. The parties acknowledge that each party has a duty and obligation to cooperate with the other party, and further that such duty to cooperate is a material part of this Agreement. The purpose of the duty to cooperate is to enable each party to perform its obligations as efficiently as possible. The duty to cooperate shall include all areas of the business of the Academy and the Services. The duty to cooperate also includes reasonable assistance in the event of litigation or a dispute involving a party related to the Academy or the Services provided, such as provision of testimony, records and/or documents reasonably related to the litigation or dispute (which are not otherwise protected from disclosure). The duty to cooperate will be provided in such a manner that it does not adversely affect the other party's ability to defend against a claim.

Section 7. Indemnification of Authorizer. 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 (for purposes of this Section, 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, CSP hereby promises to indemnify, defend, and hold harmless Bay Mills Community College against all claims, demands, actions, suits, causes of action, losses, judgments, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind, including costs, attorney fees, and related expenses, imposed upon or incurred by 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, CSP's 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 CSP, or which arise out of the failure of CSP to perform its obligations under the Contract, this Agreement or Applicable Law, as applicable. 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 CSP to enforce its rights as set forth in this Agreement.

## **ARTICLE VIII**

### **Insurance**

Section 1. Academy Insurance. The Academy will secure and maintain general liability and umbrella insurance coverage. This coverage will include the building and related capital facilities if they are the property of the Academy. The Academy will maintain such insurance in an amount and on such terms as required by the provisions of the Contract, including the indemnification of CSP required by this Agreement, and naming CSP as an additional insured. The Academy will, upon request, present evidence to CSP that it maintains the requisite insurance in compliance with the provisions of this section. CSP will comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable. Nothing in this Agreement is intended, nor shall be construed, as a waiver or relinquishment of any immunity from action or liability enjoyed by the Academy under controlling law.

Section 2. CSP Insurance. CSP will secure and maintain general liability and umbrella insurance coverage, with the Academy listed as an additional insured. CSP will maintain such policies of insurance as are required by the Contract, including the indemnification of the Academy as required by this Agreement. CSP's insurance is separate from the insurance that is required by the Academy under the Contract. In the event that Authorizer requests any change in coverage, CSP agrees to comply with any change in the type or amount of coverage as requested, within thirty (30) days after notice of the insurance coverage change. CSP will, upon request, present evidence to the Academy and Authorizer that it maintains the requisite insurance in compliance with the provisions of this section. The Academy will comply with any information or reporting requirements applicable to CSP under CSP's policy with its insurer(s), to the extent practicable. CSP's cost of procuring general liability and umbrella insurance coverages under this Agreement is a corporate cost to be paid by CSP.

Section 3. Evidence and Notices. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance as required in this Article VIII. The policies of insurance of each party shall also provide that the other party receive from the insurer(s) a minimum thirty (30) day written notice of any termination of said policies.

Section 4. Workers' Compensation Coverage. Additionally, each party shall maintain workers' compensation insurance, as required by State law, covering their respective employees, if any.

## **ARTICLE IX**

### **Warranties and Representations**

Section 1. Warranties and Representations of the Academy. The Academy represents to CSP that (a) it has the authority under law to execute, deliver, and perform this Agreement and to incur the obligations provided for under this Agreement, (b) its actions have been duly and validly authorized, and (c) it will adopt the necessary resolutions.

Section 2. Warranties and Representations of CS Partners. CS Partners represents and warrants to the Academy that (a) it is a Michigan corporation in good standing duly authorized to conduct business in the State of Michigan, (b) it has the authority under applicable laws to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (c) its actions have been duly and validly authorized, and (d) it will adopt any and all resolutions required for execution of this Agreement.

Section 3. Warranties and Representations of Partner Solutions for Schools. Partner Solutions for Schools represents and warrants to the Academy that: (a) it is a Michigan corporation in good standing duly authorized to conduct business in the State of Michigan; (b) it has the authority under applicable laws to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement; (c) its actions have been duly and validly authorized; and (d) it will adopt any and all resolutions required for execution of this Agreement.

Section 4. Mutual Representations and Warranties. Each party represents and warrants to the other party that except as disclosed in writing to the other party, to its knowledge, there are no pending actions, claims, suits, or proceedings, whether threatened or reasonably anticipated, against or affecting it, which if adversely determined would have a material adverse effect (as might be reasonably determined by the non-affected party if disclosed) on its ability to perform its obligations under this Agreement.

## **ARTICLE X**

### **Alternative Dispute Resolution**

Section 1. Mediation. Any and all disputes between the parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the parties' performance of their respective obligations under this Agreement shall first be communicated in writing to the other party and mutually discussed between the parties with an opportunity to cure. If no resolution can be ascertained through that mutual discussion, then the matter will be submitted to mediation for resolution in Livingston County. Both parties must mutually agree upon the mediator selected and shall participate in all meetings in good faith. The mediation shall be conducted in accordance with the rules of the American Arbitration Association seated in Livingston County, Michigan, with such variations as the parties and mediators unanimously accept. The final decision shall be a cause decision (written explanation). The Authorizer shall be notified of said decision, and upon the Authorizer's request, the cause opinion shall be made available. The parties will share equally in the costs of the mediation including forum fees, expenses, and charges of the mediator.

Section 2. Arbitration. If the mediation does not result in a mutually satisfactory compromise, then the matter shall be resolved by arbitration, and such procedure shall be the sole and exclusive remedy for such matters. Unless the parties agree upon a single arbitrator, the arbitration panel shall consist of three (3) persons. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association seated in Livingston County, Michigan, with such variations as the parties and arbitrators unanimously accept. The arbitrators' award shall be final and binding. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction, by any party, without the consent of the other party. The

losing party shall pay the cost of arbitration, not including attorney fees. It shall be within the discretion and purview of the arbitrator or arbitration panel to award reasonable attorney fees to the prevailing party. The prevailing party shall be defined as the party who prevails in total.

A cause opinion (written explanation) shall be required as to the final decision. The Authorizer shall be notified of said decision, and upon the Authorizer's request, the cause opinion shall be made available.

## **ARTICLE XI**

### **Miscellaneous**

Section 1. Entire Agreement. This Agreement supersedes and replaces any and all prior written or oral agreements and understandings between the Academy and CSP regarding the subject matter hereof. This Agreement, including Exhibit A, constitutes the entire agreement of the parties.

Section 2. Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, accident, pandemic, labor strike, flood, terrorism, or other acts beyond its reasonable control.

Section 3. Governing Law. This Agreement and the rights of the parties hereto shall be interpreted according to the laws of the State of Michigan (the "State").

Section 4. Official Notices. All notices or other communications required by the terms of this Agreement shall be in writing and sent to the parties at the addresses set forth below. Notice may be given by certified or registered mail, postage prepaid, return receipt requested, traceable carrier or personal delivery. Notices shall be deemed to have been given on the date of delivery.. Each party agrees to additionally provide all notices by email at the email address listed below or the then-current email address for the Board President as retained by CSP in its records. Unless amended or updated in writing, the addresses of the parties hereto for the purposes of this Agreement shall be:

|              |                                                                                                                             |
|--------------|-----------------------------------------------------------------------------------------------------------------------------|
| The Academy: | Board President<br>FlexTech High School Shepherd<br>418 W. Blanchard Rd.<br>Shepherd, MI 48883<br>Email: dawn@mdtagency.com |
|--------------|-----------------------------------------------------------------------------------------------------------------------------|

|      |                                                                                                                                                                             |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| CSP: | CS Partners<br>Partner Solutions for Schools<br>c/o Chris Matheson<br>869 S. Old US 23, Suite 500<br>Brighton, Michigan 48114<br>Email: cmatheson@charterschoolpartners.com |
|------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

A courtesy copy of the notice shall also be provided to the legal counsel of the party to be served, if known:

The Academy: Dickinson Wright PLLC  
Attn: Aimee Gibbs  
350 S. Main Street, Suite 300  
Ann Arbor, MI 48104  
agibbs@dickinson-wright.com

Section 5. Assignment. This Agreement shall not be assigned (a) by CSP, without prior consent of the Board, in writing, which consent shall not be unreasonably withheld; or (b) by the Academy, without the prior consent of CSP, in writing, which consent shall not be unreasonably withheld. CSP may, with the consent of the Board, delegate the performance of but not responsibility for any duties and obligations of CSP hereunder to any independent contractor, expert or professional advisor. However, this Agreement shall not be assignable without prior notification to the Authorizer and any assignment must be done in a manner consistent with the Authorizer's Educational Service Provider Policies.

Section 6. Amendment; Effect of Headings. This Agreement may only be amended in writing, signed by a duly authorized representative of each party and in a manner consistent with and permitted by the Contract and the Authorizer's Educational Service Provider Policies.

The underlined headings are included for convenience of the reader, and if the underlined headings are inconsistent with the other text, the underlined text shall be disregarded.

Section 7. Tax Exempt Financing. If at any time the Academy determines that it is in the best interests of the Academy to obtain financing from the Finance Authority or any other type of financing that is tax-exempt pursuant to the Internal Revenue Code of 1986, as amended, then the parties hereby agree that this Agreement shall be automatically amended for the sole and limited purpose of compliance with IRS Revenue Procedure 2017-13, and/or its progeny. Any such automatic amendment shall be as limited as practicable, and the parties shall promptly execute a written agreement reflecting such amendment, but the failure of the parties to do so shall not affect the effectiveness of the automatic amendment referenced above; provided, however, that any such amendment shall be consistent with applicable law, the Contract, and the Authorizer's Educational Service Provider Policies.

Section 8. Waiver. No waiver of any portion of this Agreement shall be deemed or shall constitute a waiver of any other provision, nor shall such waiver constitute a continuing waiver unless otherwise expressly stated in writing.

Section 9. Severability. The invalidity of any portion or term of this Agreement shall not affect the remaining portions or terms of this Agreement. In the event a portion or a term of this Agreement is deemed invalid, the parties shall cooperatively work together to modify the invalid portion or term as minimally as possible to cure the invalidity, while at all times preserving the spirit and purpose of the applicable portion or term.

Section 10. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.

Section 11. No Third Party Rights. This Agreement is made for the sole benefit of the Academy and CSP. Except as otherwise expressly provided herein, nothing in this Agreement shall create or be deemed to create a relationship between the parties, or either of them individually with any third person, third party beneficiary, fiduciary, or the Authorizer.

Section 12. Survival of Termination. All representations, warranties, indemnities, and non-disclosures/confidentiality obligations made in this Agreement shall survive any termination or expiration of this Agreement without limitation.

Section 13. Delegation of Authority; Compliance with Laws. Nothing in this Agreement shall be construed as delegating to CSP any of the powers or authority of the Board which are not subject to delegation by the Board in accordance with the Contract and all applicable laws. The parties agree to comply with all applicable laws.

Section 14. Execution. The parties may execute this Agreement by facsimile or in counterparts. The parties consent to the use of electronic signatures and agree that such signatures will be binding as if they were original, handwritten signatures.

Section 15. Review by Independent Counsel. The parties agree that each has reviewed, or had the opportunity to review, this Agreement with its own independent legal counsel prior to the execution of this Agreement.

Section 16. Limitation of Liability. EXCEPT FOR AMOUNTS EXPRESSLY DUE AND OWING UNDER THIS AGREEMENT, EACH PARTY'S TOTAL LIABILITY TO THE OTHER AND ANY THIRD PARTIES UNDER OR ARISING OUT OF THIS AGREEMENT SHALL BE LIMITED TO THE AGGREGATE AMOUNTS PAID OR DUE AND OWING BY THE ACADEMY TO CSP HEREUNDER. THIS LIMITATION DOES NOT APPLY TO ANY AMOUNTS OWED PURSUANT TO A PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT.

[Signature Page Follows]

The undersigned hereby execute this Agreement as of the date set forth first above.

