TERMS AND CONDITIONS
OF CONTRACT

DATED: JULY 1, 2011

ISSUED BY

THE GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES
(AUTHORIZING BODY)

TO

ARBOR ACADEMY
(A SCHOOL OF EXCELLENCE)

CONFIRMING THE STATUS OF

ARBOR ACADEMY

AS A

SCHOOL OF EXCELLENCE
GENERAL INDEX

Contract Schedules

Schedule 1: University Board Resolutions
Method of Selection Resolution, dated March 1, 2011
Authorizing Resolution, dated March 1, 2011

Schedule 2: Articles of Incorporation
Restated Articles of Incorporation

Schedule 3: Revised Bylaws

Schedule 4: Fiscal Agent Agreement

Schedule 5: Master Calendar of Reporting Requirements (MCRR)

Schedule 6: Information To Be Provided By Academy and Educational Management Company

Schedule 7: Academy Specific Information & Educational Program
Schedule 7-1: Educational Goals and Programs
Schedule 7-2: Curriculum
Schedule 7-3: Staff Responsibilities
Schedule 7-4: Methods of Accountability and Pupil Assessment
Schedule 7-5: Academy’s Admission Policies and Criteria
Schedule 7-6: School Calendar and School Day Schedule
Schedule 7-7: Age/Grade Range of Pupils Enrolled
Schedule 7-8: Address and Description of Proposed Physical Plant; Lease or Deed for Proposed Site; Occupancy Certificate
TABLE OF CONTENTS

ARTICLE I
DEFINITIONS

Section 1.1 Certain Definitions .................................................................................. 1
Section 1.2 Schedules ............................................................................................... 3
Section 1.3 Statutory Definitions ................................................................................ 3
Section 1.4 Application ............................................................................................... 3
Section 1.5 Conflicting Contract Provisions ............................................................... 3

ARTICLE II
ROLE OF GRAND VALLEY STATE UNIVERSITY
BOARD OF TRUSTEES AS AUTHORIZING BODY

Section 2.1 University Board Resolutions ................................................................. 3
Section 2.2 Method for Monitoring Academy’s Compliance With Applicable Law and Performance of its Targeted Educational Outcomes ........................................................................ 4
Section 2.3 University Board Administrative Fee ....................................................... 5
Section 2.4 University Board as Fiscal Agent for the Academy .................................. 5
Section 2.5 Authorization of Employment ................................................................... 5
Section 2.6 Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University .................................................. 5
Section 2.7 Academy Has No Power To Obligate or Bind State of Michigan, University Board or the University ................................................................. 6

ARTICLE III
REQUIREMENT THAT ACADEMY ACT SOLELY AS GOVERNMENTAL AGENCY OR ENTITY AND POLITICAL SUBDIVISION

Section 3.1 Governmental Agency or Entity and Political Subdivision ..................... 6
Section 3.2 Other Permitted Activities ..................................................................... 6

ARTICLE IV
PURPOSE

Section 4.1 Academy’s Purpose .............................................................................. 6
ARTICLE V
CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1 Articles of Incorporation ........................................................................... 6
Section 5.2 Bylaws ......................................................................................................... 6

ARTICLE VI
OPERATING REQUIREMENTS

Section 6.1 Governance Structure ............................................................................. 7
Section 6.2 Contributions and Fund Raising ................................................................. 7
Section 6.3 Educational Goals and Programs ............................................................... 7
Section 6.4 Curriculum .................................................................................................. 7
Section 6.5 Methods of Accountability ........................................................................ 7
Section 6.6 Staff Responsibilities .................................................................................. 8
Section 6.7 Admission Policy ....................................................................................... 8
Section 6.8 School Calendar/School Day Schedule ...................................................... 8
Section 6.9 Age/Grade Range of Pupils Enrolled ......................................................... 8
Section 6.10 Annual Financial Audit ............................................................................ 8
Section 6.11 Address and Description of Proposed Site(s) ......................................... 8
Section 6.12 Accounting Standards ............................................................................. 8
Section 6.13 Placement of University Student Interns ............................................... 8
Section 6.14 Disqualified Organizational or Contractual Affiliations ......................... 8
Section 6.15 Matriculation Agreements ....................................................................... 9

ARTICLE VII
TUITION PROHIBITED

Section 7.1 Tuition Prohibited: Fees and Expenses .................................................... 9

ARTICLE VIII
COMPLIANCE WITH PART 6E OF CODE AND OTHER LAWS

Section 8.1 Compliance with Part 6e of the Code ..................................................... 9
Section 8.2 Compliance with State School Aid Act ..................................................... 9
Section 8.3 Open Meetings Act .................................................................................. 9
Section 8.4 Freedom of Information Act .................................................................... 9
Section 8.5 Public Employees Relations Act .............................................................. 10
Section 8.6 Prevailing Wage on State Contracts ....................................................... 10
Section 8.7 Uniform Budget and Accounting Act ...................................................... 10
Section 8.8 Revised Municipal Finance Act of 2001 ................................................... 10
Section 8.9  Non-discrimination .......................................................... 10
Section 8.10 Other State Laws ............................................................. 10
Section 8.11  Federal Laws ................................................................. 10

**ARTICLE IX**

**AMENDMENT**

Section 9.1  Process for Amending the Contract ....................................... 10
Section 9.2  Process for Amending Academy Articles of Incorporation ............ 10
Section 9.3  Process for Amending Academy Bylaws .................................. 11

**ARTICLE X**

**TERMINATION, SUSPENSION AND REVOCATION**

Section 10.1  Grounds and Procedures for Academy Termination of Contract .......... 11
Section 10.2  Termination by University Board ....................................... 11
Section 10.3  Contract Suspension ....................................................... 12
Section 10.4  Statutory Grounds for Revocation ...................................... 13
Section 10.5  Other Grounds for Revocation ......................................... 13
Section 10.6  University Board Procedures for Revoking Contract ................. 14
Section 10.7  Automatic Revocation by State of Michigan .......................... 17
Section 10.8  Material Breach of Contract .......................................... 18
Section 10.9  Appointment of Conservator/Trustee ................................... 18

**ARTICLE XI**

**PROVISIONS RELATING TO SCHOOLS OF EXCELLENCE**

Section 11.1  Grand Valley State University Faculty Employment in the Academy .... 18
Section 11.2  The Academy Faculty Appointment to Grand Valley State University Faculty .. 18
Section 11.3  Student Conduct and Discipline ...................................... 18
Section 11.4  Insurance ................................................................. 18
Section 11.5  Transportation ............................................................ 19
Section 11.6  Extracurricular Activities and Interscholastic Sports ................ 20
Section 11.7  Legal Liabilities and Covenants Not to Sue .......................... 20
Section 11.8  Lease or Deed for Proposed Single Site(s) ............................ 20
Section 11.9  Occupancy and Safety Certificates .................................... 20
Section 11.10 Deposit of Public Funds by the Academy ............................. 20
Section 11.11 Required Provisions for Educational Management Organization Agreements ... 20
Section 11.12 Incompatible Public Offices and Conflicts of Interest Statutes ........ 21
Section 11.13 Certain Familial Relationships Prohibited ............................ 22
Section 11.14 Dual Employment Positions Prohibited ................................ 22
Section 11.15 Information Available to the Public and University .................. 22
ARTICLE XII
GENERAL TERMS

Section 12.1 Notices .......................................................... 22
Section 12.2 Severability .................................................... 23
Section 12.3 Successors and Assigns ................................. 23
Section 12.4 Entire Contract ................................................ 23
Section 12.5 Assignment ...................................................... 23
Section 12.6 Non-Waiver ..................................................... 23
Section 12.7 Indemnification ............................................... 23
Section 12.8 Construction ................................................... 24
Section 12.9 Force Majeure ................................................ 24
Section 12.10 No Third Party Rights .................................... 24
Section 12.11 Non-agency .................................................. 24
Section 12.12 Governing Law ............................................. 24
Section 12.13 Counterparts ............................................... 24
Section 12.14 Term of Contract .......................................... 24
Section 12.15 Survival of Provisions ................................. 26
Section 12.16 Termination of Responsibilities .................... 26
Section 12.17 Disposition of Academy Assets Upon Termination or Revocation of Contract ................................. 26
Contract to Charter A School Of Excellence

Pursuant to Part 6e of the Revised School Code ("Code"), being Sections 380.551 to 380.561 of the Michigan Compiled Laws, the Grand Valley State University Board of Trustees ("University Board") authorizes Arbor Academy (the "Academy") to operate a School of Excellence, as defined below. The Parties agree that the issuance 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 capitalized, shall have the meaning set forth in this section:

a) Academy means the Michigan non-profit corporation authorized by this Contract.

b) Academy Board means the Board of Directors of the Academy authorized by this Contract. Academy Board member or Academy Director means an individual who is a member of the Academy Board, whether in the past, present or future.

c) Applicable Law means all state and federal law applicable to School of Excellence.

d) Applicant means the person or entity that submitted the School of Excellence application to the University for the establishment of the Academy.

e) Application means the School of Excellence application and other documentation submitted to the University for the establishment of a School of Excellence.

f) Authorizing Resolution means the resolution(s) adopted by the University Board that, among other things, approves the issuing of a Contract to the Academy to operate a School of Excellence.


h) Contract means, in addition to the definition set forth in the Code, the Terms and Conditions and the Schedules.

i) Cyber School mean a cyber school as defined in Part 6e of the Code.
j) **Educational Management Organization** means a person or entity that meets the definition of an Educational Management Organization in Part 6e of the Code, including the entity that has entered, or entities that may in the future enter, into an agreement with the Academy.

k) **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 from, or monetary contribution by an Educational Management Organization or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support from an Educational Management Company 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.

l) **Master Calendar of Reporting Requirements (MCRR)** means the compliance certification duties required of the Academy by the University Board. The University Board may amend the MCRR each fiscal year or at such other times as deemed appropriate by the University President. These changes shall be automatically incorporated into the Contract and shall be exempt from the Contract amendment procedures under Article IX of these Terms and Conditions.

m) **Method of Selection Resolution** means the resolution adopted by the University Board providing for the method of selection, length of term, number of Academy Board members, qualification of Board Academy members and other pertinent provisions related to the Academy Board.

n) **Schedules** mean the schedules incorporated into and part of the Terms and Conditions.

o) **Terms and Conditions** means this document.

p) **University** means Grand Valley State University established pursuant to Article VIII, Sections 4 and 6 of the Michigan Constitution of 1963 and MCL 390.841 et seq.

q) **University Board** means the Grand Valley State University Board of Trustees.

r) **University Charter Schools Hearing Panel** or **Hearing Panel** means such person(s) as designated by the University President.

s) **University Charter Schools Office** or **CSO** means the office the University Board, by issuance of this Contract, hereby designates as the point of contact for School of Excellence applicants and Schools of Excellence authorized by the University Board. The University Charter Schools Office is also
responsible for managing, implementing, and overseeing the University Board’s responsibilities with respect to the Contract.

t) **University Charter Schools Office Director** or **CSO Director** means the person designated by the University President to administer the operations of the University Charter Schools Office.

u) **University President** means the President of Grand Valley State University or his or her designee.

Section 1.2. **Schedules.** All Schedules to this Contract are part of this Contract.

Section 1.3. **Statutory Definitions.** Statutory terms defined in the Code shall have the same meaning in this Contract.

Section 1.4. **Application.** The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, 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 1.5. **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 Method of Selection 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 Method of Selection Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution and the Authorizing Resolution; and (iv) the Restated Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution, Authorizing Resolution and these Terms and Conditions.

**ARTICLE II**

**ROLE OF GRAND VALLEY STATE UNIVERSITY BOARD OF TRUSTEES AS AUTHORIZING BODY**

Section 2.1. **University Board Resolutions.** For purposes of this Contract, the University Board has adopted the following resolutions:

(a) **Method of Selection Resolution.** The University Board has adopted the Method of Selection Resolution which is incorporated into this Contract as part of Schedule 1. At anytime and at its sole discretion, the University Board may amend the Method of Selection. Upon University Board approval, changes to the Method of Selection Resolution shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of the Terms and Conditions.