**The Academy:**

**FLEXTECH HIGH SCHOOL SHEPHERD**, a  
Michigan public school academy

By: \_\_\_\_\_

Its: Board President

**CSP:**

**CS PARTNERS, INC.**, a Michigan  
corporation

By: Chris Matheson  
Chris Matheson (Jun 24, 2026 22:47:13 EDT)

Its: CEO

**CSP MANAGEMENT, INC.**, d/b/a **PARTNER  
SOLUTIONS FOR SCHOOLS**, a Michigan  
corporation

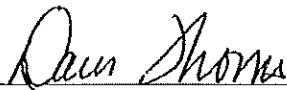
By: Chris Matheson  
Chris Matheson (Jun 24, 2026 22:47:13 EDT)

Its: CEO

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**FLEXTECH HIGH SCHOOL SHEPHERD, a  
Michigan public school academy**

By: 

Its: Board President

**CSP:**

**CS PARTNERS, INC., a Michigan  
corporation**

By: \_\_\_\_\_

Its: CEO

**CSP MANAGEMENT, INC., d/b/a PARTNER  
SOLUTIONS FOR SCHOOLS, a Michigan  
corporation**

By: \_\_\_\_\_

Its: CEO

**Exhibit A**  
**to**  
**SERVICES AGREEMENT**

The purpose of this Exhibit A is to set forth and define the Services to be provided by CSP pursuant to the Agreement.

**EDUCATIONAL MANAGEMENT SERVICES  
TO BE PROVIDED BY CS PARTNERS**

A. CSP shall implement the Educational Program (defined in Article I, Section 2 of the Agreement). Modification of the Educational Program as provided in the Contract may only occur with the prior written consent of the Board and, if required, an amendment to the Contract which requires Authorizer approval.

B. CSP may perform functions other than Instruction, including but not limited to purchasing, professional development and administrative functions off-site (i.e., not on the Academy property), unless prohibited by applicable laws. Student records, which are the property of the Academy, and books and records of the Academy, shall be maintained by CSP and available at the Academy's site.

C. Although the Board shall be responsible for establishing and implementing recruitment and admission policies in accordance with the Educational Program and the Contract, CSP shall enroll students for the Academy in accordance with such Board policies provided that said policies are in compliance with the Contract and applicable laws.

D. CSP shall provide student due process hearings in compliance with all applicable laws, to an extent consistent with the Academy's own obligations as to students only (and not as to faculty). The Board hereby retains the right to provide due process, as required by law, if desired.

E. CSP shall administer and provide the Educational Program in a manner which shall meet the requirements imposed under the Contract and applicable laws, unless such requirements are waived by the Academy. The Academy hereby agrees to interpret State and local regulations within the confines of applicable law in order to give CSP flexibility and freedom to implement the Educational Program in CSP's desired manner.

F. In order to supplement and enhance the School Aid payments received from the State of Michigan, and improve the quality of education at the Academy, CSP may assist the Academy's efforts to obtain additional revenue from other sources (the "Additional Revenue"), and in this regard:

1. the Academy and/or CSP with prior approval of the Board may solicit and receive grants and donations in the name of the Academy from various funding sources consistent with the mission of the Academy;

2. the Academy and/or CSP with prior Board approval may apply for and receive grant money in the name of the Academy from various funding sources;
  3. to the extent permitted under the Code and Contract, and with the approval of the Board, CSP or the Academy may charge fees to students for extra services, such as summer and after-school programs, athletics, etc., and charge non-Academy students who participate in such programs; and
  4. all Additional Revenue shall inure to and be deemed the property of the Academy (however, as provided in the Article IV, Section 1 of the Agreement, the Fee may apply against all such Additional Revenue).
- G. CSP shall not act in a manner which will cause the Academy to be in breach of its Contract with the Authorizer.
- H. CSP shall provide reasonably requested or expected information to the Board on a monthly basis, or upon the Board's reasonable request, to enable the Board to monitor CSP's performance under this Agreement in accordance with the Contract and as required by applicable law.
- I. CSP shall be directly accountable to the Board for the administration, operation, and performance of the Academy in accordance with the Contract. CSP's obligation to provide the Services is expressly limited by the budget approved by the Board pursuant to the terms of this Agreement. The Services shall be funded by the Academy budget, and neither CSP nor the Academy shall be permitted to expend Academy funds on the Services in excess of the amount set forth in the Academy Budget.
- J. CSP via the Lead Administrator shall implement pupil performance evaluations consistent with the Educational Program, which permit evaluation of the educational progress of each Academy student. CSP shall be responsible for and accountable to the Board for the performance of students who attend the Academy. At a minimum, CSP shall utilize assessment strategies required by the Educational Program. The Academy and CSP will cooperate in good faith to identify other measures of and goals for students and school performance.
- K. CSP via the Lead Administrator shall plan and supervise special education services to students who attend the Academy. The Academy may contract these services if it determines that it is necessary and appropriate for the provision of services to students with special needs, or if instruction cannot be met within the Academy's program. Such services shall be provided in a manner that complies with applicable laws.
- L. CSP via the Lead Administrator shall be responsible for all of the management, operation, administration, and education at the Academy which includes, but is not limited to:
1. implementation and administration of the Educational Program and the selection and acquisition of instructional materials, equipment and supplies;
  2. management of all personnel functions, including professional development for all instructional personnel and the personnel functions outlined in this Agreement;

3. all aspects of the business administration (as determined and as generally understood in the industry) of the Academy as agreed between CSP and the Board;
4. any function necessary or expedient for the administration of the Academy consistent with the Educational Program, or otherwise approved by the Board.

M. Except as otherwise provided in this Agreement, CSP shall keep all student, educational, and financial records relating to the Academy available at the Academy site, and the same shall be available for public inspection upon reasonable request consistent with applicable laws and as required by the Contract. All student, educational and financial records pertaining to the Academy will remain the property of the Academy and such records are subject to the provisions of the Michigan Freedom of Information Act. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. If CSP receives information that is part of a pupil's education records from any source as permitted under the Code, CSP shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136. Except as permitted under the Contract and applicable law, CSP shall not restrict the Authorizer's or the public's access to the Academy's records. All records shall be kept in accordance with the Contract and applicable state and federal requirements.

#### **BUSINESS/FINANCE SERVICES TO BE PROVIDED BY CS PARTNERS**

N. CSP shall provide the Board with:

1. a projected annual budget prior to July 1<sup>st</sup> of each school year, related to the Services in accordance with the Contract and the Educational Program which budget shall include a budget reserve amount as determined by the Board;
2. monthly financial statements provided not less than five (5) working days prior to the Academy Board meeting at which the information will be presented and discussed and in a form and format acceptable to the Board. These financial statements shall include (at a minimum): a balance sheet, an object level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information, and an explanation of variances;
3. facilitate the annual audit in compliance with applicable laws showing the manner in which funds are spent at the Academy, however, it is acknowledged that only the Academy shall select, evaluate, replace, and retain independent auditors and the Academy shall contract directly with any auditor of its choice, and CSP will cooperate with the production of any and all documents necessary for the audit. Any such audit shall be the property of the Academy; and
4. other information as reasonably requested by the Board to enable the Board to monitor CSP's performance under the Agreement.

O. CSP shall notify the Academy Board if any principal or officer of CSP, or CSP (including any related organizations or organizations in which a principal or officer of CSP served as a principal or officer) as a corporate entity, files for bankruptcy protection or, at the time the Agreement is executed, has filed for bankruptcy protection within the last five (5) years.

## **HUMAN RESOURCES SERVICES TO BE PROVIDED BY CSP**

P. CSP shall work with the Lead Administrator to recommend staffing levels to the Board, and select, evaluate, assign, discipline and transfer personnel, consistent with applicable laws, and consistent with the parameters adopted and included within the Academy's budget and the Educational Program.

Q. As set forth in the Agreement, CSP shall identify and appoint a Lead Administrator and if applicable, members of a leadership team to administer the Educational Program at the Academy.

R. CSP shall work with the Lead Administrator to provide the Academy with such teachers, qualified in the applicable grade levels and subjects approved by the Board and consistent with the Contract and applicable law. CSP shall ensure that the curriculum taught by the Academy's teachers is the curriculum set forth in the Contract. Such teachers may also provide instruction at the Academy on a full or part time basis. If assigned to the Academy on a part-time basis, such teachers may also provide instruction at another institution, or other locations approved by Partner Solutions for Schools. Each teacher assigned to the Academy shall meet and maintain all necessary requirements as established by the Michigan Department of Education, the Authorizer, and State and federal law.

S. CSP shall work with the Lead Administrator to provide the Academy with such support staff, qualified in the areas required. The parties anticipate that such support staff may include clerical staff, administrative assistants, bookkeeping staff, maintenance personnel, and the like. Such support staff may, in the discretion of Partner Solutions for Schools, provide services at the Academy on a full or part-time basis. If assigned to the Academy on a part-time basis, said support staff may also provide services at another institution, or other locations approved by Partner Solutions for Schools.

T. Since, except as specified in this Agreement, all teaching, support staff and other non-teaching personnel performing functions on behalf of the Academy, shall be employees of Partner Solutions for Schools, compensation of all employees of Partner Solutions for Schools shall be paid by Partner Solutions for Schools upon receipt of funds from the Academy. For purposes of the Agreement and this Exhibit, "compensation" shall include salary and benefits. Partner Solutions for Schools shall pay its portion of social security, unemployment, and any other taxes required by law to be paid on behalf of its employees assigned to the Academy. Unless required by applicable laws, Partner Solutions for Schools shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees.

U. Partner Solutions for Schools will complete and sign all necessary 401K regulatory and plan documents for its employee benefits plan as required by law and as fiduciary agent of the plan.

**CONTRACT SCHEDULE 6**

**PHYSICAL PLANT DESCRIPTION**

## **Physical Plant**

|                                  | <b><u>Page</u></b> |
|----------------------------------|--------------------|
| Physical Plant Description ..... | 6-1                |
| Floor Plan.....                  | 6-3                |
| Site Plan .....                  | 6-4                |
| Certificate of Occupancy .....   | 6-5                |
| Lease Agreement .....            | 6-6                |

## 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 Flex Tech High School Shepherd ("Academy") is as follows:

Address: 380 West Blanchard Road  
Shepherd, MI 48883

General Description: The 69,000 sq. ft. facility is owned by The Morey Foundation and was constructed in the spring of 2000. The parcel sits directly on the border of the Shepherd Public and Mt. Pleasant City School Districts within the Gratiot-Isabella RESD. There are 16 classrooms, with additional specialized space that includes an art room, music room, gymnasium with separate locker rooms for both boys and girls, a weight room, media center, chemistry lab, biology lab, middle school science lab, greenhouse, tech lab, business education room, and a cafeteria with stage and presentation area, a commercial kitchen, and related equipment. The facility also has several storage areas, meeting rooms, custodial space, and office and staff-related workspaces. The building was operational as a public charter school from 2001 through 2009, serving as the site for Morey Public School Academy's middle and high school programs.

The Academy will primarily be housed in the north wing of the facility. Please reference the layout for specific detail. The "red" border details the primary space that the proposed Academy will use on a regular basis. The area highlighted in "green" details the academic space that the proposed academy will use.

Term of Use: Term of Contract.

Configuration of Grade Levels: Eighth through twelfth grades.

Name of School District and Intermediate School District:

Local: Mt. Pleasant Public Schools  
ISD: Gratiot/Isabella

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

- A. Size of building
- B. Floor Plan
- C. Description of Rooms

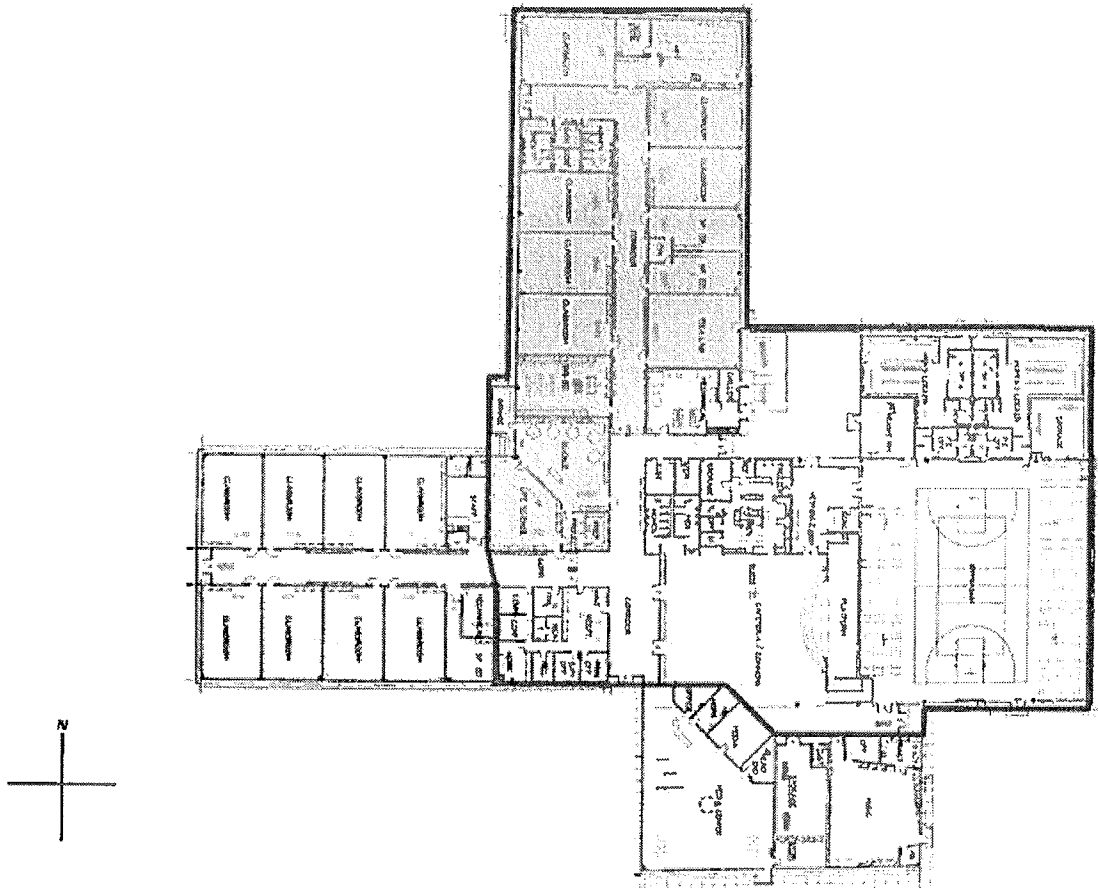
D. Copy of lease or purchase agreement

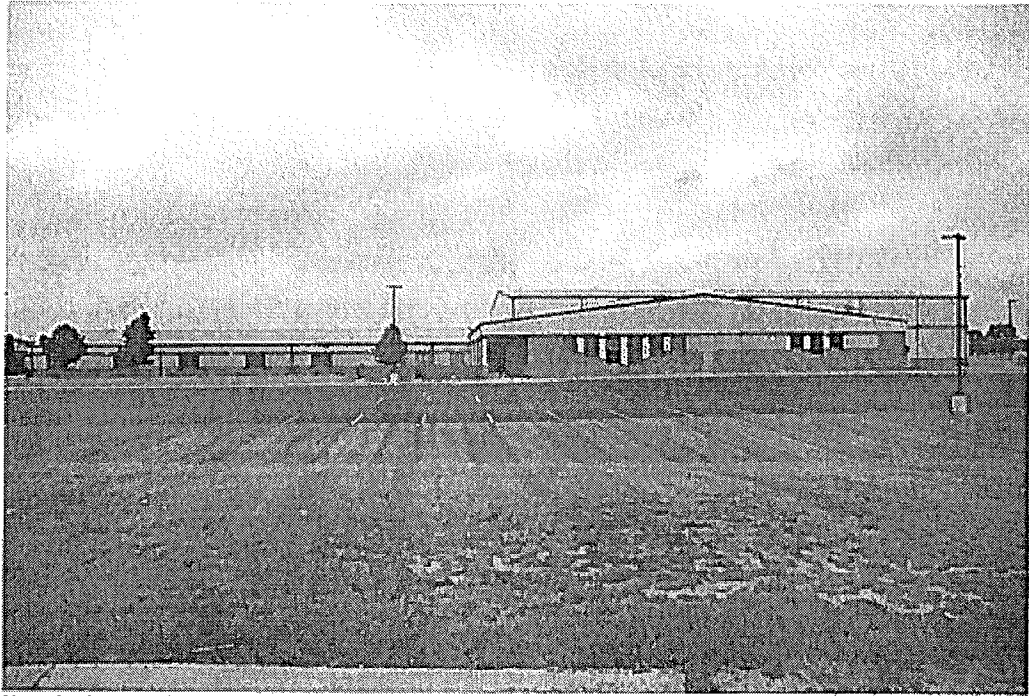
4. In addition, the Academy and the College Board hereby acknowledge and agree that this Contract is being issued to the Academy with the understanding that the Academy cannot conduct classes as a public school academy in this state until it has obtained the necessary fire, health and safety approvals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

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

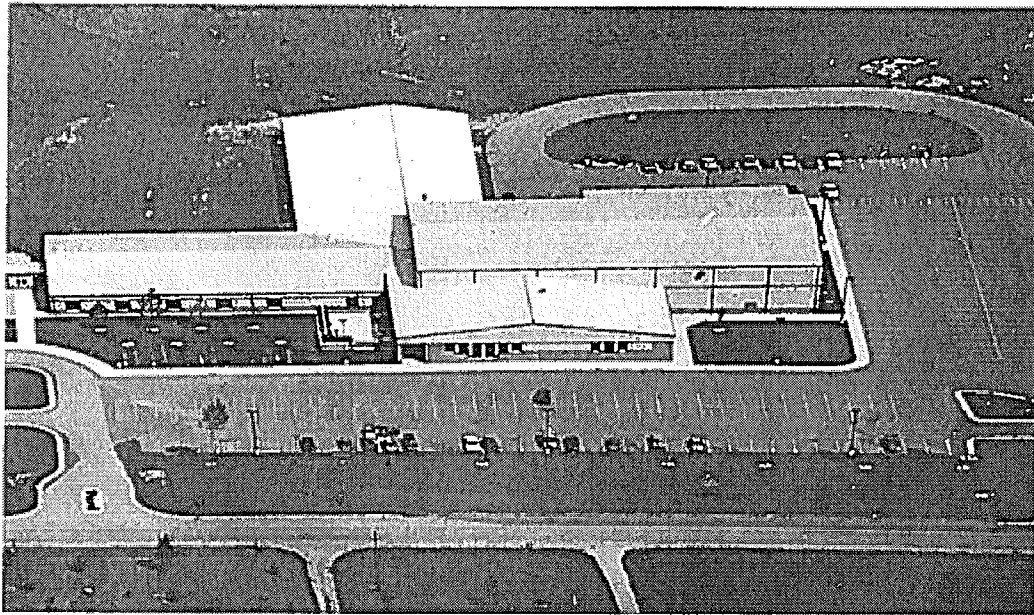
0. The Academy agrees to comply with the single site restrictions contained in this Schedule 6 for the configuration of grade levels identified at the site. Any change in the configuration of grade levels at the site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions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

Pictured below is a schematic that shows the entire layout of the building:





*View looking to the north*



*Overhead view looking to the north*

# Joint Construction Code Authority

Deerfield, Fremont, Nottawa, Rolland & Sherman Townships

3032 S. Winn Rd. • Mt. Pleasant, MI 48858

(517) 773-4401

Department of Buildings and Safety Engineering

## Certificate of Occupancy

LOCATION 918 W BLANCHARD RD OCCUPANCY MOREY SCHOOL FURNISHED

BLDG. PERMIT NO. 1865 YEAR 99 TYPE Masonry CLASS ERAP E

CERTIFICATE is hereby made that the building described herein has been inspected and no violations of the building code of the J.C.C.A. for Housing code of Michigan having been found therein, said building is hereby accepted as conforming to the applicable provisions of these laws.

ISSUANCE pursuant to Section 1976 of the Municipal Code of the J.C.C.A., and Section 99 of the Housing Law of Michigan and void in case of fraud, mistake, or latent violation not ascertainable at time of inspection. Revocable if changes are made in construction without approval of the Department of Buildings.

Fire Dept. \_\_\_\_\_

Heating Inspector Douglas Blige

Plumbing Inspector W. M. H. H.

Electrical Inspector James Chaney

Structural Inspector James Chaney

Date of Insurance Aug 99

Building Dept.

James Chaney

BY: James Chaney

## LEASE AGREEMENT

**THIS LEASE** is effective as of August 1, 2023, by and between **THE MOREY FOUNDATION**, 7350 E. River Rd., Mt. Pleasant, Michigan 48858 (“Landlord”), and **FLEXTech HIGH SCHOOL SHEPHERD**, 380 West Blanchard Road, Shepherd, Michigan, 48883, a public school academy (“Tenant”)(collectively referred to as the “Parties”).

### WITNESSETH:

Landlord hereby leases to Tenant and Tenant hereby rents from Landlord that portion of the school facility known as the high school portion and does not include the area west of the double doors by the main office formally known as the middle school, all of which is located at 380 West Blanchard Road, Shepherd, Michigan 48883, together with all fixtures, improvements, and furnishings (“Premises”).

1. **Use.** Tenant may use and occupy the Premises for the purpose of operating a public school academy only, unless otherwise approved in writing by the Landlord. Tenant shall not use the Premises or permit the Premises to be used in a manner that constitutes a violation of any applicable law, order, ordinance, or regulation. The Parties agree to abide by the additional Building Use Rules as set forth in **Appendix A**, and as amended from time to time by the Parties.

2. **Term.** This Lease commences on August 1, 2023 (the “Commencement Date”) and shall continue for a period of three (3) years through July 31, 2026, subject to extension or termination as provided herein. Unless the charter contract with Bay Mills Community College Board of Regents (the “Authorizing Body”) is revoked or terminated, this Lease and all obligations hereunder shall immediately terminate.

3. **Conditions Precedent.** Landlord and Tenant acknowledge and agree that this Lease is contingent upon the occurrence of the following conditions precedent. Should any one condition precedent not occur, this Lease shall not become effective.

a. **Executed Contract to Charter.** This Lease is not binding upon either party unless and until the Authorizing Body and the Tenant execute a contract to charter the Tenant.