(b) **Authorizing Resolutions.** The University Board has adopted the Authorizing Resolution which is incorporated into this Contract as part of Schedule 1.
Section 2.2. Method for Monitoring Academy’s Compliance with Applicable Law and Performance of its Targeted Educational Outcomes. The University Board has the responsibility to oversee the Academy’s compliance with the Contract and all Applicable Law. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Contract and MCRR incorporated into this Contract as Schedule 5. Additionally, the Academy shall be responsible for the following:

a) The Academy shall provide the Charter Schools Office with copies of reports and assessments concerning the educational outcomes achieved by pupils attending the Academy and shall provide necessary approvals for the Charter Schools Office to access electronic information received or stored by the State of Michigan including, but not limited to, the Department of Education or other agency authorized by the State to collect school data.

b) In the event that the University President determines that the Academy’s educational outcomes should be reviewed to help determine if the Academy is meeting the educational goals set forth in the Schedules, the University President, at his or her discretion, may require an objective evaluation of student performances by an educational consultant, acceptable to both the Academy and the University President. The Academy shall pay for the expense of the evaluation. In addition, at any time, the University President may require an evaluation of student performance to be selected by and at the expense of the University. The Academy shall cooperate with the evaluation, including any student testing required.

c) The Academy shall submit audited financial statements, including auditor’s management letters and any exceptions noted by the auditors, to the University Charter Schools Office. The financial statements and auditor’s management letters shall be submitted to the University Charter Schools Office within ninety (90) days after the end of the Academy’s fiscal year.

d) The Academy shall provide the University Charter Schools Office with a copy of the proposed annual budget for the upcoming fiscal year of the Academy no later than July 1st. The Academy Board is responsible for establishing, approving and amending the annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421 et seq., and for providing all amendments and revisions to the University Charter Schools Office following Academy Board approval.

e) The Academy shall provide to the University Charter Schools Office minutes of all Academy Board meetings no later than fourteen (14) days after such meeting.

f) Within ten (10) days of receipt, the Academy shall notify the University Charter Schools Office of correspondence received from the Department of Education or State Board of Education that requires a written or formal response.
g) Within ten (10) days of receipt, the Academy shall report to the University Charter Schools Office and the University Counsel Office any litigation or formal proceedings alleging violation of Applicable Law or contractual agreement against the Academy, its officers, employees, agents, and/or contractors.

h) The Academy shall permit review of the Academy’s records and inspection of its premises at any time by representatives of the University. Normally, such inspections shall occur during the Academy’s hours of operation and after advance notice to the Academy.

Section 2.3. University Board Administrative Fee. During the term of this Contract, the Academy shall pay the University Board an administrative fee of 3% of the state school aid payments received by the Academy. This fee shall be retained by the University Board from each state school aid payment received by the University Board for forwarding to the Academy. This fee shall compensate the University Board for issuing the Contract and overseeing the Academy’s compliance with the Contract and all Applicable Law.

Section 2.4. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. The University Board shall, within three (3) business days, forward to the Academy all state school aid funds or other public or private funds received by the University Board for the benefit of the Academy. The University Board shall retain any amount owed to the University Board by the Academy pursuant to this Contract. For purposes of this section, the responsibilities of the University Board, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 4.

Section 2.5. Authorization of Employment. The Academy may employ or contract with personnel. If the Academy contracts for personnel with an Educational Management Organization, the Academy shall submit a draft of the proposed agreement to the University Charter Schools Office for review. The University Charter Schools Office may disapprove the proposed agreement if it contains provisions in violation of this Contract or Applicable Law. No educational management agreement shall be effective unless and until the agreement complies with Section 11.11 of these Terms and Conditions. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages; (iii) dismiss employees; and (iv) control the employees’ conduct, including the method by which the employee carries out his or her work. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. The Academy shall be responsible for carrying worker’s compensation insurance and unemployment insurance for its employees.

Section 2.6. Financial Obligations of the Academy are Separate from the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be assigned or pledged for the payment of any Academy contract, agreement, note, mortgage, loan or other instrument of indebtedness.
Section 2.7. Academy Has No Power To Obligate or Bind State of Michigan, University Board or the University. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, University Board or the University, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, University Board or the University in any way guarantee, are financially obligated, or are in any way responsible for any contract, agreement, note, mortgage, loan or other instrument of indebtedness entered into by the Academy.

ARTICLE III

REQUIREMENT THAT ACADEMY ACT SOLELY AS GOVERNMENTAL AGENCY OR ENTITY AND POLITICAL SUBDIVISION

Section 3.1. Governmental Agency or Entity and Political Subdivision. The Academy shall act exclusively as a governmental agency or entity and political subdivision.

Section 3.2. Other Permitted Activities. Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Subject to Section 2.5 and Section 6.15 of the Terms and Conditions, the Academy may enter into agreements with other public schools, public school academies, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.

ARTICLE IV

PURPOSE

Section 4.1. Academy's Purpose. The Academy Board shall identify the purpose or mission of the Academy. Any subsequent change to a School's purpose or mission shall be carried out by amendment in accordance with Article IX of these Terms and Conditions. The Academy's stated purpose or mission shall be set forth in the Schedules.

ARTICLE V

CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Articles of Incorporation. Unless amended pursuant to Section 9.2 of Article IX herein, the Restated Articles of Incorporation of the Academy, as set forth in Schedule 2, shall be the Articles of Incorporation of the Academy. The Academy Board represents to the University Board that Schedule 2 includes all amendments to the Academy's Articles of Incorporation as of the date set forth above.

Section 5.2. Bylaws. Unless amended pursuant to Section 9.3 of Article IX herein, the Revised Bylaws of the Academy, as set forth in Schedule 3, shall be the Bylaws of the Academy. The Academy Board represents to the University Board that Schedule 3 includes all amendments to the Academy's Bylaws as of the date set forth above.
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 its Bylaws. The Academy’s Board of Directors shall meet at least six times per fiscal year, unless another schedule is mutually agreed upon by the University President and the Academy.

Section 6.2. Contributions and Fund Raising. The Academy may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Academy is for the benefit of the University. The University shall not be required to receive any contributions or donations for the benefit of the Academy. If the University receives contributions or donations for the benefit of the Academy, it shall forward such funds to the Academy within three (3) business days of receipt.

Section 6.3. Educational Goals and Programs. The Academy shall pursue the educational goals and programs identified and contained in the Schedules. Such goals and programs may be amended pursuant to Section 9.1 of Article IX of the Terms and Conditions.

Section 6.4. Curriculum. The Academy shall have flexibility in developing, realigning, and implementing the curriculum identified in the Schedules. Any changes to the curricula shall be administered pursuant to Section 9.1 of Article IX of the Terms and Conditions, and such proposed curricula shall be designed to achieve the Academy’s overall educational goals and State’s educational assessment objectives.

Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils’ work based on the assessment strategies identified in the Schedules. The Academy shall provide the University 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 University Charter Schools Office;

b) an assessment of the Academy’s student performance at the end of each academic school year or at such other times as the University Board may reasonably request;

c) an annual education report in accordance with the Code;

d) an annually administered nationally recognized norm-referenced achievement test for the Academy’s grade configuration or a program of testing approved by the University Charter Schools Office Director; and

e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to suspend, terminate, not issue a new contract at the end of the Contract or revoke the Contract.
Section 6.6. **Staff Responsibilities.** Subject to Section 2.5 of Article II of the Terms and Conditions, the University Board authorizes the Academy to employ or contract with an Educational Management Organization. A copy of the Management Agreement shall be included in the Schedules.

Section 6.7. **Admission Policy.** The Academy shall comply with all application, enrollment and admissions policies and criteria required by Applicable Law. A copy of the Academy's admission policies and criteria are set forth in the Schedules.

Section 6.8. **School Calendar/School Day Schedule.** The Academy shall comply with all minimum standards governing the length of the school term, minimum number of days and hours of instruction required by Applicable Law. The Academy agrees to make available to the CSO Office a copy of the School Calendar/School Day Schedule for each School no later than July 1st. A copy of the School Calendar/School Day Schedule shall be automatically incorporated into the Schedules, without the need for an amendment under Article IX of the Terms and Conditions.

Section 6.9. **Age/Grade Range of Pupils Enrolled.** The Academy is authorized to operate a Kindergarten through Sixth (K-6) School of Excellence. In addition to grade levels currently operated, the Academy shall work toward operating all of grades 9 to 12 within six (6) years after issuance of this Contract, unless the Academy has entered into a matriculation agreement with another public school that provides grades 9 to 12. The Academy may add additional programs in the future, pursuant to Section 9.1 of Article IX of the Terms and Conditions.

Section 6.10. **Annual Financial Audit.** The Academy shall conduct an annual financial audit prepared and reviewed by an independent certified public accountant in accordance with generally accepted governmental auditing principles.

Section 6.11. **Address and Description of Proposed Site(s).** The proposed address and physical plant description of the Academy's proposed site or sites is set forth in the Schedules. For purposes of this Contract, the Academy shall be in violation of the site requirements set forth in this Contract if the Academy operates at a site or sites without first obtaining the written authorization of the University Board. Following Academy Board and University Board approval, proposed changes to the address and description of any site or sites shall be incorporated into this Contract by amendment.

Section 6.12. **Accounting Standards.** The Academy shall at all times comply with generally accepted public sector accounting principles.

Section 6.13. **Placement of University Student Interns.** The Academy may be a placement site for University students who are in education or other pre-professionals in training to serve in public schools. Such placement shall be without charge to the University and subject to other terms and conditions as the Academy and the University agree.

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. 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 University Charter Schools Office for review. Any matriculation agreement entered into by the Academy shall be added to the Schedules through a contract amendment approved in accordance with the Contract. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

ARTICLE VII

TUITION PROHIBITED

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

ARTICLE VIII

COMPLIANCE WITH PART 6E OF THE CODE AND OTHER LAWS

Section 8.1. Compliance with Part 6e of the Code. The Academy shall comply with Part 6e and other parts of the Code that apply to Schools of Excellence. With the exception of Part 6a of the Code, the Academy shall comply with other provisions of the Code applicable to public school academies.

Section 8.2. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, the Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended from time to time. The Academy may expend funds from the State School Aid Act for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 8.3. Open Meetings Act. The Academy Board shall conduct all of its meetings in accordance with the Michigan Open Meetings Act, Act No. 267 of the Public Acts of 1976, as amended, being Sections 15.261 to 15.275 of the Michigan Compiled Laws.

Section 8.4. Freedom of Information Act. The records of the Academy shall be records subject to the provisions of the Michigan Freedom of Information Act ("FOIA"), Act No. 442 of the Public Acts of 1976, as amended, being Sections 15.231 to 15.246 of the Michigan Compiled Laws. The Academy Board shall designate a freedom of information coordinator to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.
Section 8.5. **Public Employees Relation Act.** The Academy shall comply with Act No. 336 of the Public Acts of 1947, being Sections 423.201 to 423.217 of the Michigan Compiled Laws. Organizational efforts and collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 8.6. **Prevailing Wage on State Contracts.** The Academy shall comply with the Prevailing Wage on State Contracts statute, Act No. 166 of the Public Acts of 165, being Sections 408.551 to 408.558 of the Michigan Compiled Laws.

Section 8.7. **Uniform Budgeting and Accounting Act.** The Academy shall comply with the Uniform Budgeting and Accounting Act, Act No. 2 of the Public Acts of 1968, being MCL 141.421 to 141.440a.


Section 8.9. **Non-discrimination.** The Academy shall be separately responsible for compliance with applicable laws pertaining to equal opportunity and anti-discrimination laws such as the Elliott-Larsen Civil Rights Act, Act No. 453 of the Public Acts of 1976, as amended, being MCL 37.2101 to 37.2804, the Michigan Handicappers’ Civil Rights Act, Act No. 22 of the Public Acts of 1976, as amended, being MCL 37.1101 to 37.1607, 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.

Section 8.10. **Other State Laws.** The Academy shall comply with other state laws which are applicable to Schools of Excellence. Nothing in this Contract shall be deemed to apply any other state law to the Academy.

Section 8.11. **Federal Laws.** The Academy shall comply with federal laws which are applicable to Schools of Excellence. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

**ARTICLE IX**

**AMENDMENT**

Section 9.1. **Process for Amending the Contract.** Either party may propose changes in this Contract or may propose a meeting to discuss potential revision of this Contract. Except as provided in Sections 2.1, 5.1 and 6.11, the University Board delegates to its University President the review and approval of changes or amendments to this Contract. The Academy Board may delegate the same authority to the Academy Board President. The Contract shall be amended upon agreement and approval of the respective authorized designees.