- b. Physical Facility Approvals.** This Lease is not binding upon either party unless and until Landlord has continued to maintain all necessary fire, health, and safety approvals for the physical facility on the Premises. All required approvals must be provided to the Authorizing Body or its designee.
4. **Rent.** Rent shall be abated by Landlord for a term of one (1) year from the Commencement Date or until a minimum of two-hundred (200) students attend FlexTech High School at the Premises, at which time, rent will be negotiated on an annual basis at least 90 days prior to the annual anniversary date of August 1<sup>st</sup> and will be documented in a separate written amendment to this Lease in accordance with Section 15 hereof. Rent will not exceed fair market value for similarly provided facilities and service. Both parties must mutually agree to the next year's rent or the Lease will automatically terminate as of the July 31<sup>st</sup> of the year at issue.
5. **Possession.** Tenant shall take possession of the Premises on the date the term commences.
6. **Condition of Premises.** Except as Landlord and Tenant may otherwise agree in writing, Tenant's acceptance of Premises shall constitute conclusive evidence that Tenant (i) has inspected the Premises and found them to be in good order and satisfactory condition and suitable for the purposes for which they are leased. Tenant will not be deemed to have accepted the Premises until after the condition precedent identified in Paragraph 3(b) has occurred.
7. **Maintenance, Repair and Utilities.** Rent will include all yard care. Landlord will be responsible for the upkeep of the heating and cooling systems, and will supply the salt for the water softener, maintain and repair, as necessary, the roof, foundation, exterior walls, interior, ceiling, electrical system, plumbing system, and the parking lot; provided, however, that the Tenant will be responsible for routine inspection of the Premises including checking the status and performance of the Heating and Cooling systems and performing routine light maintenance as needed; and Tenant will hold Landlord harmless from any failure to do so. Tenant will be responsible for all maintenance and repairs that would be considered "normal wear and tear" or that are necessary as a result of negligence or abuse on the part of the Tenant or its students, including but not limited to such items as the upkeep and general maintenance of the kitchen equipment, changes to door locks, light bulbs, etc. Landlord will be responsible for major repairs, which result from fire, theft, vandalism or acts of God, but shall not be required to make any repairs of damage caused by the negligence of Tenant or its students, except to the extent that Landlord is reimbursed therefore by an insurance policy. The intent is for the Tenant to cover all maintenance or repairs that are necessary due to its use of the

Premises. Landlord and Tenant can, and should, discuss items of repair or maintenance to mutually determine responsibility in those cases where it is not clear. However, the Landlord will have sole and final discretion on repair or maintenance "normal wear and tear." Tenant will be responsible for all utilities, janitorial service, kitchen staffing, cleaning and use and garbage removal. Tenant shall also be responsible for snow and ice removal.

8. **Improvements; Alterations; Liens.**

- a. Tenant may only make improvements and alterations to the Premises with Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion. If Tenant does any alterations without this written consent, Landlord may request that the Premises be restored to their original form and Tenant will immediately do so, at Tenant's expense. All improvements and alterations shall be made at Tenant's sole expense unless Tenant has received written acknowledgement from Landlord that Landlord agrees to pay for the improvement or alteration. Tenant shall obtain all required governmental permits and authorizations for any such work and Tenant shall cause all such work to be completed in a good and workmanlike manner, free from defective materials and in compliance with all building, zoning, and other laws, ordinances, rules, and regulations. Upon termination of this Lease, all removable trade fixtures installed by Tenant shall remain the property of Tenant, and all other alterations, fixtures, and improvements to the Premises shall become the property of Landlord. If this Lease is terminated by the Landlord without cause, Tenant shall recuperate all improvements and alterations it made to the Premises.
- b. If Landlord procures equipment, materials, and supplies for the Premises, Landlord shall follow all applicable competitive bidding laws and requirements, and shall not include any additional fees or charges to the cost of such equipment, materials, and supplies. Notwithstanding this condition, Landlord may assess actual costs to the equipment, materials, and supplies, including, but not limited to, taxes, shipping, permits, installation, or other similar expenses.
- c. Tenant shall not do any act which will in any way encumber the title of Landlord in and to the Premises, Tenant's interest in the Premises, nor shall the interest of Landlord in the Premises be in any way subject to any claim by virtue of any act or omission of Tenant.

Tenant shall remove any lien or encumbrance on the Premises caused by Tenant within ten (10) days after receiving notice of such encumbrance; provided, however, that Tenant may in good faith contest any such lien or encumbrance if it notifies Landlord in writing thereof and posts a bond (as provided by statute) or other adequate security, as determined by Landlord, with Landlord. If Tenant shall fail to discharge or secure such lien or encumbrance as provided herein, Landlord shall have the right to file a bond securing such lien or encumbrance and Tenant shall pay the cost of such bond to Landlord as Additional Rent.

9. **Taxes.** Landlord shall pay all real estate taxes assessed against the Premises including personal property taxes on personal property owned by it at the Premises. Tenant shall pay personal property taxes on property owned by Tenant and located at the Premises.

10. **Fire and Casualty Insurance and Damage.**

- a. Landlord shall maintain at its expense policies of fire and extended coverage insurance against loss or damage as it sees fit. Tenant shall maintain at its expense insurance on its personal property and trade fixtures located on the Premises as it sees fit. To the extent such insurance policies are maintained, they shall include a waiver of the insurer's rights of subrogation against the other party to this Lease and its directors, officers, agents, visitors, contractors, or employees. Landlord and Tenant each hereby waive all right of recovery against the other and its directors, officers, agents, visitors, contractors, or employees for losses covered by insurance.
- b. If any portion of the Premises is rendered untenable by fire or other casualty, and if the Premises can be repaired within ninety (90) consecutive days from the date of the damage, this Lease shall not terminate, but Tenant shall be entitled to a proportionate abatement of Rent as described below. If, in Landlord's judgment, reasonably exercised, the Premises cannot be made tenantable within ninety (90) days from the date of the damage, Landlord may terminate this Lease by written notice to the Tenant within thirty (30) days of the fire or other casualty. If no option to terminate arises, or Landlord fails to exercise any right it may have to terminate hereunder, Landlord shall, with due diligence, repair, and restore the Premises to a tenantable condition. In the event of significant or total damage to the Premises that renders the Premises untenable for a period

greater than ninety (90) days from the date of the damage, this Lease shall terminate by written notice by the Landlord to the Tenant within seven (7) business days of the damage. Notwithstanding anything contained in this paragraph to the contrary, in the event that the Lease is in its last three (3) months of the term of this Lease, Landlord may terminate this Lease by notifying Tenant in writing of such termination.

- c. Upon the occurrence of a casualty which results in termination of the Lease pursuant to this Article, all Rent shall be prorated to the termination date. If the Lease is not terminated, Rent shall be abated while the damaged property is repaired, based upon the proportionate value to Tenant (as reasonably determined by Landlord) of the Premises rendered untenable as compared to those portions still reasonably tenantable for the purposes intended by Tenant.

11. **Indemnity and Liability Insurance.**

- a. To the extent permitted by law, Tenant shall defend Landlord and hold Landlord harmless from and against all claims, actions, losses, damages and expenses incurred by Landlord in connection with loss of life, personal injury or damage to property caused during the term of this Lease, by the intentional or negligent act or omission of Tenant, its agents, employees, licensees, invitees or contractors. Landlord shall defend Tenant and hold Tenant harmless from and against all claims, actions, losses, damages and expenses incurred by Tenant in connection with loss of life, personal injury or damage to property caused during the term of this Lease, by the intentional or negligent act or omission of Landlord, its agents, employees, licensees, invitees or contractors. The liability of either party to indemnify the other party, as herein above set forth, shall not extend to any matter against which such party shall be effectively protected by insurance; provided, however, that if any such liability shall exceed the amount of the insurance in question, this indemnification shall apply to such excess.
- b. Beginning on commencement of the term or Tenant's occupancy of the Premises, whichever occurs first, Tenant shall, at its expense, maintain throughout the term of this Lease, with an insurance carrier acceptable to Landlord and having an A.M. Best rating of "A-" or

better, commercial general liability insurance (including contractual liability, personal injury, broad-form property damage, extended liability, and products coverage) insuring against death and/or injuries sustained or claimed to have been sustained on or about the Premises or directly or indirectly arising out of Tenant's business in the Premises. Said insurance shall be in an amount not less than \$1,000,000 for each occurrence of bodily injury and/or property damage and shall be an "occurrence" policy, not a "claims-made" policy. Landlord, its directors, officers, agents and employees shall be named as additional insureds at no cost to such parties. A certificate of such insurance acceptable to Landlord shall be sent to Landlord. The certificate shall identify all exclusions or reductions in coverage to the standard ISO general liability policy. The insurance certificate furnished to Landlord shall provide that the insurance shall not be terminated, modified, or allowed to expire without thirty (30) days' prior written notice to Landlord.

- c. Landlord and Tenant each hereby waives its right of recovery against the other and each releases the other from any claim arising out of loss, damage or destruction to Premises, whether or not such loss, damage, or destruction may be attainable to the intentional negligent act or omission of either party or its respective directors, officers, agents, visitors, contractors, servants, or employees if such loss, damage or destruction is covered by insurance. Landlord's and Tenant's policies of insurance shall include a standard waiver of subrogation clause or endorsement.

- 12. **Eminent Domain.** If all or more than ten percent (10%) of the Premises shall be taken by any public authority under the power of eminent domain, then the Term of this Lease shall cease on the part so taken on the date possession of that part shall be required for public use and Landlord and Tenant shall each have the right to terminate this Lease upon written notice to the other, which notice shall be delivered within thirty (30) days following the date notice is received of such taking. In the event that neither party terminates this Lease, Landlord shall make reasonable efforts to make all necessary repairs to the Premises to render and restore the same to a complete architectural unit and Tenant shall continue in possession of the portion of the Premises not taken under the power of eminent domain, under the same terms and conditions as are herein provided, except that the Rent shall be increased or reduced in direct proportion to the amount of rentable square feet in the building of the Premises so taken. All damages awarded for such taking shall belong to and be the property of Landlord, whether such damages are awarded as

compensation for the diminution in value of the leasehold or to the fee of the Premises, provided, however, Landlord shall not be entitled to any portion of the award made to Tenant for removal and reinstallation of trade fixtures, loss of business, or moving expenses.

13. **Assignment/Subletting.** Tenant covenants not to assign, transfer, mortgage, or encumber this Lease or sublet the Premises or any part thereof, without the prior written consent of the Landlord, which consent may be withheld in Landlord's sole discretion. Notwithstanding these conditions, the Landlord does hereby consent to let Tenant rent a portion of the facility and grounds on a short-term basis (30 days or less) to outside parties in order to maximize the use of the facility and to supplement the income of the Tenant, without prior approval of Landlord. Tenant agrees to provide Landlord with written information regarding such short-term rentals within two (2) weeks of their occurrence. Any rentals to be longer than 30 days must have Landlord's prior written approval, with notice given to the Landlord 30 days prior to such occupancy. These outside parties are not to be using the facility as a charter school and Tenant will be responsible for any physical damage caused by these parties. To the extent permitted by law, Tenant will also indemnify Landlord for all attorney's fees and/or losses associated with liability, personal injury, or other claims that may arise against the Landlord as a result of these outside parties' use of the facility.
14. **Sale or Transfer of Building or Premises.** Upon any sale or transfer, including any transfer by operation of law, of the Premises, Landlord shall be relieved of all subsequent obligations and liabilities under this Lease. Tenant shall have the right to continue to occupy the Premises under the existing terms and conditions herein in the event Landlord would decide to sell or transfer the property.
15. **Amendments.** This Lease shall not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification, extension, or discharge is sought. Amendments to this Lease must be reviewed and approved by the Bay Mills Community College Charter Schools Office ("CSO") prior to execution. Notwithstanding this condition, the CSO may waive non-substantive amendments to this Lease in writing.
16. **Environmental Provisions.** Neither Tenant nor Tenant's agents, employees, invitees, licensees, contractors, or subcontractors shall generate, release, store or dispose of any hazardous substance(s) as defined or regulated by federal, state or local environmental statutes, ordinances, rules or regulations ("Hazardous Substances"), at, upon, under or within any portion of the Premises, except those as approved in writing by Landlord, which approval may be withheld in Landlord's sole discretion. Landlord grants Tenant the right to store standard cleaning supplies

and chemicals that are typical and common in high school Chemistry instruction, provided they are disposed of as called for in accordance with the laws regarding such disposal. Tenant shall comply strictly and in all respects with the requirements of any Hazardous Substances laws, rules, orders and regulations, and shall notify Landlord immediately in the event of any discharge or discovery of any Hazardous Substances, at, upon, under, or within the Premises. To the extent permitted by law, Tenant shall indemnify, defend and hold Landlord, its parent, subsidiary, and affiliated entities, and their respective members, officers, agents, employees, directors, partners and shareholders harmless from and against any damage, loss, expense or liability resulting from the violation of this Paragraph, including, but not limited to, all attorneys' fees and costs incurred as a result thereof. Tenant shall have no liability or obligation to investigate, clean, remove, remediate, or otherwise deal with hazardous materials present on the Premises prior to Tenant's occupancy of the Premises. Such liability shall be the sole responsibility of the Landlord. Landlord shall indemnify and hold Tenant harmless from damages or litigation caused by the condition of the Premises, if those damages or litigation are caused by the Landlord's use or prior use of Hazardous Substances at, upon, under, or within the Premises. All of the covenants and indemnities of this Paragraph shall survive termination of the Lease.

17. **Mortgage Subordination, Attornment, Estoppel Certificate.**

- a. This Lease shall, at the option of Landlord or its lenders, be subject and subordinate to the lien or any mortgage which may now or at any time hereafter affect the Premises and to any agreements at any time made modifying, supplementing, extending, or renewing such mortgage(s). Tenant shall, upon request by the Landlord, execute and deliver any and all instruments that may be necessary or proper to effect such subordination or to confirm or evidence the same.
- b. Tenant shall attorn to any foreclosing mortgagee, or to any purchaser of the Premises at any foreclosure sale, or sale in lieu of foreclosure, for the balance of the Term on all the terms and conditions herein contained.
- c. At the request of Landlord, Tenant shall within ten (10) days deliver to Landlord, or anyone designated by Landlord, a certificate stating and certifying to such information as may reasonably be requested to verify the state of the Landlord-Tenant relationship established by this Lease including, but not limited to the following: (i) the accuracy of the Lease; (ii) the Commencement Date and ending date of the Lease; (iii) the Lease is unmodified and in full effect or is in

full effect as modified, stating the date and nature of the modifications; (iv) whether to Tenant's knowledge Landlord is in default or whether Tenant has any claims or demands against Landlord and, if so, specifying the default, claim, or demand; and (v) any other correct and reasonable ascertainable facts that are covered by the Lease. Tenant's failure to deliver such certificate within such time shall be conclusive against Tenant that the Lease is in full force and effect, without modification except as may be represented by Landlord, and that there are no uncured defaults, claims, or demands against Landlord.

18. **Default.** If Tenant shall fail to make any payment of Rent due hereunder within ten (10) days of its due date, or if default shall continue in the performance of any of the other covenants or conditions which Tenant is required to observe and perform under this Lease for a period of fifteen (15) days following written notice of such failure, or if the interest of Tenant in this Lease shall be levied upon under execution or other legal process, or if any petition shall be filed by or against Tenant in a court of bankruptcy, or if Tenant shall be declared insolvent according to law, or make an assignment for the benefit of creditors or petition for or enter into an arrangement with its creditors, or if Tenant shall abandon or vacate the Premises during the term of this Lease, or if Tenant shall dissolve, or if Tenant shall default in the performance of Tenant's covenants under a certain Lease Agreement between the parties covering the premises known as 380 West Blanchard Road, Shepherd, Michigan, then Landlord may, but need not, treat the occurrence of any one or more of the foregoing events as a breach of this Lease, and thereupon may, at its option, have any one or more of the following-described remedies in addition to all other rights and remedies provided at law or in equity:

- a. Terminate this Lease and Tenant shall then surrender the Premises to Landlord;
- b. Enter and take possession of the Premises, either with or without process of law, and remove Tenant with or without having terminated this Lease;
- c. Have specific performance of Tenant's obligations; or
- d. Cure the default and recover the cost of curing as Additional Rent due on demand.

Tenant waives claims of damages by reason of Landlord's reentry or repossession of the Premises. Landlord's exercise of any of its remedies or its receipt of Tenant's keys shall not be considered an acceptance or surrender of the Premises by Tenant. A surrender must be agreed to in writing signed by both parties. If Landlord terminates this Lease or terminates Tenant's right to possess the Premises because of a default, Landlord may hold Tenant liable for Rent under the Lease accrued to the date the Lease terminates. Landlord may also accelerate the Rent that would have been payable over the remainder of the Term. The present value of this accelerated rent (calculated by using a four percent (4%) discount factor) shall be immediately due and payable. Landlord will reimburse Tenant for any sums Landlord receives by reletting the Premises during the Term. Tenant shall also be liable to Landlord for that part of the following sums paid by Landlord:

- a. Reasonable broker's fees incurred by Landlord for reletting part or all of the Premises prorated for that part of the reletting term ending concurrently with the then current Term of this Lease;
- b. The cost of removing and storing Tenant's property;
- c. The cost of minor repairs, alterations, and remodeling necessary to put the Premises in a condition reasonably acceptable to a new tenant; and
- d. Other reasonable expenses incurred by Landlord in enforcing its remedies. Tenant shall pay the sums due under this Paragraph promptly upon receiving Landlord's invoice for such amounts.

19. **Arbitration.** If at any time the Landlord notifies the Tenant that there has been a material violation of the Agreement, then the Tenant shall have fifteen (15) days to notify the Landlord in writing that the Tenant wishes to submit the issue to arbitration; and upon failure to do so, the determination of the Landlord shall be final. Within thirty (30) days of such notification, each party will select an arbitrator, and the two so selected shall select a third arbitrator whose decision shall be final and binding. The arbitration process shall be completed by the parties within thirty (30) days from the selection of the three (3) arbitrators. Any final arbitration decision issued must be accompanied by a cause opinion which shall be made available to the Authorizing Body or CSO upon request.
20. **Termination; Surrender of Possession.** Upon the expiration or termination of this Lease, whether by lapse of time, operation of law or pursuant to the provisions of this Lease, Tenant shall restore the Premises to their condition at the beginning of the term, ordinary wear and tear and casualty excepted, remove all of its personal

## EXECUTION COPY

property and removable trade fixtures from the Premises, repair any damage caused by such removal, and surrender possession of the Premises to Landlord.

21. **Non-waiver; Remedies Cumulative.** The failure of either party to enforce any covenant or condition of this Lease shall not be deemed a waiver thereof or of the right of either party to enforce each and every covenant and condition of this Lease. No provision of this Lease shall be deemed to have been waived unless such waiver shall be in writing and signed by the person against whom the waiver is claimed. All rights and remedies of Landlord under this Lease shall be cumulative, and none shall exclude any other rights or remedies allowed by law.
22. **Holding Over.** If Tenant shall remain in possession of the Premises after the expiration of the term of this Lease and without executing a new lease, then such holding over shall at Landlord's option be construed as a tenancy from month-to-month at one hundred, twenty-five percent (125%) of the Rent being charged Tenant just prior to such expiration or \$10,000 per month whichever is more, and will continue to be otherwise subject to all of the conditions, provisions, and obligations of the Lease insofar as the same are applicable to a month-to-month tenancy.
23. **Fiduciary Duties.** No provision of this Lease shall interfere with Tenant's exercise of its statutory, contractual, and fiduciary responsibilities. No provision of this Lease shall prohibit Tenant from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with The Open Meetings Act, Public Act No. 267 of 1976.
24. **Immunity.** No provision of this Lease shall restrict Tenant from asserting, exercising or waiving its governmental immunity or be interpreted as to require Tenant to assert, waive, or not waive its governmental immunity.
25. **Governing Laws.** The laws of the State of Michigan that apply to contracts made and to be performed in that State shall govern the validity, performance, and enforcement of this Lease.
26. **Savings Clause.** The invalidity or unenforceability of any provision of this Lease shall not affect or impair the validity of any other provision.
27. **Successors.** The terms and provisions hereof shall be binding upon and inure to the benefit of the heirs, executors, administrators, successors, and assigns of Landlord and Tenant.

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28. **Notices.** All notices, bills, statements, or requests hereunder by either party to the other shall be in writing, and shall be sufficiently given and served upon the other party, if sent by facsimile, recognized overnight courier service, or by registered or certified mail, return receipt requested, postage prepaid. All notices shall be addressed to the parties at the addresses set forth in the introductory paragraph on Page One hereof, or at such other place as Landlord and Tenant may from time to time designate by written notice to the other. In addition, notices may be personally delivered to Tenant at the Premises. Notices shall be effective when sent, or if personally delivered, when delivered.
29. **Review of Records.** All physical records pertaining to this Lease shall be made available for review by the Landlord to the Tenant's independent auditor(s) and the CSO.
30. **Expenses of Enforcement; Performance by Landlord.** The losing party shall pay all reasonable attorneys' fees and expenses incurred by the winning party in enforcing any provision of this Lease. If Tenant shall fail to perform any of its obligations hereunder, Landlord may without notice perform such obligations. If Landlord incurs any costs in connection therewith, such costs shall be promptly paid by Tenant to Landlord as Additional Rent upon demand.
31. **Quiet Enjoyment.** Landlord covenants and agrees with Tenant that upon Tenant's observing and performing all of the terms, covenants, and conditions to be performed and observed under this Lease by Tenant, Tenant's peaceable and quiet enjoyment of the Premises shall not be disturbed by Landlord or any party claiming by, through, or under Landlord.
32. **Brokers.** Tenant represents and warrants to Landlord that it has dealt with no broker in connection with this Lease. To the extent permitted by law, Tenant shall defend, hold harmless, and indemnify Landlord from any claims or liability arising from a breach of this representation and warranty.
33. **Captions.** Captions and headings herein are for convenience and reference only and have no legal force or affect.
34. **Authority.** Tenant represents and warrants that Tenant has the capacity and authority to enter into this Lease. If Tenant is a corporation, Tenant represents and warrants that it is duly organized and a validly existing corporation in good standing and that the person executing this Lease has the requisite authority to bind the partnership to the terms of this Lease.

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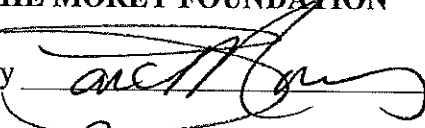
35. **Entire Agreement.** This Lease and the Appendices, if any, attached hereto and forming a part hereof, set forth all of the covenants, promises, agreements, conditions, and understandings between Landlord and Tenant governing the Premises. There are no covenants, promises, agreements, conditions, and understandings, either oral or written, between them other than those herein set forth.

IN WITNESS WHEREOF, the parties have signed this Lease Agreement and it is effective as of the date provided above.

**THE MOREY FOUNDATION**

By

Its

  
PRESIDENT  
"LANDLORD"

**FLEXTech HIGH SCHOOL SHEPHERD**

By

  
"TENANT"

## APPENDIX A

### BUILDING USE RULES

1. When leasing the Premises to other occupants, the Landlord agrees that such leases and/or agreements shall not interfere with the school's purpose in operating a public school academy. Other occupants in the Building shall not engage in any activity that could be a danger to the safety of the school's students and staff.
2. The Landlord will notify the Tenant thirty (30) days prior to any new occupant(s) occupying the building and/or sharing any common areas within the Premises.
3. Any occupants sharing common areas within the Premises shall follow the Tenant's Visitor Policies and Procedures found in the Student Handbook, including checking in at the front office and wearing proper identification while on the Premises.
4. All occupants within the Premises shall follow the prohibition against weapons, drugs, and smoking. The prohibition against smoking includes tobacco products, tobacco-related devices, imitation tobacco products, vaporizers (including any substance used in vaporizers), electronic cigarettes, electronic nicotine delivery systems or other substitute for cigarettes.
5. In order to ensure the safety and security of staff and students, Tenant shall have the right to remove from the Premises any person where there is a reason to believe that the presence of such person would be detrimental to the good order of the school or a disruption to the academic environment.
6. The Landlord and Tenant agree to establish additional guidelines regarding sharing common area, including, but not limited to, establishing date and time schedules, as necessary, during the school year.
7. Tenant agrees that the staff and students will park in areas designated by the Landlord.