Section 9.2. **Process for Amending Academy Articles of Incorporation.** The Academy Board, or any authorized designee of the Academy Board, may propose changes to the Academy’s Restated Articles of Incorporation. The Academy shall be authorized to make such
changes to its Articles upon a majority vote of the University Board members attending a University Board meeting. Upon University Board approval, the Academy Board’s authorized designee is authorized to file the amendment to the Academy’s Restated Articles of Incorporation with the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services. Upon receipt of the filed amendment, the Academy shall forward the filed amendment to the University Charter Schools Office. The filed amendment shall be automatically incorporated into Schedule 2 of this Contract upon receipt of the amendment by the University Charter Schools Office. If the University identifies a provision in the Restated Articles of Incorporation that violates or conflicts with this Contract, due to a change in law or for other reasons, after approval has been given, it shall notify the Academy Board in writing and the Academy Board shall amend the Restated Articles of Incorporation to make them consistent with the Contract. If the change is requested by the University, the University shall reimburse the Academy for the filing fees payable to the Michigan Department of Labor and Economic Growth.

Section 9.3. Process for Amending Academy Bylaws. The Academy Board shall submit proposed Bylaw changes to the Charter Schools Office, for review and comment, at least thirty (30) days prior to Academy Board adoption. The Academy’s Revised Bylaws, and any subsequent or proposed changes to the Academy’s Revised Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board’s Revised Bylaws that violates or conflicts with Applicable Law or this Contract, that provision of the Academy Board’s Revised Bylaws shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter Schools Office of a duly authorized Academy Board Bylaw change made in accordance with this Section 9.3.

ARTICLE X

TERMINATION, SUSPENSION AND REVOCATION

Section 10.1. Grounds and Procedures for Academy Termination of Contract. At anytime and for any reason, the Academy Board may terminate this Contract. The Academy Board shall notify the CSO Director in writing of the request for the termination of the Contract not less than ten (10) calendar months in advance of the effective date of termination. The University Board, in its sole discretion, may waive the ten (10) month requirement. A copy of the Academy Board’s resolution approving the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the written termination request.

Section 10.2. Termination by University Board. The University Board may terminate this Contract before the end of the Contract Term as follows:

(a) Termination Without Cause. Except as otherwise provided in subsections (b) or (c), the University Board, in its sole discretion, reserves the right to terminate this Contract before the end of the Contract Term for any reason provided that such termination shall not take place less than ten (10) calendar months from the date of the University Board’s resolution approving such termination. The Charter Schools Office shall provide notice of the termination to the
b) Termination Caused by Change in Applicable Law. Following issuance of this Contract, if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then the University Board may terminate the Contract at the end of the Academy’s school fiscal year in which the University Board’s decision to terminate is adopted. For purposes of this section, a change in Applicable Law includes without limitation the following:

(i) the issuance of an order by the Superintendent of Public Instruction, pursuant to section 1280c of the Code, placing the Academy under the supervision of the State School Reform/Redesign Officer; or

(ii) the development of, or changes to, a redesign plan by the Academy pursuant to Section 1280c of the Code.

(c) Automatic Termination Caused By Placement of Academy in State School Reform/Redesign School District. If the Academy is notified by the State that the Academy will be placed in the State School Reform/Redesign School District pursuant to Section 1280c of the Code, then the University Board may terminate this Contract at the end of the current school year.

(d) Automatic Termination For Failure to Satisfy Requirements During the Initial Term of Contract. If the Academy fails to satisfy the requirements set forth in Section 12.14 during the initial term of Contract, then this Contract shall automatically terminate on the date set forth in Section 12.14.

The revocation procedures in Section 10.6 shall not apply to a termination of this Contract under this section.

Section 10.3. Contract Suspension. The University Board’s process for suspending the Contract is as follows:

a) University President Action. If the University President determines, in his or her sole discretion, that conditions or circumstances exist that the Academy Board (i) has placed the health or safety of Academy staff and/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 Section 6.11, 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 or (iv) has willfully or intentionally violated this Contract or Applicable Law, the University President may immediately suspend the Contract. If the conditions or circumstances involve an alleged violation of Sections 10.5(e) or (f), the University President is authorized to suspend the Contract immediately pending
completion of the procedures set forth in Section 10.6. Unless otherwise specified in the suspension notice, the Academy shall cease operations on the date on which the suspension notice is issued. 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 applicable. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.

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

c) Immediate Revocation Proceeding. If the Academy Board, after receiving a Suspension Notice from the University President 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 the Terms and Conditions. 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 University Charter Schools Office and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel’s recommendation in accordance with Section 10.6(f) through (i).

Section 10.4. Statutory Grounds for Revocation. In addition to the grounds for an automatic revocation of the Contract as set forth in Section 10.7, this Contract may also be revoked by the University Board upon a determination by the University Board, pursuant to the procedures set forth in Section 10.6, that one or more the following has occurred:

a) Failure of the Academy to abide by and meet the educational goals 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; or

d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.5. Other Grounds for Revocation. In addition to the statutory grounds for revocation set forth in Section 10.4 and the grounds for an automatic revocation of the Contract set forth in Section 10.7, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:
a) The Academy is insolvent, has been adjudged bankrupt, or has operated for one or more school fiscal year(s) with a Fund Balance Deficit;

b) The Academy has insufficient enrollment to successfully operate the Academy, or the Academy has lost more than twenty-five percent (25%) of its student enrollment from the previous school year;

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

d) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Labor and Economic Growth, Bureau of Commercial Services without first obtaining University Board approval;

e) The University discovers grossly negligent, fraudulent or criminal conduct by the Applicant, the Academy’s directors, officers, employees or agents in relation to their performance under this Contract;

f) The Applicant, the Academy’s directors, officers or employees have provided false or misleading information or documentation to the University in connection with the University Board’s approval of the Application, the issuance of this Contract, or the Academy’s reporting requirements under this Contract or Applicable Law;

g) The Academy fails to work toward operating all of grades 9 to 12 within 6 years after issuance of this Contract, and has not entered into a matriculation agreement with another public school that provides grades 9 to 12;

h) The Academy violates the site restrictions set forth in the Contract or the Academy operates at a site or sites without the prior written authorization of the University Board; or

i) The University Board, its trustees, officers, employees, agents or representatives are not included as third party beneficiaries under any educational management agreement entered into by the Academy for purposes of indemnifying such parties in accordance with Section 11.11 of the Terms and Conditions.

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

a) Notice of Intent to Revoke. The CSO Director or other University representative, upon reasonable belief that such grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.
b) **Academy Board’s Response.** Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board’s response shall be addressed to the CSO Director, and shall either admit or deny the allegations of non-compliance. If the Academy’s response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board’s response 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 CSO Director prior to a review of the Academy Board’s response.

c) **Plan of Correction.** Within fifteen (15) days of receipt of the Academy Board’s response or after a meeting with Academy Board representatives, whichever is sooner, the CSO Director shall review the Academy Board’s response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the CSO Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the CSO Director shall develop a plan for correcting the non-compliance ("Plan of Correction"). In developing a Plan of Correction, the CSO Director is permitted to adopt, modify or reject some or all of the Academy Board’s response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be withdrawn if the CSO Director determines any of the following: (i) the Academy Board’s denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction. In the event the Notice of Intent to Revoke is withdrawn, the CSO Director shall notify the Academy Board, in writing, of such withdrawal.

d) **Plan of Correction Shall Include Conditions to Satisfy University Board’s Contract Reconstitution Obligation.** As part of the Plan of Correction, the CSO Director shall reconstitute the Academy in an effort to improve student educational performance and to avoid interruption of the educational process. An attempt to improve student educational performance may include, but is not limited to, one of the following actions: (i) cancellation of a contract with an Educational Management Organization; (ii) removal of 1 or more members of the Academy Board members; (ii) termination of at-will board appointments of 1 or more Academy Board members; (iii) withdrawal of Academy’s authorization to contract with an Educational Management Company; or (iv) the appointment of a new Academy Board of Directors or a conservator/trustee to take over operations of the Academy.

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

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

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

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

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

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

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

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

The CSO Director or other University Representative 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 Hearing shall identify the reasons for revoking the Contract.

f) **Hearing before University Charter Schools Hearing Panel.** Within thirty (30) days of the date of a Request for Revocation Hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the Notice of Hearing to the University Charter Schools Office and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the CSO Director’s request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the CSO Director or other University Representative. The hearing shall be transcribed by a court reporter and the cost of the court reporter shall be divided equally between the University and the Academy. The CSO Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel, may, however, question the CSO Director and one or more members of the Academy Board. Within thirty (30) days of the Revocation Hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. In its discretion, 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 University Charter
Schools Office and the Academy Board at the same time that the recommendation is sent to the University Board.

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

h) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board, but no later than the last day of the Academy's current academic year.

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

j) Disposition of District Code Number. Notwithstanding any other provision of the Contract, after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, the district code number shall remain under the direction and control of the State Board of Education and/or its designated representative.

Section 10.7. Automatic Revocation by State of Michigan. If the University Board is notified by the Superintendent of Public Instruction that the Academy is subject to closure under Part 6 of the Code ("State's Automatic Closure Notice"), then this Contract shall automatically be revoked at the end of the current school year in which the notice is received without any further action of the University Board or the Academy. The University Board's revocation procedures set forth in Section 10.6 do not apply to an automatic revocation initiated by the State. Following receipt of the State's Automatic Closure Notice, the University Charter Schools Office shall forward a copy of the State's Automatic Closure Notice to the Academy Board and request a meeting with Academy Board representatives to discuss the Academy's plans and procedures for 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 Revocation Notice shall be directed to the Superintendent of Public Instruction, in a form and manner determined by that office or the Michigan Department of Education.
Section 10.8. Material Breach of Contract. The issuance of an order by the Superintendent of Public Instruction, pursuant to section 1280c of the Code, placing the Academy under the supervision of the State School Reform / Redesign Officer, shall constitute a material breach of this Contract. Following the issuance of the order, the University Charter Schools Office shall notify the Academy of the material breach and request a meeting with Academy Board representatives to discuss the matter. To remedy the material breach, the Academy shall work toward the development of a corrective action plan that is acceptable to the University Charter Schools Office. In addition to other matters, the corrective action plan shall include the Academy’s redesign plan prepared pursuant to section 1280c of the Code. The development of a corrective action plan under this Section 10.8 shall not in any way limit the rights of the University Board to terminate, suspend or revoke this Contract.

Section 10.9. Appointment of Conservator/Trustee. Notwithstanding any other provision of the Contract, when the University Board determines that conditions or circumstances exist to lead the University Board to believe that the health, safety, educational or economic interest of the Academy or its students is at risk, the University Board may take immediate action against the Academy pending completion of the procedures described in Sections 10.6. The University Board may appoint a conservator/trustee to manage the day to day operations of the Academy in place of the Academy Board. A conservator/trustee appointed by the University Board shall have all the powers and authority of the Academy Board under this Contract and Applicable Law. Upon the appointment of a conservator/trustee, the appointment and term of office for each Academy Board member shall cease. If this section has been implemented and the Hearing Panel under Section 10.6 determines the revocation to be appropriate, the revocation shall become effective immediately upon the University Board’s decision.

ARTICLE XI

PROVISIONS RELATING TO SCHOOLS OF EXCELLENCE

Section 11.1. Grand Valley State University Faculty Employment in the Academy. Subject to the ability of the Academy to reach separate agreement on the terms, the Academy is permitted to use University faculty as classroom teachers in any grade.

Section 11.2. The Academy Faculty Appointment to Grand Valley State University Faculty. Nothing in this Contract shall prohibit a member of the Academy faculty from being appointed to or serving as a member of the University faculty.

Section 11.3. Student Conduct and Discipline. The Academy Board shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline.

Section 11.4. Insurance. The Academy shall secure and maintain in its own name as the “first named insured” at all times the following insurance coverage:

a) Property insurance covering all of the Academy’s real and personal property, whether owned or leased;

b) General/Public Liability with a minimum of one million dollars ($1,000,000) per occurrence and two million dollars ($2,000,000) aggregate (Occurrence Form);
c) Auto Liability (Owned and Non-Owned) with a minimum of one million dollars ($1,000,000) (Occurrence Form);

d) Workers’ Compensation or Workers’ Compensation without employees “if any” insurance (statutory limits) and Employers’ Liability insurance with a minimum of five hundred thousand dollars ($500,000);

e) Errors & Omissions insurance including Directors & Officers and School Leaders
Errors & Omissions Liability insurance with a minimum of one million dollars ($1,000,000) per occurrence and three million dollars ($3,000,000) aggregate (Claims Made or Occurrence Form);

f) Crime including employee dishonesty insurance with a minimum of five hundred thousand dollars ($500,000); and

g) Employment Practices Liability insurance with a minimum of one million dollars ($1,000,000) per claim/aggregate (Claims Made or Occurrence Form).