**CONTRACT SCHEDULE 7**

**REQUIRED INFORMATION FOR**  
**PUBLIC SCHOOL ACADEMY**

## **SCHEDULE 7**

### **REQUIRED INFORMATION FOR PUBLIC SCHOOL ACADEMY**

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

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

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

## **Schedule 7a**

### **Governance Structure**

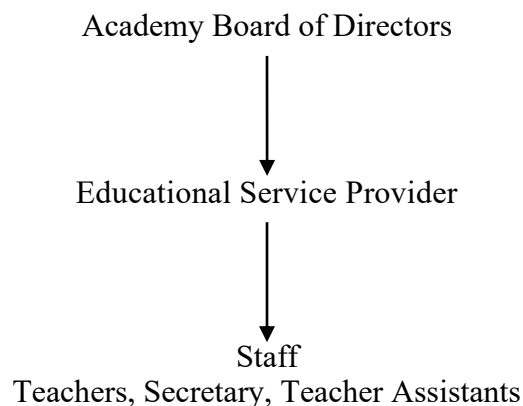
The College Board shall appoint the Board of Directors of the Academy (“Academy Board”). The Academy Board has all the powers and duties permitted by law to manage the business, property and affairs of the Academy. The Academy Board is responsible for assuring that the Academy operates according to the terms and conditions of this Contract and Applicable Law. The Bylaws 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, that 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 Governance Structure of the Academy:



The Flex Tech High School - Shepherd Board of Directors currently consists of five (5) members, with no vacancies. The College Board 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:

| Position       | Last Name     | First Name | Term Expiration |
|----------------|---------------|------------|-----------------|
| President      | Thomas        | Dawn       | 06/30/2028      |
| Vice President | Williams      | Megan      | 06/30/2028      |
| Treasurer      | Pratt         | Amanda     | 06/30/2027      |
| Secretary      | Evans-Tessman | Angela     | 06/30/2029      |
| Director       | Wallager      | Melissa    | 06/30/2027      |

**SECTION B**

**EDUCATIONAL GOALS**

Pursuant to Applicable Law and Terms and Conditions of this Contract, including Article VI, Section 6.2, and 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 8-11 will be assessed using the following metrics and achievement targets.*

| GRADES                                                               | METRICS                                                                                                          | ACHIEVEMENT TARGETS                                                                                                                                                                                        |
|----------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grades 8-10<br>NWEA                                                  | 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.     |
| Grade 8<br>State Accountability Test (PSAT)                          | Percentage of students proficient on State Accountability Test                                                   | Students enrolled for three* or more years will on average achieve scores equal to or greater than proficiency score identified by the State.                                                              |
| State Accountability Test for grade 11- (SAT at Contract start date) | The average grade-level scores in reading and math as measured by State Accountability Test.                     | Students enrolled for three* or more consecutive years will on average achieve scores equal to or greater than the grade-level reading and math college readiness achievement targets identified by State. |

\*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 8 through 10 at the Academy will be assessed using the following metrics and growth targets:*

| Grades                                                                | Metrics                                                                                                                                                        | Growth Targets                                                                                                                                                    |
|-----------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grades 8-10<br>(NWEA Test must be administered in fall and in spring) | 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: the 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 Targets**

| Grade | NWEA Reading End-of-Year Target | NWEA Math End-of-Year Target |
|-------|---------------------------------|------------------------------|
| 8     | 221.66                          | 230.30                       |
| 9     | 221.4                           | 230.03                       |
| 10    | 223.51                          | 232.42                       |

**SECTION C**

**EDUCATIONAL PROGRAMS**

## **EDUCATIONAL PROGRAM**

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver, and support the educational programs identified in this schedule.

### **Mission**

FlexTech High School- Shepherd (“Academy”) will prepare each student for success in career, life, and higher education by providing an opportunity to earn a high school diploma in an engaging program with flexible scheduling and authentic learning experiences. FTS will provide a personal and caring environment, where students become active participants in planning and preparing for their future.

### **Vision**

The Academy is committed to providing an environment that combines relationships, relevance, and rigor where students can:

- take control of their education plan, allowing students to become proactive learners and encouraging personal growth;
- engage in relevant learning experiences that use community mentors;
- become critical thinkers who value learning as a life-long process; and
- learn 21<sup>st</sup> Century skills to prepare for the workplace.

### **Values**

The Academy is committed to preparing students for the contemporary work world by creating a school where students build essential skills and integrate content knowledge into activities and projects, work collaboratively, both in person and remotely, and solve problems creatively.

Students will be involved in:

- monitoring the individualized achievement plan that tracks project and standards completion;
- acquiring the social skills needed for academic and workplace success;
- developing personal responsibility through self-paced, technology and project-based learning which allows each student to advance through successful demonstration of content mastery;
- practicing the 21<sup>st</sup> Century skills of communication, collaboration, creative problem solving and critical thinking through the use of technology; and
- making the connections between effort and quality by monitoring and reporting the time and effort spent on work.

At the Academy, teachers will:

- regard each student as a distinct learner with individual educational goals and needs;
- provide knowledgeable, skillful, and compassionate guidance;
- reach out to families and guardians to support the student;
- be engaged in continuous professional development in a collaborative and supportive work environment;

- model personal and social responsibility; and
- teach relevant and rigorous academic content.

Parents and guardians of Academy students will:

- commit to providing basic needs such as transportation;
- agree to the rules and expectations of the school and support its mission;
- proactively support students by participating in school functions or project presentations; and
- be welcomed in the Academy as a full and contributing member of the school community.

### **Program Delivery**

The Academy is committed to welcoming students into school in a way that starts with the student, not the classes. By acknowledging and recognizing the areas where students may have previously struggled in school and assisting the student in designing a program that addresses these needs, students can value themselves as learners and re-engage in the learning process. Students' need for meaningful, relevant work is central to the delivery model. According to the Hope Study<sup>1</sup>, when students are empowered to advocate for projects and for themselves, or are encouraged to demonstrate learning in alternative ways, they build internal motivation and a sense of self-efficacy. This not only supports engagement but also begins to develop an academic self, a student who believes in his or herself as academically capable and viable. This can transform a student from one who may have believed that high school completion was out of reach to one who now imagines a college future.

### **Intake Process**

Upon enrollment each student meets with a member of the administrative team to discuss the student's academic past, review transcripts, and develop a personalized learning plan that includes the following:

- credits and course work currently completed;
- credits and courses needed for graduation;
- credits, coursework, extracurricular activities, and test scores necessary for college acceptance;
- individual schedule development designating times in school, including online course work and mandatory advisory meetings; and
- individual learning profile detailing where students have been successful in and out of school, and how to be successful at the Academy.

In the course of this interview, the student is introduced to the Academy's philosophy and provided with a description of the program including the expectations for work in and out of the school and what constitutes satisfaction of credit, the process of earning competencies, and graduation requirements. At the conclusion of the meeting, students commit to their own success and to the accountability standards of attendance and progress.

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<sup>1</sup> Newell, R. J., & Van Ryzin, M.J. (2007, February). *Growing hope as a determinant of school effectiveness*. Phi Delta Kappan, 88(6), 465-471.

The competencies are the cornerstone of the Academy's curriculum. The competencies meet the requirements of the Michigan Merit Curriculum ("MMC") and integrate the CCSS. By breaking each course down to essential competencies that are published goals for all, students can choose to work through the curriculum in a variety of ways. The competency-based approach necessitates an instructional design where teachers act as consultants to students in translating learning goals and standards and exploring and expressing content. The Academy's model is based on using feedback from formative assessments specific to the task or process, or related to self-regulation, which has been shown to have a positive effect on student achievement.<sup>2</sup> The model is applied in conjunction with competency-based grading, the benefits of which allow a student to test out of an area where they are already proficient, but not necessarily a whole course. The use of a competency-based curriculum "map" helps remove the guesswork for students and the close advisor relationship provides the scaffolding to continuously redesign the pathway toward the goal as necessary. The "map" also allows the student to see progress in school in a visual, highly understandable way. According to Robert Marzano's meta-analysis, simply establishing and communicating learning goals in ways that allow students to track their progress and set goals results in increased student achievement.<sup>3</sup>

The Academy will borrow concepts from Big Picture Schools, one of the first schools to advocate for a personalized, advisory-driven, and project-based approach to learning. The Academy and Big Picture Schools share the common understanding that adolescent students, in particular struggling students who may be lacking support at home, need the right balance of support, intervention, clear instructions, explicit guidance and freedom to take their time or to find an appropriate avenue by which to approach the content or the skill. Therefore, the delivery of content in a combination of projects that are developed at the school with the close supervision of the teacher-advisor, supplemented with online work allows students to make rapid progress and feel successful.

The curriculum design supports a "truly personalized school." As Littky & Grabelle (2004)<sup>4</sup> from Big Picture Schools point out, "a truly personalized school is ultimately flexible in its student groupings, schedules, curriculum, activities, and assessment tools." All students' educational programs are designed by the people who know them best: the student, his or her parent(s), and his or her teachers. Central to the advisory program is a robust and comprehensive Educational Development Plan ("EDP") each student develops under the guidance of an advisor. The EDPs are reviewed and updated annually by the student, creating a dynamic document to assist students in planning for their future through reflection on their current performance and goal attainment.

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<sup>2</sup> Marzano, R.J. (2010). *Formative Assessment and Standards Based Grading*. Bloomington, IN: Marzano Research Laboratory.

<sup>3</sup> Marzano, R.J. (2007). *The Art and Science of Teaching*. Alexandria, VA: Association for Supervision and Curriculum Development.

<sup>4</sup> Littky, D., Grabelle, S., (2004). *The Big Picture: Education Is Everyone's Business*. Alexandria, VA. Association for Supervision and Curriculum Development

## Instructional Approaches

The Academy believes strongly that the school must address the non-cognitive factors that affect student learning in a very deliberate fashion, which is achieved in two key ways. The first is through the advisory program and the second is through the project-based learning approach, both of which are held together by maintaining a focus on the Academy's academic and social expectations.

The program uses advisory to conduct explicit instruction in mindset, or the power of our own thinking about our abilities, as well as structure academic work in ways that build academic perseverance. As cited in a University of Chicago study:<sup>5</sup>

There is clear research evidence that students' mindsets have strong effects on their demonstration of perseverant behaviors such as persistence at difficult tasks. When students value the work they are doing, feel a sense of belonging in the classroom context in which they are working, feel capable of succeeding, and believe they will master challenging material with effort, they are much more likely to engage in difficult work and see it through to completion. Dweck, Walton, and Cohen (2011) explicitly suggest that the ways to improve academic tenacity are through interventions aimed at changing students' mindsets directly or by establishing classroom conditions that support the development of positive mindsets. When teachers can present tasks in ways that make success seem attainable, and when they provide students with the support and tools to be successful, students are more likely to engage and persist in those tasks (Dweck, Walton, & Cohen, 2011).

During the advisory class, students will receive this explicit instruction to reframe beliefs about their brain and their ability to learn, to demonstrate the relationship between effort and achievement, and to study the academic behaviors that lead to future success. In addition to studying mindset, students and staff will also study choice theory through William Glasser and others who teach students about what they can control and the factors that they cannot control. This type of instruction helps to build a common language in the school that can be used when students are struggling in course work or projects. It also provides a framework within which teachers can work comfortably and can change the dynamic of the conversations with students, shifting them from authoritative and often punitive control to conversations about choices, consequences, plans, and goal-setting. The delivery of this curriculum will include sharing the actual studies and data with students in an academic manner, thereby sharpening the skills we seek to improve as we study them.

The advisory program is the foundation upon which the personal and caring environment is built. It provides a model to any public school in recognizing the importance of the whole child and social-emotional learning. Recently proclaimed by contributors to the *ASCD Express* publication of August 2, 2012,<sup>6</sup> as the "next Superman," schools across the country are discovering that carefully designed advisory programs that focus on the social-emotional welfare of students; goal setting and progress monitoring are seeing improvement in student attendance and achievement.

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<sup>5</sup> Farrington, C., Roderick, C., et al., (2012, June). *Teaching Adolescents to Become Learners*. The University of Chicago Consortium on Chicago School Research.

<sup>6</sup> Chaffee, R., Landa, J., & Marchesi, S. (2012, August 2). Is Advisory the New Superman? *ASCD Express*, v 7 (22).

Project-based learning (“PBL”) is also essential to engagement. PBL is not only complementary to the strong advisory program, because advisory has the consultation time necessary for PBL already built in, but is also the best pedagogical approach for the acquisition of 21<sup>st</sup> century skills,<sup>7</sup> for mirroring the contemporary workforce and workplace, and for creating relevance having students understand why school is important through discovery. This is the key to engagement. In an analysis of literature about PBL effectiveness, the Buck Institute for Education concludes that PBL can:<sup>8</sup>

- be more effective than traditional instruction in increasing academic achievement on annual state-administered assessment tests; be more effective than traditional instruction for teaching mathematics, economics, science,
- social science, clinical medical skills and for careers in the allied health occupations and teaching;
- be more effective than traditional instruction for long-term retention, skill development and satisfaction of students and teachers;
- be more effective than traditional instruction for preparing students to integrate and explain concepts;
- improve students’ mastery of 21st-century skills;
- be especially effective with lower-achieving students; and
- provide an effective model for whole school reform

Successful PBL requires the development of a school culture and establishment of relationships. Therefore, the Academy guides students into the PBL process gradually. Students spend a considerable amount of time learning about the process involved in developing a project, in establishing rubrics of quality to reflect traits like critical thinking, and in using time well. The school spends time counseling students in how a seat time waiver works to support student learning. That is, the quality and quantity of work is not changed as students are still responsible for the demonstration of mastery of the Michigan Merit Curriculum but are navigating through it in an atypical fashion.

Although freedom and choice are important to both the school and the students, the PBL process is standardized to resemble processes that look much like project management in the modern workplace. Students have templates to justify the project, pitch it, manage it through Project Foundry software, and provide updates on the project. The software provides support to teachers and parents as well, as it documents the standards that students are working on, records those that are completed, and keeps track of those that need to be completed.

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Retrieved from <http://www.ascd.org/ascd-express/vol7/722-chaffee.aspx>.

<sup>7</sup> Ravitz, J., Hixson, N., English, M., & Mergendoller, J. (2012). Paper presented at American Educational Research Association. *Using project based learning to teach 21st century skills: Findings from a statewide initiative*. Vancouver, BC. Retrieved from [http://www.bie.org/research/study/PBL\\_21CS\\_WV](http://www.bie.org/research/study/PBL_21CS_WV)

<sup>8</sup> Buck Institute for Education. (2009). *Does PBL Work?* Retrieved from [http://www.bie.org/research/study/does\\_pbl\\_work](http://www.bie.org/research/study/does_pbl_work)

Technology plays an important part in the development of student skills. The Academy may use online providers such as Google Classroom, Khan Academy, and CK-12 to deliver content, and some students may use Michigan Virtual School (“MVS”) to earn full course credit as well. Technology may range from the student’s smart phone to tablets, to laptops, to high-powered desktops that students might use to create games, applications, movies, or instructional tools. The use of technology is not a goal in and of itself, instead, discovering how technology can assist in solving problems and can be a tool for collaboration is the focus and the format of technology integration.

The Academy shares The Partnership for 21<sup>st</sup> Century Skills (“P21”) vision for education<sup>9</sup>, which involves using the standards, assessments, and accountability measures set by the State of Michigan and then aligning them with the 21<sup>st</sup> Century skills that follow:

- Emphasize core subjects: expand beyond basic competency to understanding at much higher levels.
- Emphasize learning skills: keep learning continually throughout their lives; information and communication skills, thinking and problem-solving skills, interpersonal and self-directional skills.
- Use 21<sup>st</sup> Century tools to develop learning skills: access, manage, integrate, and evaluate information, construct new knowledge, and communicate with others.
- Teach and learn in a 21<sup>st</sup> Century context: real-world examples, applications, and experiences both inside and outside of school; relevant, engaging, and meaningful learning.
- Teach and learn 21<sup>st</sup> Century content: global awareness; financial, economic and business literacy; and civic literacy.
- Use 21<sup>st</sup> Century assessments that measure 21<sup>st</sup> century skills: sophisticated assessment at all levels using new information technologies to increase efficiency and timeliness.

P21 provides resources in developing lessons and units that meet the goals of the CCSS and focus on relevance. The intentional focus helps teachers and students work with content in a way that makes its application to real-world scenarios genuine while simultaneously building the skills of communication, collaboration, and use of technology to demonstrate the qualities we seek to build in students.

Academy teachers and administration are involved in an on-going professional development program that employs the same model as the school improvement cycle: research and plan, do the work, evaluate, and adjust. The school’s leadership has planned the calendar so that teachers are provided a minimum of two-weeks of professional learning. Furthermore, teachers study the language and behaviors of high expectations. These studies are conducted in ways that are applied to the classroom and advising activities, used to inform the construction of the school schedule and individual student’s schedule, and applied directly to teachers’ own practice. The school provides time every Friday afternoon for collaborative planning and professional development and training from skilled professionals in numerous areas, including, but not

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<sup>9</sup> Partnership for 21<sup>st</sup> Century Education. Washington DC, 2011. Available: <http://www.p21.org/tools-andresources/publications>

limited to, social emotional learning, project-based learning, using technology to enhance instruction and increase engagement, as well as in using and applying Marzano's (2007) Unit Design questions from *The Art and Science of Teaching* in conjunction with Wiggins & McTighe's (2005) *Understanding by Design*.

## **Curriculum Flexibility**

### ***Special Education***

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the IEP team and together the team is making decisions that are subject to requirements regarding provision of the LRE. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible, or will provide an interim IEP agreed to by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Educational Improvement Act ("IDEIA") and state law and regulations. The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA, and reviewed on an annual basis or more frequently as determined by the IEP team.

In addition to being compliant to all laws regarding students who need special education services, 504 plans, or English Language Learners ("ELL") services, the Academy also uses the Response to Intervention ("RTI") model to identify struggling students and put in assistive plans that may include recommendations for social work, counseling, or curriculum accommodations that are monitored for success.

### ***RTI Model***

The RTI is a specialized program embedded within the classroom to serve students who have special learning challenges. RTI screens all students to identify those who are at-risk for learning failure. Through regular opportunities to consult with the RTI, classroom teachers gain specific knowledge and skills to use with their students through proactive, focused interventions. Intensive intervention delivered by a specially trained instructional faculty is provided to identify students early in the school program to prevent failure. Teachers trained in special education provide individual support to students identified through the IEP process.

The RTI model includes special education services provided by appropriately certified faculty.

In addition to providing services for special education students, the Academy's project-based learning instructional approach lends itself to meeting the needs of all learners (e.g. below grade level and gifted and talented). In conjunction with the advisor, a student may create a project that may be differentiated based on the student's specific skill level and interest. The student can demonstrate differentiated projects through content, process, product, and learning environment. The Academy's infusion of differentiation and project-based learning serve as a flexible method to accommodate students' different learning needs and preferences.

### **Assessment**

The Academy intends to use assessment, not only as a guide to instruction, but also as an instructional tool. Students who perform well on a multitude of assessment types such as multiple-choice standardized tests, written response tests, projects, and performances are prepared to solve problems as adults. The Academy's assessment plan describes student learning targets and prepares students for different types of assessment. In any class, students may do a performance piece and also take a multiple choice/short answer test that not only prepares them for the types of assessments they may encounter post-high school, but also builds critical thinking skills.

The Academy uses performance evaluations to set annual targets based on progress towards meeting measurable goals. These annual targets are re-evaluated each year to ensure relevance and attainability. The Academy communicates progress towards targets and goals to students and parents through multiple means including progress reports, parent-teacher conferences, teacher office hours, and informational meetings following the receipt of standardized testing results. Annual reports are generated at the end of each school year.

However, students are the primary drivers in evaluating individual performance. Through the advisory program as well as through classroom instruction, students are engaged in regular progress monitoring and in goal setting aligned with the accrual of credits. Students understand how many and which credits they need to earn to fulfill a minimum of one year's learning in one year's time and log this progress and submit to the teacher-advisor. The school uses this information to communicate progress to parents appropriately and also uses this to identify weaknesses in the curriculum or implementation of the curriculum.

The school uses numerous summative data like the SAT, PSAT and M-STEP and NWEA to provide individual information on targeting specific deficiencies as well as guiding the overall program toward the reading and critical thinking skills required to do well on state standardized tests, as well as to prepare students for college and career. Formative assessment happens daily in any skilled teacher's classroom. Because of the highly personalized nature of the program, teachers use conversations and written student reflections to guide their understanding of student ability and learning, and adjust classroom instruction as they go. The essential piece behind formative assessment is the clear understanding and communication of learning goals on the part of the teacher. Teachers construct units that communicate the whys of learning, what they are teaching, while also describing some of the ways that students could engage in the content or skill and demonstrate mastery. Through the RTI system and collaborative planning time, teachers are supported and guided in developing these units. Teachers use formative classroom data—responses to questions, short quizzes, exit cards, journals, rates of turn-in, and participation to

constantly evaluate their pedagogy as well as the content in these forums and use the expertise of peers, leaders, trainers, and support staff to guide their practice.

The assessments administered at the Academy (see table below) are comprised of the required assessments (highlighted) as well as Academy created or chosen assessments. These assessments do not reflect the whole of assessments at the Academy; rather, these are the assured assessments students in these grades are required to take. The Academy also uses summative assessments, which provide a means for students to “test out” of certain units. As students enter the Academy and progress in their studies, they demonstrate mastery of these skills and “check off” the appropriate standards in the standards map. Similarly, students who do not do well on the assessments are placed in units of study to address needs.

| <b>Assessment</b>                                         | <b>Grades Assessed</b> |
|-----------------------------------------------------------|------------------------|
| <b>NWEA</b>                                               | <b>8- 11</b>           |
| <b>PSAT 8/9 for grade 9: paper/pencil assessment</b>      | <b>9</b>               |
| <b>PSAT 10 for grade 10: paper/pencil assessment</b>      | <b>10</b>              |
| <b>Michigan Merit Exam (“MME”) (SAT w/ Essay)</b>         | <b>11</b>              |
| • <b>Reading</b>                                          | <b>9-12</b>            |
| • <b>Writing and Language</b>                             |                        |
| • <b>Math (with calculator)</b>                           |                        |
| • <b>Math (no calculator)</b>                             |                        |
| <b>ACT WorkKeys: paper/pencil assessment</b>              | <b>11</b>              |
| • <b>Workplace Documents</b>                              |                        |
| • <b>Applied Math</b>                                     |                        |
| • <b>Graphic Literacy</b>                                 |                        |
| <b>M-STEP Science Field Test</b>                          | <b>11</b>              |
| <b>M-STEP Social Studies</b>                              | <b>11</b>              |
| <b>Scientific Literacy—Method and Experimental Design</b> | <b>8-12</b>            |
| <b>Math Basics—The foundations of math</b>                | <b>8-12</b>            |
| <b>Communication Skills (Speaking and Listening)</b>      | <b>8-12</b>            |

### **Transition**

Students who enter the Academy are seeking a learning environment unlike a typical traditional school. The unique qualities of the Academy inherent in PBL, advisory, flexible scheduling, and an emphasis on 21<sup>st</sup> Century Learning requires training in order to smoothly and successfully transition new students into the Academy. Through an intensive first week orientation, along with follow-up and supporting activities in advisory, new students are transitioned to this environment. Continual close mentoring through the advisory program supports these transitional activities. Similarly, when students prepare to leave, the Academy engages in a yearlong senior portfolio project that showcases the ability to apply the skills of time-management, self-advocacy, organization, and problem solving to their next work or learning environment. This will involve reflection on the student’s part as well as an exit interview in which the student articulates the way that they have been learning and how to transfer and apply this learning to new situations.