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The insurance carrier(s) must be an “A” best rating or better. The Academy may join with other public school academies to obtain insurance if the Academy 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 University Board and the University on the insurance policies as an additional insured on insurance coverage listed in (b), (c), (e) and (g) above. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy or of changes in insurance carrier or policy limit changes. In addition, the Academy shall provide the University President copies of all insurance certificates and endorsements required by this Contract. The Academy shall also provide to the University Charter Schools Office an entire copy of the insurance policies. 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 minimum may be required depending upon academic offerings and program requirements.

The Academy understands that the University’s insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for authorization and oversight of the Academy. In the event that the University’s insurance carrier requests additional changes in coverage identified in this Section 11.4, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University’s insurance carrier within thirty (30) days after notice of the insurance coverage change.

Section 11.5. Transportation. The Academy Board may enter into contract with other school districts or other persons, including municipal and county governments, for the transportation of the Academy students to and from school and for field trips. In addition, the Academy Board may use funds received from state school aid payments to pay for student
transportation. In the event that the Academy Board contracts for transportation services, the Academy Board shall ensure that the company providing the transportation services is properly licensed in accordance with Applicable Law, and that the company conducts criminal background and history checks on its drivers and other personnel who have direct contact with pupils in accordance with the Code.

Section 11.6. Extracurricular Activities and Interscholastic Sports. The Academy is authorized to join any organization, association, or league, which has as its objective the promotion and regulation of sport and athletic, oratorical, musical, dramatic, creative arts, or other contests by or between pupils.

Section 11.7. Legal Liabilities and Covenants Not to Sue. The Academy and Academy Board members acknowledge and agree that they have no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy and Academy Board members hereby covenant not to sue the University Board, the University or any of its trustees, officers, employees, agents or representatives for any matters that arise under this Contract or otherwise. The University does not assume any obligation with respect to any Academy Director, employee, agent, parent, guardian, or independent contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuing, termination or revocation of this Contract.

Section 11.8. Lease or Deed for Proposed Single Site(s). The Academy shall provide to the designee of the University Board copies of its lease or deed for the premises in which the Academy shall operate. A copy of the Academy’s lease or deed and site information shall be incorporated into the Schedules.

Section 11.9. Occupancy and Safety Certificates. The Academy Board shall: (i) ensure that all physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy and safety certificates. The Academy Board shall not conduct classes at any site until the Academy has complied with this Section 11.9. Copies of these certificates shall be incorporated into the Schedules.

Section 11.10. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within three (3) business days after receipt of the funds by the Academy.

Section 11.11. Required Provisions for Educational Management Organization Agreements. Any educational management organization agreement entered into by the Academy must contain the following provisions:

"Indemnification of Grand Valley State University. The parties acknowledge and agree that the Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives are deemed to be third party
beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Grand Valley State University Board of Trustees, Grand Valley State University and its members, officers, employees, agents or representatives 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 Grand Valley State University, which arise out of or are in any manner connected with Grand Valley State University Board’s approval of the School of Excellence application, the University Board’s consideration of or issuance of a Contract, the Academy’s preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the Educational Management Organization, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Grand Valley State University Board of Trustees. The parties expressly acknowledge and agree that Grand Valley State University and its Board of Trustee members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement.”

“Revocation or Termination of Contract. If the Academy’s Contract issued by the Grand Valley State University Board of Trustees is revoked or terminated, this Agreement shall automatically terminate on the same date as the Academy’s Contract is revoked or termination without further action of the parties.”

“Compliance with Academy’s Contract. The Educational Management Organization 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 Grand Valley State University Board of Trustees. The provisions of the Academy’s Contract shall supersede any competing or conflicting provisions contained in this Agreement.”

Section 11.12. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed a prohibited conflict of interest for purposes of this Contract:

(a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or paid consultant of an Educational Management Organization that has an agreement with the Academy;

(b) An individual simultaneously serving as an Academy Board member and an Academy employee;

21
(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 as a member of the governing board of another public school; and

(e) An individual simultaneously serving as an Academy Board member and a University employee or paid consultant.

Section 11.13. Certain Familial Relationships Prohibited. No person shall be eligible to serve as an Academy Board member if the person’s spouse, child, parent, or sibling has: (i) an ownership interest in the Educational Management Organization; or (ii) if the person’s spouse, child, parent, or sibling is in a managerial, administrative or officer position with the Educational Management Organization.

Section 11.14. 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 11.15. Information Available to the Public and University.

(a) Information to be provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including without limitation information in Schedule 6, available to the public and the University.

(b) Information to be provided by Educational Management Organization. The agreement between the Academy and the Educational Management Organization shall contain a provision requiring the Educational Management Company to make information concerning the operation and management of the Academy, including the information in Schedule 6, 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).

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 by hand; or (ii) 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 person or address as the respective party may designate by notice delivered pursuant hereto:

If to Grand Valley State University Board of Trustees:
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. This Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior application materials, contracts, representations, statements, negotiations, understandings, and undertakings, are superseded by this Contract.

Section 12.5. Assignment. This Contract is not assignable by either party.

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. Indemnification. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the terms and conditions of this Contract, the Academy agrees to indemnify and hold the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives harmless from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board’s receipt, consideration or approval of the Application, the University Board’s approval of the Method of Selection Resolution or the Authorizing Resolution, legal challenges to the validity of Part 6e of the Code or actions taken by the University Board as an authorizing body under Part 6e of the Code, the University Board’s consideration of or issuance of a Contract, the Academy’s preparation for and operation of a
public school, or which are incurred as a result of the reliance of the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the failure of the Academy to perform its obligations under this Contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.8. 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 12.9. 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 12.10. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board and no other person or entity, including without limitation, the Educational Management Organization. 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 12.11. Non-agency. It is understood that the Academy is not the agent of the University.

Section 12.12. 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 12.13. 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.


(a) Initial Term of Contract. Except as otherwise provided in Section 12.14 (b) and (c) set forth below, this Contract shall commence on July 1, 2011 and shall remain in full force and effect for seven (7) years until June 30, 2018 unless sooner terminated according to the terms hereof.

(b) Termination of Contract During Initial Term of Contract. Consistent with the procedures set forth in this Section 12.14(b), this Contract will terminate on June 30, 2018 if the Academy fails to satisfy all of the following conditions:

(i) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's agreements with any Educational Management Organization. The terms and conditions of the agreements must be acceptable to the University President.
(ii) The Academy shall provide to the Charter Schools Office Director a copy of the Academy's real property leases, sublease or other agreements set forth in the Schedules.

(iii) The Academy, through legal counsel, shall provide a legal opinion to the Charter Schools Office Director confirming that the Academy Board's approval and execution of any real property lease or other agreement with Educational Management Organization complies with the Contracts of Public Servants with Public Entities statute, MCL 15.321 et seq.

(iv) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of an AHERA asbestos plan and lead based paint survey for the site or sites set forth in the Schedules.

(v) The Academy shall provide to the Charter Schools Office Director, if applicable, a copy of a current boiler inspection/approval for the site or sites set forth in the Schedules.

(vi) The Academy shall provide documentation to the Charter Schools Office Director confirming that the Academy has received occupancy approval from the Michigan Department of Consumer and Industry Services' Office of Fire Safety for the site or sites set forth in the Schedules.

(vii) The Academy shall provide documentation to the Charter Schools Office Director that it has obtained a short-term cash flow loan to cover the initial cost of operations for the initial academic year. The Academy shall comply with section 1225 of the Revised School Code and the Revised Municipal Finance Act with respect to approving and obtain such funds.

(viii) Any additional financial information or documentation requested by the University President.

The Academy shall notify the Charter Schools Office in writing following completion of the conditions set forth in this Section 12.14(b). For good cause, the Charter Schools Office Director may extend the deadlines set forth above. If the Charter Schools Office Director determines that the Academy has not satisfied the conditions set forth in this Section 12.14(b), the Charter Schools Office Director shall issue a Contract termination letter to the Academy for failing to meet certain conditions set forth in this Section 12.14(b). The issuance of the termination letter by the Charter Schools Office Director shall automatically terminate this Contract without any further action by either the University Board or the Academy Board. Upon issuance of the termination letter, the Charter Schools Office Director shall notify the Superintendent of Public Instruction and the Michigan Department of Education that the Contract has been terminated.

(c) Extended Term of Contract. If the Academy satisfies the conditions set forth above in Section 12.14(b), this Contract shall be extended for three (3) additional academic years and shall expire on June 30, 2021, unless sooner terminated according to the terms hereof ("Contract
Term"). If the Academy, for any reason, is unable to enroll students and conduct classes by October 1, 2011, then this Contract is automatically terminated without further action of the parties.

Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.4, Section 11.7, Section 11.11 and Section 12.7, and any other provision of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.16. Termination of Responsibilities. Upon termination or revocation of this Contract, the University Board and its designees shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract.

Section 12.17. 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 and in accordance with Part 6c of the Code.

[INTENTIONALLY LEFT BLANK]
As the designated representative of the Grand Valley State University Board of Trustees, I hereby authorize this issuance of a Contract to the Academy to operate a School of Excellence on the dates set forth above.

GRAND VALLEY STATE UNIVERSITY
BOARD OF TRUSTEES

By: ____________________________
    Thomas J. Haas, University President

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 this Contract.

ARBOR ACADEMY

By: ____________________________
    Chairperson, Board of Directors
SCHEDULE 1

METHOD OF SELECTION RESOLUTION
AUTHORIZING RESOLUTION
CERTIFIED COPY OF RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF GRAND VALLEY STATE UNIVERSITY ON FEBRUARY 11, 2011:

Arbor Academy Contract Conversion Authorizing Resolution

The following resolution is proposed:

WHEREAS, the Michigan Legislature has provided for the establishment of a School of Excellence ("School of Excellence") as part of the Michigan public school system by enacting Act Nos. 201 through 205 of the Public Acts of 2009; and

WHEREAS, according to this legislation, the Board of Trustees of Grand Valley State University ("University Board"), as the governing body of a state public university, is an authorizing body empowered to issue contracts to organize and operate Schools of Excellence; and

WHEREAS, the Michigan Legislature has mandated that a School of Excellence contract be issued on a competitive basis taking into consideration the resources available for the proposed School of Excellence, the population to be served by the proposed School of Excellence, the educational goals to be achieved by the proposed School of Excellence, and the applicant's track record, if any, in operating public school academies or other public schools; and

WHEREAS, the University Board, having received requests for converting a Public School Academy to a School of Excellence, and having examined the ability of the proposed performance standards, proposed academic program, financial viability of the applicant, and the ability of the proposed School of Excellence board of directors to meet the contract goals and objectives;

WHEREAS, the Board of Directors of Arbor Academy ("Academy") passed a resolution requesting that Grand Valley State University terminate its existing charter contract prior to the expiration date to allow for conversion from their 6A charter contract to 6E charter contract; and
WHEREAS, Section 10.5 of the charter contract between the University Board and the Academies allow the University Board to waive the requirement of the Academies to provide at least a ten (10) month notice of intent to terminate the charter contract;

NOW, THEREFORE, BE IT RESOLVED:

AUTHORIZING RESOLUTION FOR ARBOR ACADEMY, A SCHOOL OF EXCELLENCE:

1. The University Board accepts the request of the Board of Directors of Arbor Academy to terminate its charter contract so that each Academy can convert to a School of Excellence under 6e of the Michigan Revised School Code.

2. The University Board waives the ten (10) month notice of intent to terminate and agrees to terminate the charter contract with an effective date to be determined by the University Charter Schools Office and authorizes the Charter Schools Office Director to take the actions necessary to conclude contractual responsibilities and obligations.