### **Advisory Check-Ins**

All students at the Academy grades 7-12 receive check-ins in their advisory class. Each check-in serves to build relationships among advisories and also serves to purposefully assess each student's current progress toward graduation, post-high school plans, career ideas or hopes, the pathway to get there, personal information, assessment results, and learning targets. Students receive check-ins from the advisor consistently through the advisory class, allowing opportunities for personally reflecting on the progress and the struggles, and celebrating the successes.

### **Graduation Requirements**

The Academy understands the main reason for the implementation of the Michigan Merit Curriculum is to safeguard the quality of the high school education students receive and to prepare all students for success in college and career. Further, the Academy understands that the MME/SAT were adopted as measures of this quality. The Academy is committed to establishing mastery of the Michigan Merit Curriculum Standards and CCSS by using skills such as reading complex texts, drawing and defending conclusions, generating and testing hypotheses, employing analogous thinking and other critical thinking skills across the curriculum. Ultimately, the measures for meeting this goal are steadily rising scores and proficiency ranking on the MME/SAT.

The Academy closely monitors student success in course work and uses a balanced assessment system to determine mastery and maintain rigor. Although projects are central to the Academy's mission, there is always a place for more traditional assessment methods. This strategy is regarded as essential for preparing students for the many ways they are asked to manipulate and process information in college or the workplace. The Academy uses the data to direct students to specific projects, courses, or components of courses. The Academy may also design skill-based workshops for groups of students who need remediation in areas (e.g. math facts or reading comprehension). In these cases, mini-courses, using high engagement strategies from Marzano's *The Art and Science of Teaching*<sup>10</sup>, are utilized to get quick results and build students' sense of efficacy.

### ***8<sup>th</sup> Grade Academic Expectations***

FlexTech has committed to a set of Academy expectations that it disseminates among parents and students. The expectations, found on the Academy's website and given to and discussed with parents and students at the start of each school year, articulate the Academy's goals of learning and include:

### ***Academic Thinking and Skills Goals***

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<sup>10</sup> Marzano, R. J. (2007) *The Art and Science of Teaching*. Alexandria, VA: Association for Supervision and Curriculum Development.

| <b>Key Cognitive Strategy</b>                | <b><i>Students will achieve by...</i></b>                                                                                                                                                                                    |
|----------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Remaining Open to Continuous Learning</b> | Developing an openness to explore and appreciate all subject matter explored in courses.                                                                                                                                     |
| <b>Analysis</b>                              | Being able to separate and investigate the component parts of a subject in order to study and better understand the smaller parts relation in making up the whole.                                                           |
| <b>Interpretation</b>                        | Evaluating, synthesizing and communicating the issues, themes and conflicts presented in all courses.                                                                                                                        |
| <b>Reasoning, Argumentation, Proof</b>       | Constructing focused, coherent, fully supported positions on a variety of topics and issues. Students will seek reasons and strive to be well informed.                                                                      |
| <b>Metacognition</b>                         | Reflecting on the process of learning and thinking about the work is a key component of every course. Students are expected to think about the learning process and understand how it relates to the student as the learner. |
| <b>Academic Behavior</b>                     | <b><i>Students will achieve by...</i></b>                                                                                                                                                                                    |
| <b>Study Skills</b>                          | Developing and adhering to assignment deadlines.                                                                                                                                                                             |
| <b>Organization</b>                          | Being able to organize a range of tasks appropriate to the assignments.                                                                                                                                                      |
| <b>Work Habits</b>                           | Being able to work independently, collaboratively and seek assistance if needed.                                                                                                                                             |
| <b>Academic Integrity</b>                    | Acting honestly and ethically in the academic work.                                                                                                                                                                          |
| <b>Persisting</b>                            | Taking advantage of opportunities to demonstrate mastery.                                                                                                                                                                    |
| <b>Managing impulsivity</b>                  | Employing classroom behavior that promotes a supportive learning environment for all students.                                                                                                                               |

|                                       |                                                                                                                                                             |
|---------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Responsible Use of Technology</b>  | Using technology responsibly and for academic purposes.                                                                                                     |
| <b>Contextual Skill and Awareness</b> | <b><i>Students will achieve by...</i></b>                                                                                                                   |
| <b>Value of Education</b>             | Being aware of the importance of continuing post- secondary opportunities and because of this are expected to actively participate in the courses.          |
| <b>Respect of Others</b>              | Respecting the opinions of those whose opinions differ and to understand that people can maintain civility even when holding opposite opinions and beliefs. |
| <b>Awareness of Support Systems</b>   | Being aware of support systems, including academic and career resources.                                                                                    |

***Michigan High School Graduation Requirements (18 Credits)***

**ENGLISH LANGUAGE ARTS (ELA) – 4 Credits**

- Proficiency in State Content Standards for ELA (4 credits)

**MATHEMATICS – 4 Credits**

- Proficiency in State Content Standards for Mathematics (3 credits); and
- Proficiency in district approved 4th Mathematics credit options (1 credit) (Student MUST have a Math experience in their final year of high school.)

**ONLINE LEARNING EXPERIENCE**

- Course, Learning, or Integrated Learning Experience.

**PHYSICAL EDUCATION & HEALTH – 1 Credit**

- Proficiency in State Content Standards for Physical Education and Health (1 credit); or
- Proficiency with State Content Standards for Health (1/2 credit) and district approved extracurricular activities involving physical activities (1/2 credit).

**SCIENCE – 3 Credits**

- Proficiency in State Content Standards for Science (3 credits); or
- Beginning with the Class of 2015: Proficiency in some State Content Standards for Science (2 credits) and completion of a Department approved formal Career and Technical Education (CTE) program (1 credit).

**SOCIAL STUDIES – 3 Credits**

- Proficiency in State Content Standards for Social Studies (3 credits).

**VISUAL, PERFORMING, AND APPLIED ARTS – 1 Credit**

- Proficiency in State Content Standards for Visual, Performing, and Applied Arts (1 credit).

**WORLD LANGUAGE – 2 Credits** (Effective with students entering 3rd Grade in 2006) • Formal coursework or an equivalent learning experience in Grades K-12 (2 credits); or • Formal coursework or an equivalent learning experience in Grades K-12 (1 credit) and completion of a Department approved formal Career and Technical Education program or an additional visual, performing, and applied arts credit (1 credit).

***Michigan Merit High School Graduation Requirement Overview***

The Academy is in compliance with Michigan in requiring students to meet all parts of the MMC to graduate as is evidenced in the current course offerings:

|                                               |                  |
|-----------------------------------------------|------------------|
| Michigan Merit Curriculum                     | 18 credits       |
| Advisory (.5 required per year of enrollment) | .5 - 2.0 credits |
| Electives                                     | .5 – 4.0 credit  |

**Total Academic Credits Required for Graduation: 20 credits****MICHIGAN MERIT CURRICULUM & ACADEMY REQUIRED CREDITS**

| Content Area    | Credits | Description                                                                                                                        |
|-----------------|---------|------------------------------------------------------------------------------------------------------------------------------------|
| English         | 4.0     | English Language Arts 1, English Language Arts 2<br>English Language Arts 3 English Language Arts 4                                |
| Mathematics     | 4.0     | Either the integrated Math 1 and Math 2,<br>or the traditional Algebra I, Geometry, Algebra II, and<br>one additional math course. |
| Science         | 3.0     | Biology, Physics or Chemistry, and one additional<br>science credit                                                                |
| Social Students | 3.0     | .5 credit in Civics, .5 credit in Economics, U.S. History                                                                          |

|                           |        |                                                                                            |
|---------------------------|--------|--------------------------------------------------------------------------------------------|
|                           |        | and Geography, and World History and Geography                                             |
| Visual Arts               | 1.0    | Visual Arts or Digital Arts                                                                |
| Physical Education/Health | 1.0    | Physical Education and Health course                                                       |
| Foreign Language*         | 2.0    | Students may receive credit if they have had a similar learning experience in grades K-12. |
| Electives                 | .5-4.0 | Courses will vary                                                                          |
| Advisory                  | .5-2.0 | Must pass advisory each semester                                                           |

\*Can be substituted for formal coursework or an equivalent learning experience in Grades K-12 (1 credit) and completion of a department approved formal CTE program or an additional visual, performing, and applied arts credit (1 credit).

### **Program Evaluation**

The Academy evaluates the Educational Program by monitoring progress toward mission specific measures. The goals include achievement targets that are measured with standardized assessment scores, percentages of standards/competency completion, attendance data, work completion, quality of projects, feedback from community sponsors and mentors, perception data gathered from surveys of students, parents and staff, and enrollment and retention data. Ultimately, the success of the program rests upon academic achievement that translates into success in college, career, and life. The Academy endeavors to follow its students' post-graduation to measure its program over the long-term.

The Academy's mission specific measures are delineated through student achievement, student progress, and post-secondary plans. Student achievement is measured as follows: 1.) All students who have been enrolled for three or more years at the Academy on average will demonstrate academic achievement in Reading, Writing and Language, and Math as measured by the SAT test each spring that is equal to or greater than the achievement targets established by College Board and 2.) The Academy will demonstrate improved academic achievement for all groups of pupils in science and social studies as measured by the M-STEP test that is equal to or greater than the growth targets established by the Michigan Department of Education (MDE).

Regarding student progress, all students will make adequate progress in core competency attainment each school year. Lastly, post-secondary plans are measured through the creation of an FTS Portfolio and presentation of a Senior Chronicle that demonstrates completion of an internship or a career study as well as successful mastery of the advisory curriculum.

The Academy gathers data to monitor progress toward these measures and establishes a reporting timeline, ideally twice per year—at the mid-point and at the end of the academic year. The Academy will share data with all stakeholders to determine areas for improvement and adjustments to the curriculum, to the instructional delivery models, to the advisory component, or to the counseling component.

**SECTION D**  
**CURRICULUM**

CURRICULUM  
TO BE UPLOADED SEPARATELY

**SECTION E**

**METHODS OF PUPIL ASSESSMENT**

**Academic Assessments to Be Administered:**

Grade(s) Academic Assessment(s)

Grade 9 PSAT 8/9

Grade 10 PSAT 10

Grade 11 SAT, ACT Work key, M-STEP Science & Social Studies

**SECTION F**

**APPLICATION AND ENROLLMENT OF STUDENTS**

## Application and Enrollment Requirements

### **FlexTech High School-Shepherd**

#### **Enrollment Limits**

The Academy will offer eighth through twelfth grade. The maximum enrollment shall be 240 students. The Academy will annually adopt maximum enrollment figures prior to its application and enrollment period.

#### **Requirements**

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

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

### **Application Process**

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

### **Legal Notice**

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

### **Re-enrolling Students**

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

### **Random Selection Drawing**

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

Prior to the application period, the Academy shall:

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

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

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

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

**SECTION G**

**SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE**

## **SCHEDULE 7g**

### **SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE**

#### School Calendar

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

**SECTION H**

**AGE OR GRADE RANGE OF PUPILS**

## **SCHEDULE 7h**

### **AGE OR GRADE RANGE OF PUPILS**

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