3. That the request for Arbor Academy submitted under Part 6e of the Code, MCL 380.551 et seq. ("Part 6e"), meet the University Board’s requirements and the requirements of applicable law and is therefore approved;

4. Pursuant to the Method of Selection Resolution adopted by the University Board, the following number (#) persons are appointed as the initial board of directors for the Academies for the Schools of Excellence:

   Katherine J. Huskin  1 year term expiring June 30, 2011
   Donald H. Gilmer      2 year term expiring June 30, 2013
   Janette Burland Frantz 2 year term expiring June 30, 2013
   Philip VanVranken 2 year term expiring June 30, 2013
   Jerry A. Harmon, II 3 year term expiring June 30, 2014

5. The University Board approves and authorizes the issuance of School of Excellence contracts to the Academies and authorizes the University President or designee to execute contracts to charter Schools of Excellence and related documents issued by the University Board to each Academy, provided that, before execution of the contract, the University President or his designee affirms 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.
Arbor Academy Contract Conversion Method of Selection Resolution

The following resolution is proposed:

ARBOR ACADEMY SCHOOL BOARD OF DIRECTORS: METHOD OF SELECTION AND APPOINTMENT

WHEREAS, the Board of Trustees of Grand Valley State University ("University Board") is interested in issuing a contract to a School of Excellence ("School of Excellence") resulting from the passage of Public Acts 201 through 205 of 2009; and

WHEREAS, MCL 380.553(4) of the Revised School Code ("Code") provides 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 School of Excellence subject to its jurisdiction," and

WHEREAS, the University Board has determined that each contract issued by the University Board shall contain the following method of selection and appointment process until otherwise amended by the University Board;

NOW, THEREFORE, BE IT RESOLVED:

The following method of selection and appointment process for a School of Excellence Board Member applies to a School of Excellence authorized by the University Board:

1. Method of Selection and Appointment of a School of Excellence Board Member:

a. Initial School of Excellence Board Member Nominations and Appointments: As part of the School of Excellence application, the applicant shall propose to the University Charter Schools Office Director ("CSO Director"), the names of proposed individuals to serve on the initial board of directors of the proposed School of Excellence Academy ("Academy Board"). When the CSO Director recommends an initial contract for approval to the University Board, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the School of Excellence applicant ("Applicant"). To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the School of Excellence Academy Board Member
Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background and History Check Report prescribed by the University Charter Schools Office.

b. **Subsequent School of Excellence Board Member Nominations and Appointments:** Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board member positions. As part of the appointment process, the Academy Board may submit to the CSO Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The CSO Director may or may not recommend the proposed nominee submitted by the Academy Board. If the CSO Director does not recommend a nominee submitted by the Academy Board, the CSO Director shall select a nominee and forward that recommendation to the University Board for appointment. The University Board shall have the sole and exclusive right to appoint members to the Academy Board.

c. **Exigent Appointments:** When the CSO Director determines an "exigent condition" exists which requires him/her to make an appointment to an Academy Board, the CSO Director, with University President approval, may immediately appoint a person to serve as an Academy Board member for the time specified, but not longer than the next meeting held by the University Board when a regular appointment may be made by the University Board. The CSO Director shall make the appointment in writing and notify the Academy Board of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the University Board determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

2. **Qualifications of Academy Board Members:** To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the University Charter Schools Office including, but not limited to, a School of Excellence Board Member Questionnaire and a release for criminal records and history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee
or representative of the University or be a member of the University Board.

3. **Oath/Acceptance of Office/Voting Rights:** Following appointment by the University Board, Academy Board appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.

4. **Length of Term; Removal:** An appointed Academy Board member is an “at will” board member who shall serve at the pleasure of the University Board for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member’s term.

    If the University Board determines that an Academy Board member’s service in office is no longer required, then the University Board may remove an Academy Board member with or without cause and shall specify the date when the Academy Board member’s service ends. An Academy Board member may also be removed from office by a two-thirds (2/3) vote of the Academy Board for cause.

5. **Resignations:** A member of the Academy Board may resign from office by submitting a written resignation or by notifying the CSO Director. The resignation is effective upon receipt by the CSO Director unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the CSO Director shall confirm a resignation in writing. The resignation shall be effective upon the date the CSO Director sends confirmation to the resigning Academy Board member.

6. **Vacancy:** An Academy Board position shall be considered vacant when an Academy Board member:

   a. Resigns
   b. Dies
   c. Is removed from office
   d. Is convicted of a felony
e. Ceases to be qualified
f. Is incapacitated

7. **Filling a Vacancy:** The Academy Board may nominate and the CSO Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the “Subsequent Appointments” and “Exigent Appointment” procedures in this resolution.

8. **Number of Academy Board Member Positions:** The number of Academy Board member positions shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.

9. **Quorum:** In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A “quorum” shall be defined as follows:

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10. **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:

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IN WITNESS WHEREOF, I have hereunto signed my name as Secretary and have caused the seal of said body corporate to be hereto affixed this 1st day of March, 2011.

[Signature]

Terri L. Losey, Secretary
Board of Trustees
Grand Valley State University
SCHEDULE 2
ARTICLES OF INCORPORATION
RESTATED ARTICLES OF INCORPORATION
For Use by Domestic Nonprofit Corporations

OF

ARBOR ACADEMY

Pursuant to the provisions of the Michigan Nonprofit Corporation Act of 1982, as amended (the "Act"), being MCL 450.2101 et seq. and Part 6E of the Revised School Code (the "Code"), as amended, being Sections 380.551 et seq. of the Michigan Compiled Laws, the undersigned corporation executes the following Articles:

1. The present name of the corporation is: Arbor Academy
2. The identification number assigned by the Bureau is: 757-585
3. All former names of the corporation are: Not applicable
4. The date of the filing of the original Articles of Incorporation was: May 8, 1998.

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

The name of the corporation is: Arbor Academy

The authorizing body for the corporation is: Grand Valley State University ("GVSU") Board of Trustees, ("Board of Trustees"), 1 Campus Drive, Allendale, Michigan 49401.

ARTICLE II

The purposes for which the corporation is organized are:

1. Specifically, the corporation is organized for the purposes of operating as a school of excellence in the State of Michigan pursuant to Part 6E of the Code, being Sections 380.551 et seq. 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

1. The corporation is organized upon a Non-stock basis.

2. If organized on a nonstock basis, the description and value of its real property assets are:

   Real Property: None

3. The description and value of its personal property assets are:

   Personal Property: Note – we need to complete.

4. 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.

5. The corporation is organized on a Directorship basis.
ARTICLE IV

1. The name of the resident agent at the registered office: Dr. Norman Peterson

2. The address of the registered office is:
   600 South Lincoln Street, Augusta, Michigan 49012

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

ARTICLE V

The name and address of the incorporator is as follows:

Name: Lisa A. Letarte
Residence or Business Address:
Foundation for Behavioral Research
600 South Lincoln Street
Augusta, Michigan 49012

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

Before execution of a contract to charter a public school academy between the Academy Board and the Board of Trustees, the method of selection, length of term, and the number of members of the Academy Board shall be approved by a resolution of the Board of Trustees as required by the Code.

The members of the Academy Board shall be selected by the following method:

1. **Method of Selection and Appointment of Academy Board Members:**

   a. **Initial Academy Board Member Nominations and Appointments:** As part of the public school academy application, the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Board of Trustees, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
b. **Subsequent Academy Board Member Nominations and Appointments:** Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.

c. **Exigent Appointments:** When the Director determines an “exigent condition” exists which requires him/her to make an appointment to a public school academy’s board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy’s board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member’s service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

2. **Qualifications of Academy Board Members:** To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.

3. **Oath/Acceptance of Office/Voting Rights:** Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.

4. **Length of Term; Removal:** An appointed Academy Board member is an “at will” board member who shall serve at the pleasure of the Board of Trustees for a term of office not
to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member’s term.

If the Board of Trustees determines that an Academy Board member’s service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board member’s service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy’s Board for cause.

5. **Resignations:** A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.

6. **Vacancy:** An Academy Board position shall be considered vacant when an Academy Board member:
   a. Resigns
   b. Dies
   c. Is removed from Office
   d. Is convicted of a felony
   e. Ceases to be qualified
   f. Is incapacitated

7. **Filling a Vacancy:** The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the “Subsequent Appointments” and “Exigent Appointments” procedures in this resolution.

8. **Number of Academy Board Member Positions:** The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.

9. **Quorum:** In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A “quorum” shall be defined as follows:

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**ARTICLE VIII**

No part of the net earnings of the corporation shall inure to the benefit of or be distributable to its directors, board, officers or other private persons, or organization organized and operated for a profit (except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in the furtherance of 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 Board of Trustees 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 IX**

If the corporation’s Contract to operate as a school of excellence (a) is terminated; (b) ends and a new contract is not issued; (c) is revoked by the University Board; or (d) is revoked automatically by the State of Michigan, title to all real and personal property, interest in real or personal property, and other assets owned by the corporation shall revert to the State of Michigan. The corporation’s property shall be distributed as follows:

Within 30 days following the Contract termination, non-issuance of a new contract or Contract revocation, the board of directors shall hold a public meeting to adopt a plan of distribution of assets and to approve the dissolution of the school of excellence corporation, all in accordance with chapter 8 of the Act.

The corporation’s board of director’s shall file a certificate of dissolution with the Michigan Department of Labor and Economic Growth or such successor department within 10 business days following board approval.

Simultaneously with the filing of the certificate of dissolution, the corporation’s board of directors shall provide a copy of the plan of distribution of assets to the State Treasurer for
approval. Within 30 days, the State Treasurer, or his or her designee, shall review and approve
the plan of distribution of assets. If the proposed plan of distribution of assets is not approved
within 30 days, the State Treasurer, or his or her designee, shall provide the corporation’s board
of directors with an acceptable plan of distribution of assets.

The State Treasurer, or his or her designee, shall monitor the corporation’s winding up of
the dissolved corporation in accordance with the approved plan of distribution of assets.

As part of the plan of distribution of assets, the corporation’s board of directors shall
designate the Director of the Michigan Department of Management and Budget, or his or her
designee, to dispose of all real property of the school of excellence corporation in accordance
with the directive developed for disposition of surplus land and facilities under section 251 of the
Management and Budget Act, 1984 PA 431, MCL 18.1251.

If the corporation’s board of directors fails to take necessary action under the Code to
effectuate a dissolution and winding up of the corporation, the State Treasurer, or his or her
designee, may suspend the corporation’s board of directors and may appoint a trustee to carry out
the plan of distribution of assets that was adopted by the corporation’s board of directors or that
was provided by the State Treasurer. Upon appointment, the trustee shall have all the rights,
powers, and privileges under law that the corporation’s board of directors had prior to suspension
of their appointments to public office.

Following the sale of real or personal property or interests in the real or personal
property, and after payment of any corporation debt secured by the property or interest in
property, whether real or personal, the corporation’s board of directors, or a trustee appointed by
the State Treasurer, shall forward any remaining money to the State Treasurer. Following
receipt, the State Treasurer, or his or her designee, shall deposit any remaining monies in the
state school aid fund established under article IX, section 11 of the Constitution of the State of
Michigan of 1963, as amended.

**ARTICLE X**

The corporation and its incorporators, board members, officers, employees, and
volunteers have governmental immunity as provided in Section 7 of Act No. 170 of the Public

**ARTICLE XI**

These Articles of Incorporation shall not be amended except by the process provided in
the contract executed by the Academy Board and the Board of Trustees.

**ARTICLE XII**

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

A volunteer director is not personally liable to the corporation for monetary damages for a breach of the director’s fiduciary duty. This provision shall not eliminate or limit the liability of a director for any of the following:

(i) A breach of the director’s duty of loyalty to the corporation;

(ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;

(iii) A violation of Section 551(1) of the Michigan Nonprofit Corporation Act;

(iv) A transaction from which the director derived an improper personal benefit;

(v) An act or omission that is grossly negligent.

If the corporation obtains tax exempt status under section 501(c)(3) of the internal revenue code, the corporation assumes all liability to any person other than the corporation for all acts or omissions of a volunteer director occurring on or after the filing of the Articles incurred in the good faith performance of the volunteer director’s duties.

This article shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Government Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

ARTICLE XIV

The corporation assumes the liability for all acts or omissions of a non-director volunteer, provided that:

(i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;

(ii) The volunteer was acting in good faith;

(iii) The volunteer’s conduct did not amount to gross negligence or willful and wanton misconduct;

(iv) The volunteer’s conduct was not an intentional tort; and

The volunteer’s conduct was not a tort arising out of the ownership, maintenance or use of a motor vehicle as described in Section 209(e)(v) of the Michigan Nonprofit Corporation Act.

This article shall not be deemed a relinquishment or waiver of any kind of Section 7 of
the Governmental Liability for negligence Act, being Act No. 170, Public Acts of Michigan, 1964

ARTICLE XV

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

ARTICLE XVI

The Articles of Incorporation shall become effective on July 1, 2011. However, the corporation shall not carry out the purposes set forth in Article II unless/or until the Board of Trustees issues to the Academy Board a contract to operate as a public school academy, and the contract is executed by both the Academy Board and the Board of Trustees.

ARTICLE XVII

These Restated Articles of Incorporation were duly adopted on the ________ day of March, 2011, in accordance with the provisions of Section 642 of the Act. These Restated Articles of Incorporation restate, integrate and do further amend the provisions of the Articles of Incorporation, and were duly adopted by the shareholders, the members, or the directors (if organized on a nonstock directorship basis). The necessary number of votes was cast in favor of these Restated Articles of Incorporation.

Signed this ________ day of __________________________, 2011

By ____________________________________________

(Type or Print Name)                        (Type or Print Title)
SCHEDULE 3

REVISED BYLAWS
BYLAWS

OF

ARBOR ACADEMY

ARTICLE I

NAME

This organization shall be called Arbor Academy (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 3.1. Principal Office. The principal office of the Academy shall be located in the State of Michigan.

Section 3.2. 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 Nonprofit 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, Bureau of Commercial Services.

ARTICLE IV

BOARD OF DIRECTORS

Section 4.1. 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 6E of the Revised School Code ("Code"). The Academy Board may delegate such powers to the officers and committees of the
Academy Board as it deems necessary, so long as such delegation is consistent with the Articles, these Bylaws, the Contract, and Applicable Law.

Section 4.2. University Board Resolution Establishing Method of Selection, Length of Term and Number of Academy Board Members. The method of selection and appointment of Academy Board members, the qualifications of Academy Board members, oath and acceptance of public office requirements, Academy Board member voting rights, length of Academy Board member terms, removal of Academy Board member procedures, method for handling resignations, declaration of vacancies and filling of vacant Academy Board member positions, number of Academy Board member positions, quorum and manner of acting requirements for Academy Board shall be established by resolution adopted by the Grand Valley State University Board of Trustees (the "University Board"). This resolution may be amended from time to time by the University Board without the approval of the Academy Board. Any provision in these Bylaws that conflicts or is inconsistent with this University Board resolution shall be void. Upon notice from the University, the Academy Board shall amend any conflicting or inconsistent provision set forth in these Bylaws and provide a copy of the change(s) to the University Charter Schools Office for inclusion in the Contract.

ARTICLE V

MEETINGS

Section 5.1. Annual and Regular Meetings. The Academy Board shall hold an annual meeting each year. The Academy Board must provide, by resolution, the time and place, within the State of Michigan, for the holding of regular meetings. Unless otherwise agreed to by the University President, the Academy Board must hold at least six (6) regular meetings during the first year of operation. The Academy Board shall provide notice of the annual and all regular meetings as required by the Open Meetings Act.

Section 5.2. Special Meetings. Special meetings of the Academy Board may be called by or at the request of the Academy Board President or any two other Director. The person or persons authorized to call special meetings of the Academy Board may fix the place within the State of Michigan for holding any special meeting of the Academy Board called by them, and, if no other place is fixed, the place of meeting shall be the principal business office of the corporation in the State of Michigan. The corporation shall provide notice of all special meetings as required by the Open Meetings Act.

Section 5.3. Notice; Waiver. The Academy Board must comply with the notice provisions of the Open Meeting 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 business address or electronic mailing address. Any Director may waive notice of any meeting by written statement or facsimile sent by the Director and signed before or after the holding of the
meeting. The attendance of a Director at a meeting constitutes a waiver of notice to the transaction of any business because the meeting is not lawfully called or convened.

Section 5.4. Quorum. The quorum requirements for the transaction of business at any Academy Board meeting shall be determined by resolution of the University Board.

Section 5.5. Manner of Acting. The manner of acting requirements for Academy Board meetings shall be determined by resolution of the University Board. No member of the Board of Directors may vote by proxy.

Section 5.6. Open Meetings Act. All meetings and committee meetings of the Academy Board, shall at all times be in compliance with the Open Meetings Act.

Section 5.7. 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 the Director's dissent shall be entered in the minutes of the meetings. Unless a Director abstains from voting on a particular Academy Board agenda item and the abstention is recorded in the Academy Board meeting minutes, the Academy Board meeting minutes shall reflect the vote, whether in favor or in opposition, of each Director present at the meeting.

ARTICLE VI

COMMITTEES

Section 6.1. Committees. The Academy Board, by resolution, may designate one or more committees, each committee to consist of one or more Directors selected by the Academy Board. As provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Academy Board, except (i) filling of vacancies in the officers of the Academy Board or committees created pursuant to this Section; (ii) amending the Articles of Incorporation or Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, the Contract, these 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 7.1. Number. The officers of the Academy shall be a President, Vice-President, Secretary, Treasurer, and such assistant Treasurers and assistant Secretaries as may be selected by the Academy Board.
Section 7.2. Election and Term of Office. The Academy Board shall elect the initial officers at its first duly noticed meeting. Thereafter, the officers of the Academy shall be elected annually by the Academy Board. If the election of officers is not held at the annual meeting, the election shall be held as soon thereafter as may be convenient. Each officer shall hold office while qualified or until the officer resigns or is removed in the manner provided in Section 3.

Section 7.3. Removal. Any officer or agent elected or appointed by the Academy Board may be removed by the Academy Board whenever in its judgment the best interest of the corporation would be served thereby.

Section 7.4. Vacancies. A vacancy in any office shall be filled by appointment by the Academy Board for the unexpired portion of the term of the vacating officer.

Section 7.5. 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 of the corporation, 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 may be an ex officio member of any standing committees and, when designated by the Academy Board, the Chairperson of any standing committee established by the Academy Board. The President shall, in general, perform all duties incident to the office of President of the Board as may be prescribed by the Academy Board from time to time.

Section 7.6. 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 7.7. 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 7.8. Treasurer. The Treasurer of the Academy shall be a member of the Academy Board. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) keep accurate books and records of
corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation in such banks, trust companies or other depositories as shall be selected by the Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent of the corporation are properly carried out; and (f) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

Section 7.9. Assistants and Acting Officers. The Assistants to the officers, if any, selected by the Academy Board, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or Treasurer or by the Academy Board. The Academy Board shall have the power to appoint any person to perform the duties of an officer whenever for any reason it is impractical for such officer to act personally. Such acting officer so appointed shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Academy Board may by resolution otherwise determine.

Section 7.10. Salaries. Officers of the Board, as Directors of the corporation, may not be compensated for their services. By resolution of the Academy Board, Directors and officers may be reimbursed for reasonable expenses incident to their duties.

Section 7.11. 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 8.1. Contracts. The Academy Board may authorize any officer(s), assistant(s) or acting officer(s), to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Academy Board authorizes the execution of a contract or of any other instrument in the name of or 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 Grand Valley State University or impose any liability on Grand Valley State University, its trustees, officers, employees, or agents.
Section 8.2. Loans. No loans shall be contracted on behalf of the Academy and on 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 Grand Valley State University or impose any liability on Grand Valley State University, its trustees, officers, employees, or agents.

Section 8.3. 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 8.4. Deposits. Consistent with Section 1221 of the Code, the Treasurer of the Academy shall deposit the funds of the Academy in a financial institute or in a joint investment authorized by the Code. All additional funds of the Academy shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositaries as the Academy Board may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 6 of Act No. 105 of the Public Acts of 1855, as amended, being Sections 21.146 of the Michigan Compiled Laws.

Section 8.5. 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 this corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this corporation by proxy appointed by the Secretary or Treasurer. Such proxy or consent is 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 8.6. Contracts Between Corporation and Related Persons; Persons Ineligible to Serve as Directors. Pursuant to the Code, each Director, officer or employee
of the Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. The following shall be deemed a prohibited conflict of interest:

(a) An individual simultaneously serving as Director and an owner, officer, director, employee or paid consultant of an Educational Management Organization that has an agreement with the Academy;

(b) An individual simultaneously serving as Director and an employee of the corporation;

(c) An individual simultaneously serving as a Director and an independent contractor to the Academy;

(d) An individual simultaneously serving as a Director and as a member of the governing board of another public school; and

(e) An individual simultaneously serving as a Director and a University employee or paid consultant.

No person shall be eligible to serve as Director if the person’s spouse, child, parent, or sibling has: (i) an ownership interest in the Educational Management Organization; or (ii) if the person’s spouse, child, parent, or sibling is in a managerial, administrative or officer position with the Educational Management Organization.

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 Board as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the Academy to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the corporation to the fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.
ARTICLE X

FISCAL YEAR

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

ARTICLE XI

AMENDMENTS

The Academy Board shall submit proposed Bylaw changes to the University Charter Schools Office, for review and comment, at least thirty (30) days prior to Academy Board adoption. The Academy’s Bylaws, and any subsequent or proposed changes to the Academy’s Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board’s Bylaws that violates or conflicts with Applicable Law or this Contract, the Academy Board’s Bylaw shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter Schools Office of a duly authorized Academy Board bylaw change.

ARTICLE XII

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 April, 2011.

________________________
Secretary
FISCAL AGENT AGREEMENT

This Agreement is part of the Contract issued by the Grand Valley State University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to Arbor Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

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

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

"Agreement" means this Fiscal Agent Agreement.

"Fiscal Agent" means the University Board or an officer or employee of Grand Valley State University as designated by the University Board.

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

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

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

Section 1.02. Fiscal Agent Agreement Incorporated into Contract; Use of Contract Definitions. This Fiscal Agent Agreement shall be incorporated into and is part of the Contract issued by the University Board to the Academy. Terms defined in the Contract shall have the same meaning in this Agreement.

ARTICLE II

FISCAL AGENT DUTIES

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

Section 2.02. Transfer to Academy. Except as provided in the Contract, the Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within three (3) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable State Board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the Board of Directors of the Academy and by a method of transfer acceptable to the Fiscal Agent.

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

Section 2.04. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board directs that a portion of its State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, the Academy shall submit to the University 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. No State Aid Payment Agreement and Direction document shall be effective until it is acknowledged by the University President.
ARTICLE III

STATE DUTIES

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

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

ARTICLE IV

ACADEMY DUTIES

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

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

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

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

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

RECORDS AND REPORTS

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

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

ARTICLE VI

CONCERNING THE FISCAL AGENT

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

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

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

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

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement that is part of the Contract issued by the University Board to the Academy.

BY: __________________________

Joseph E. Fielek, Director
Bureau of Bond Finance
Michigan Department of Treasury

Date: March 18, 2011
SCHEDULE 5

MASTER CALENDAR OF REPORTING REQUIREMENTS
## Public School Academy / School of Excellence
### Master Calendar of Reporting Requirements
#### July 1, 2011 – June 30, 2012

<table>
<thead>
<tr>
<th>DUE DATE</th>
<th>REPORT DESCRIPTION</th>
<th>SUBMIT TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1</td>
<td>Board Adopted 2010-2011 School Calendar/School Day Schedule.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 1</td>
<td>Board Adopted Annual Operating Budget for the General Fund and School Service Fund for 2010-2011.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 1</td>
<td>Copy of Notice of Public Hearing for Annual Operating Budget for 2010-2011.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 1</td>
<td>Copy of Parent Satisfaction Survey and Results from 2010-2011, if applicable.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 25</td>
<td>DS-4168 Report of Days and Clock Hours of Pupil Instruction for 2009-2010 academic year, if applicable (See MDE website, <a href="http://www.michigan.gov/mde">www.michigan.gov/mde</a>, for MDE due date and form).</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Annual Organizational Meeting Minutes for 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board Resolution appointing Chief Administrative Officer for 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board Resolution appointing Freedom of Information Act Coordinator for 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board Designated Legal Counsel for 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board adopted Annual Calendar of Regularly Scheduled Meetings for 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 31</td>
<td>4th Quarter Financial Statements – quarter ending 06/30.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 2</td>
<td>Organizational Chart for 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 2</td>
<td>Board approved Student Handbook 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 2</td>
<td>Board approved Employee Handbook 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 2</td>
<td>Copy of School Improvement Plan covering 2011-2012 academic year.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 2</td>
<td>Board adopted Policy referencing MCL 380.553(5)(k) prohibiting individuals from serving as an Academy Board member if the person’s spouse, child, parent or sibling is employed by the school of excellence</td>
<td>CSO</td>
</tr>
<tr>
<td>October 3</td>
<td>Completed PSA and ESP/MC Insurance Questionnaires. Required forms available at <a href="http://www.gvsucso.org">www.gvsucso.org</a>.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 3</td>
<td>Annual Nonprofit Corporation Information Update for 2011. CSO will confirm filing via DLEG website.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 14</td>
<td>Audited Financial Statements for fiscal year ending June 30, 2011. (See MDE Website, <a href="http://www.michigan.gov/mde">www.michigan.gov/mde</a>, for MDE due date.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 14</td>
<td>Management Letter (comments and recommendations from independent financial auditor) for fiscal year ending June 30, 2011, if issued. If a management letter is not issued, a letter from the Academy stating a management letter was not issued is required to be submitted.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 14</td>
<td>Annual A-133 Single Audit for year ending June 30, 2011 is required if over $500K in federal funds have been expended. If a single audit is not necessary, a letter from the Academy stating as such is required to be submitted.</td>
<td>CSO</td>
</tr>
<tr>
<td>DUE DATE</td>
<td>REPORT DESCRIPTION</td>
<td>SUBMIT TO:</td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
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</tr>
<tr>
<td>October 14</td>
<td>DS-4898 PSA Preliminary Pupil Membership Count for September 2011 Enrollment and Attendance for 1st &amp; 2nd Year PSAs only. (See MDE website, <a href="http://www.michigan.gov/mde">www.michigan.gov/mde</a> for MDE due date).</td>
<td>CSO</td>
</tr>
<tr>
<td>October 14</td>
<td>Annual Education Report for the 2010-2011 academic year to be submitted and presented at a public meeting.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 28</td>
<td>1st Quarter Financial Statements – quarter ending 09/30.</td>
<td>CSO</td>
</tr>
<tr>
<td>December 1</td>
<td>Academy’s Technology Plan covering 2011-2012 or annual updates thereto.</td>
<td>CSO</td>
</tr>
<tr>
<td>January 6</td>
<td>Modifications to ISD’s Plan for the Delivery of Special Education Services covering 2011-12 signed by a representative of the Academy.</td>
<td>CSO</td>
</tr>
<tr>
<td>January 31</td>
<td>2nd Quarter Financial Statements – quarter ending 12/31.</td>
<td>CSO</td>
</tr>
<tr>
<td>January 31</td>
<td>Michigan Highly Qualified Teacher Verification Report. Required Form Available at <a href="http://www.gvsucso.org">www.gvsucso.org</a>.</td>
<td>CSO</td>
</tr>
<tr>
<td>April 20</td>
<td>DS-4168-B District Report of Planned Number of Days and Clock Hours of Pupil Instruction for 2011-2012 (See MDE website <a href="http://www.michigan.gov/mde">www.michigan.gov/mde</a> for MDE due date).</td>
<td>CSO</td>
</tr>
<tr>
<td>April 27</td>
<td>3rd Quarter Financial Statements – quarter ending 03/31.</td>
<td>CSO</td>
</tr>
<tr>
<td>May 14</td>
<td>Notice of Open Enrollment &amp; Lottery Process or Open Enrollment &amp; Lottery Process Board Policy for 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>June 1</td>
<td>Certificate of Boiler Inspection covering years 2011-2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>June 29</td>
<td>Board Approved Amended Budget for 2011-2012 fiscal year (or statement that budget has been reviewed and no amendment was needed).</td>
<td>CSO</td>
</tr>
<tr>
<td>June 29</td>
<td>2011-2012 Log of emergency drills, including date, time and results. Sample form available at <a href="http://www.gvsucso.org">www.gvsucso.org</a>.</td>
<td>CSO</td>
</tr>
<tr>
<td>June 29</td>
<td>Board adopted Letter of Engagement for year ending June 30, 2012 independent financial audit.</td>
<td>CSO</td>
</tr>
<tr>
<td>June 29</td>
<td>Food service license expiring 04/30/2013.</td>
<td>CSO</td>
</tr>
</tbody>
</table>
# Ongoing Reporting Requirements

**July 1, 2011 – June 30, 2012**

The following documents do not have a set calendar date; however, they require submission within a certain number of days from board action or other occurrence.

<table>
<thead>
<tr>
<th>DUE DATE</th>
<th>REPORT DESCRIPTION</th>
<th>SUBMIT TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date notice is posted</td>
<td>Academy Board Meeting Record of Postings – cancellations, changes, special meetings, emergency etc. Must include time and date of actual posting.</td>
<td>CSO</td>
</tr>
<tr>
<td>14 business days after Board meeting</td>
<td>Draft Academy Board Meeting Minutes and Resolutions of regular, special &amp; emergency board meetings.</td>
<td>CSO</td>
</tr>
<tr>
<td>14 business days after Board approval</td>
<td>Approved Academy Board Meeting Minutes and Resolutions of regular, special &amp; emergency board meetings.</td>
<td>CSO</td>
</tr>
<tr>
<td>30 business days after board approval</td>
<td>Board Adopted Annual Operating Budget for 2011-2012 including Salary/Compensation Transparency Reporting to be available on school website per the State School Aid Act as amended</td>
<td>No submission needed.</td>
</tr>
<tr>
<td>14 business days after Board approval</td>
<td>Oath of Office and written acceptance for each Board Member.</td>
<td>CSO</td>
</tr>
<tr>
<td>10 business days after Board approval</td>
<td>Board adopted Amended Budget and General Appropriations Resolution.</td>
<td>CSO</td>
</tr>
<tr>
<td>10 days of receipt</td>
<td>Correspondence received from the Michigan Department /State Board of Education requiring a formal response.</td>
<td>CSO</td>
</tr>
<tr>
<td>10 days of receipt</td>
<td>Correspondence received from the Health Department requiring a formal response.</td>
<td>CSO</td>
</tr>
<tr>
<td>10 days of receipt</td>
<td>Written notice of litigation or formal proceedings involving the Academy.</td>
<td>CSO</td>
</tr>
<tr>
<td>30 days prior to board execution</td>
<td>Board proposed draft Educational Management Company Agreements or Amendments thereto.</td>
<td>CSO</td>
</tr>
<tr>
<td>5 business days of receipt</td>
<td>Request and Responses to Freedom of Information Requests.</td>
<td>CSO</td>
</tr>
</tbody>
</table>
The following documents do not have a set calendar date; however, they require an original submission and subsequent submission if Board action is taken making amendments/changes.

<table>
<thead>
<tr>
<th>REPORT DESCRIPTION</th>
<th>SUBMIT TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Articles of Incorporation. Must have GVSU Board approval before modifying.</td>
<td>CSO</td>
</tr>
<tr>
<td>Board of Director Bylaws.</td>
<td>CSO</td>
</tr>
<tr>
<td>Educational Service Provider Agreements/Amendments</td>
<td>CSO</td>
</tr>
<tr>
<td>Academy’s Educational Goals.</td>
<td>CSO</td>
</tr>
<tr>
<td>Office of Fire Safety (OFS-40) – original occupancy permit and permits for</td>
<td>CSO</td>
</tr>
<tr>
<td>renovations/additions, etc.</td>
<td></td>
</tr>
<tr>
<td>Lease, Deed of Premises or Rental Agreement and subsequent amendments (includes</td>
<td>CSO</td>
</tr>
<tr>
<td>modular units).</td>
<td></td>
</tr>
<tr>
<td>Curriculum including any additions/deletions.</td>
<td>CSO</td>
</tr>
<tr>
<td><a href="http://www.michigan.gov/asbestos">www.michigan.gov/asbestos</a> for Michigan’s model management plan. A copy of the</td>
<td></td>
</tr>
<tr>
<td>“acceptance” letter sent by MIOSHA is also required.</td>
<td></td>
</tr>
<tr>
<td>Communicable Disease Curriculum (including minutes of board approval).</td>
<td>CSO</td>
</tr>
<tr>
<td>Job Descriptions for all employee groups</td>
<td>CSO</td>
</tr>
</tbody>
</table>

**REQUIRED BOARD POLICIES**

| Board adopted Purchasing Policy (date of approval).                               | CSO        |
| Reference: MCL 380.1267, MCL 380.1274                                            |            |
| Use of Medications Policy (date of approval).                                     | CSO        |
| Reference: MCL 380.1178, 380.1178a, 380.1179                                     |            |
| Harassment of Staff or Applicant Policy (date of approval).                        | CSO        |
| Harassment of Students Policy (date of approval)                                  | CSO        |
| Reference: MCL 380.1300a                                                           |            |
| Search and Seizure Policy (date of approval).                                     | CSO        |
| Reference: MCL 380.1306                                                           |            |
| Emergency Removal, Suspension and Expulsion of Students Policy (date of approval). | CSO        |
| Reference: MCL 380.1309; MCL 380.1312(8)&(9); MCL 37.1402                         |            |
| Parent/Guardian Review of Instructional Materials & Observation of Instructional   | CSO        |
| Activity Policy                                                                   |            |
| Reference: MCL 380.1137                                                           |            |
| Board Member Reimbursement of Expenses Policy (date of approval).                  | CSO        |
| Reference: MCL 380.1254; MCL 388.1764b                                             |            |
| Equal Access for Non-School Sponsored Student Clubs and Activities Policy (date of | CSO        |
| approval). Reference: MCL 380.1299                                                |            |
| Electronic or Wireless Communication Devices Policy (date of approval).            | CSO        |
| Preparedness for Toxic Hazard and Asbestos Hazard Policy (date of approval).       | CSO        |
| Reference: MCL 324.8316, 380.1256                                                 |            |
**Nondiscrimination and Access to Equal Educational Opportunity Policy** (date of approval)  

<table>
<thead>
<tr>
<th>Policy</th>
<th>CSO</th>
</tr>
</thead>
</table>
| **Academy Deposit Policy** (date of approval).  
PA 105 of 1855, being MCL 21.146, Section 11.10 of the Charter Contract | CSO  |
| **Parental Involvement Policy** (date of approval).  
Reference: MCL 380.1294 | CSO  |
| **Wellness Policy** (date of approval).  
Reference: 42 USC §§ 1751, 1758, 1766; 42 USC § 1773 | CSO  |
Calendar of Additional Reporting Requirements and Critical Dates  
July 1, 2011 – June 30, 2012  

The following reports Academies must submit to the local ISD, MDE, CEPI and other organizations throughout the year.

<table>
<thead>
<tr>
<th>DUE DATE</th>
<th>REPORT DESCRIPTION</th>
<th>SUBMIT TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>September 28</td>
<td>Student Count Day for State Aid F.T.E.</td>
<td>No submission required.</td>
</tr>
<tr>
<td>September 30</td>
<td>SE-4096 Special Education Actual Cost Report (Contact ISD for due date).</td>
<td>ISD</td>
</tr>
<tr>
<td>October 3</td>
<td>Eye Protection Certificate (#4527 Certification of Eye Protective Devices Electronic Grant System [MEGS] if applicable.</td>
<td>CEPI</td>
</tr>
<tr>
<td>October 3</td>
<td>Certification of Constitutionally Protected Prayer</td>
<td>MDE</td>
</tr>
<tr>
<td>October 7</td>
<td>SE-4094 Transportation Expenditure Report (Contact ISD for due date).</td>
<td>ISD</td>
</tr>
<tr>
<td>October 1 – October 31 (as scheduled)</td>
<td>Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.</td>
<td>No submission needed.</td>
</tr>
<tr>
<td>Oct/Nov</td>
<td>School Infrastructure Database (SID); School-Wide Title I Participation</td>
<td>CEPI</td>
</tr>
<tr>
<td>Oct/Nov</td>
<td>Deadline for MEIS/Single Record Student Database (“SRSD”) electronic file (Contact the local ISD for due date.)</td>
<td>CEPI</td>
</tr>
<tr>
<td>November 1</td>
<td>Deadline for Immunization Records Report – IP100. (Contact Health Dept. for due date).</td>
<td>Local Health Dept.</td>
</tr>
<tr>
<td>November 14</td>
<td>Deadline for electronic submission to the Financial Information Database (FID, formerly known as the Form B). State aid will be withheld if the submission is not successful.</td>
<td>CEPI</td>
</tr>
<tr>
<td>Nov/Dec</td>
<td>Special Education Count on MI-CIS. Special education data must be current and updated in the Michigan Compliance and Information System (MI-CIS). This information is used to determine funding for next year (Contact local ISD for due date).</td>
<td>ISD</td>
</tr>
<tr>
<td>December 1 – December 31 (as scheduled)</td>
<td>Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.</td>
<td>No submission required.</td>
</tr>
<tr>
<td>Nov/Dec</td>
<td>Registry of Educational Personnel (REP) Submission</td>
<td>CEPI</td>
</tr>
<tr>
<td>December 30</td>
<td>Municipal Finance Qualifying Statement, if applicable (online submission).</td>
<td>MI Dept of Treasury</td>
</tr>
<tr>
<td>Feb 1</td>
<td>Deadline for Immunization Record Report – IP100 (Contact Health Dept. for due date). A financial penalty of 5% of a school’s state aid allocation can be assessed if the immunization rate is not at 90% or above.</td>
<td>Local Health Dept.</td>
</tr>
<tr>
<td>Feb 8</td>
<td>Supplemental Student Count for State Aid F.T.E.</td>
<td>No submission required.</td>
</tr>
<tr>
<td>March</td>
<td>FS-4731-C – Count of Membership Pupils eligible for free/reduced breakfast, lunch or milk (official date TBD).</td>
<td>MDE</td>
</tr>
<tr>
<td>DUE DATE</td>
<td>REPORT DESCRIPTION</td>
<td>SUBMIT TO:</td>
</tr>
<tr>
<td>---------------</td>
<td>-------------------------------------------------------------------------------------</td>
<td>------------</td>
</tr>
<tr>
<td>March</td>
<td>MEIS/Single Record Student Database (&quot;SRSD&quot;) electronic file (Contact local ISD for due date.)</td>
<td>ISD, CEPI</td>
</tr>
<tr>
<td>May 1 – May 31 (as scheduled)</td>
<td>Teacher Certification/ Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.</td>
<td>No submission required.</td>
</tr>
<tr>
<td>June</td>
<td>MEIS/ Single Record Student Database (&quot;SRSD&quot;) electronic file (Contact local ISD for due date.)</td>
<td>ISD, CEPI</td>
</tr>
<tr>
<td>June</td>
<td>Registry of Educational Personnel (REP)</td>
<td>CEPI</td>
</tr>
<tr>
<td>June</td>
<td>School Infrastructure Database (SID)</td>
<td>CEPI</td>
</tr>
</tbody>
</table>
SCHEDULE 6

INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL MANAGEMENT COMPANY
INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL MANAGEMENT COMPANY

In accordance with Section 11.15 of the Terms and Conditions, the following described categories of information are to be made available to the public by the Academy, and any Educational Management Company contracted by the Academy, as required under Section 553(5)(m) of the Code, MCL 380.553(5)(m):

1. Contract;

2. List of currently serving Directors with name, address, and term of office;

3. Academy Board policies;

4. Academy Board meeting agendas;

5. Academy Board meeting minutes;

6. Academy Board approved budget and amendments to budget;

7. Bills paid for amounts of $10,000, or more as submitted to the Academy Board;

8. Quarterly financial reports submitted to the University Charter Schools Office;

9. List of current Academy teachers including individual salaries, copies of teaching certificates or permits, and evidence of compliance with criminal background and records checks and unprofessional conduct checks required under the Code for Academy teachers and school administrators;

10. Curriculum documents and materials submitted to the University Charter Schools Office;

11. Proof of insurance required by Contract;

12. Copies of facility leases or deeds, or both, and of any equipment leases;

13. Copies of any management contracts or services contracts approved by the Academy Board. The executed Educational Products and Services Agreement shall be incorporated into this Contract as Schedule 6;

14. Health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service;

15. Annual financial audit and any management letters issued as part of the annual financial audit; and

16. Any other information specifically required under the Code.
SCHEDULE 7

ACADEMY SPECIFIC INFORMATION & EDUCATIONAL PROGRAM
SCHEDULE 7-1

EDUCATIONAL GOALS AND PROGRAMS
EDUCATIONAL GOALS

Standards for Schools Serving from Kindergarten to Eighth Grade:

Standard #1: On the average of all MEAP tests administered or successor state test administered, the public school academy will meet or exceed the performance of its select peer district. A select peer district is the school district Grand Valley State University identifies as a reasonable comparison district for the public school academy.

Standard #2: On the average of all MEAP tests or successor state test administered, the public school academy will meet or exceed the performance of its compositional peer district. The comparison scores for the compositional peer district are populated by the weighted total of MEAP scores from those districts in which the PSA’s students physically reside.

Standard #3: The public school academy will not average more than one-half a standard deviation below GVSU’s MEAP or successor state test/Free-Reduced Lunch regression model for all grades and subjects included in the model.

Standard #4: The Fall to Spring growth rate of each grade and subject for which the administered nationally norm-referenced test is designed will fall at the fiftieth percentile or higher.

Date: ____________________

Board President/Vice President Signature

Secretary’s Certification:

I certify that the foregoing resolution was duly adopted by the _______ Board of Directors at a properly noticed open meeting held on the _____ day of ____________, 2022, at which a quorum was present.

Board Secretary
Please See Enclosed CD
Description of Staff Responsibilities

The Arbor Academy’s staff positions will be given the following roles and titles, and the number of staff per category will be determined based on projected enrollment and number of classrooms:

- Principal
- Secretary/Office Manager
- Assessment Technologist
- Teacher
- Para-Professional
- Pre-Professional

Principal

The Principal at Arbor Academy is a team leader who will work effectively with students, families, and staff members to create a positive learning environment. The responsibilities include but are not limited to:

- Provide and maintain a safe learning environment
- Represent Arbor Academy as a premier educational establishment to the student body, parents, the Board of Directors and the community through effective communication of goals and objectives
- Administer curriculum development and implementation
- Create and maintain a cohesive team of professional educators dedicated to the success of the Academy student body
- Make formal reports to the Academy Board of Directors
- Administer a school code of conduct
- Facilitate parent involvement
- Maintain accurate and complete records as required

Qualifications:

- Master’s Degree
- Must meet state of Michigan requirements for elementary principal certification (or be certified)
- Demonstrate success as an educator and administrator
- Demonstrate success working with families and the community
Secretary/Office Manager

The primary responsibility of the Secretary/Office Manager is to provide daily support and assistance to the Principal and to oversee designated functions of the Academy. Responsibilities include but are not limited to:

- Develop and maintain efficient office procedures
- Routine typing and report preparation
- Develop and maintain a record keeping system for Academy records
- Communicate professionally and courteously with students and all those associated with the Academy
- Develop and maintain an ordering system for supplies, school lunches, etc.

Qualifications

TBD

Teacher

A Teacher at Arbor Academy will be a dedicated individual capable of providing high quality instruction following the specifications set forth by the Academy Board of Directors, the established curriculum guidelines and the Academy Principal. Responsibilities will include but are not limited to:

- Develop and maintain long term goals for all students
- Work as a team member with Academy staff to produce learning mastery by all students
- Establish and maintain classroom management procedures
- Maintain attendance and progress reports as required
- Complete professional development responsibilities
- Perform other duties, as deemed appropriate, by the Principal

Qualifications

- Minimum of Bachelor’s degree with subject area emphasis
- Certified in Michigan
- Demonstrate commitment to young people’s success in education
- Demonstrate effectiveness in working with parents
Para-Professional (Teacher Aide)

A Para-Professional at Arbor Academy will be responsible for assisting the Teacher in the classroom. Other responsibilities will be assigned as necessary, by the Teacher and the Principal.

Qualifications

TBD

Assessment Technologist

The Assessment Technologist at Arbor Academy will be responsible for recording, compiling, and preparing for presentation measures of student progress. Additional responsibilities will include training and teacher support.

Qualifications

TBD

Pre-Professional Service Trainee

Pre-Professional Service Trainees will be placed at Arbor Academy with the consent of the supervisory staff and "intern critic". Responsibilities are to be determined.
Professional Development

Arbor Academy is dedicated to the enhancement of educational experience of individual learners through continuous and virtually instantaneous assessment and modification of the instructional program.

This challenging approach to education requires a prescribed professional development program including but not limited to:

- Resident Experts
- Personal Learning Plan
- * Learning Community
- * Team Building

Resident Experts

Each teacher at Arbor Academy is expected to have or to develop a specific area(s) of expertise that can be shared with fellow team members. This peer teaching benefits children by providing a wide base of knowledge that staff members may draw from.

Learning Community

The Arbor academy staff will work together to create a positive, high energy environment designed to encourage life-long learning by staff and students.

Personal Learning Program

Each staff person will develop a set of individual goals with professional growth and the Academy’s commitment in mind. These goals will be developed, reviewed and modified throughout the year in collaboration with team members and the principal. A constant challenge to develop creative teaching strategies that best meet the needs of our students will play a significant role in this program.

EACH STAFF MEMBER AT ARBOR ACADEMY MUST BELIEVE IT TO BE AN OBLIGATION OF SELF RESPECT AND PROFESSIONAL FIDELITY TO PERFORM TO THE HIGHEST POSSIBLE LEVEL OF INSTRUCTIONAL COMPETENCE.
Team Building

The Academy staff will take part in regular team building exercises devoted to strengthening their relationships and focusing on the goals of the Academy. Positive relationships, team thinking and an effective support system will be developed and applied throughout the school year.
ASSESSMENT TECHNOLOGIST
ARRIC/PARK AND ACADEMY

QUALIFICATIONS:

Current Teaching Certificate and experience in educational measurement preferred. Computer utilization required.

REPORTS TO: Director of Schools

SUPERVISES: All children being tested

PRIMARY ROLES: The Educational Technologist (ET) will discharge all assessment activities and other educational duties as designated by the Director of Schools. This person is responsible for the collection, display and presentation of all independent test data obtained for teacher and school program evaluation. This includes, but not limited to, the administration, scoring and interpretation of all standardized tests, curriculum-based measures and objective-referenced tests. Follows procedures and schedule for executing the assigned duties as arranged by Director.

RESPONSIBILITIES INCLUDE BUT NOT LIMITED TO:

1. Development of knowledge and competence in use of all testing instruments
2. Establish self as a member of the school educational team
3. Become familiar with all teachers' classrooms and known by all students
4. Observe teachers' instructional and testing activities
5. Communicate effectively with parents and school personnel
6. Utilizing a specified random sample of the Academy's goals and objectives, develop and implement an independent assessment of individual student achievement across all classes.
7. Create a positive testing environment
8. Work as a team member with teachers to achieve a valid and reliable sample of achievement for all students
9. Facilitate and actively support cohesion and productivity of team function
10. Obtain and maintain student achievement data
11. Regularly assess the effectiveness of teaching methods and strategies
12. Utilize due-process procedures in dealing with students
13. Participate in the organization of and regularly attend school functions
14. Identify and recommend professional development activities for staff
15. Participate in the recruitment of new students

16. Utilize budgeted funds and other school resources effectively

17. Provide reports to the Director of Schools and/or Board of Education as requested

18. Complete professional development responsibilities as approved and/or assigned

19. Perform other duties as deemed appropriate by the Director

TERMS OF EMPLOYMENT:

One (1) year contract. Non-tenure
Salaried

EVALUATION:

A performance evaluation will be conducted by the Director at the end of each semester with an annual summary evaluation prepared prior to the end of each school year.
JOB DESCRIPTION

DIRECTOR OF SCHOOLS
FOUNDATION FOR BEHAVIORAL RESOURCES

QUALIFICATIONS:
- Master's Degree
- Experience in Education
- Experience in program and personnel administration and management

REPORTS TO:          Board of Directors
SUPERVISES:       All School Personnel

PRIMARY ROLES: Provides leadership and direction in accomplishing the total mission of the schools toward achieving the highest standards of excellence. Supervises and directs all members of the administrative, instructional, and supportive staff. Oversees and administers the use of all district programs, facilities, property, and funds with maximum efficiency with an overriding concern for the impact of each on individual student's education.

GENERAL RESPONSIBILITIES FOR THE POSITION OF DIRECTOR OF SCHOOLS

1. Coordinates schedule and agenda for meetings of the Boards of Directors
2. Attends and participates in all meets of the Board of Directors
3. Advises the Board on the need for policies consistent
4. Serves as ex officio member of school committees
SCHEDULE 7-4

METHODS OF ACCOUNTABILITY AND PUPIL ASSESSMENT
METHODS OF ACCOUNTABILITY AND PUPIL ASSESSMENT

Grand Valley State University shall evaluate the success of the Academy by considering multiple areas of performance. A Comprehensive Performance Review (CPR) system will be established by Grand Valley State University Charter Schools Office and shall include, but not be limited to, the performance of the Academy in the areas of student performance, board governance, organizational performance, compliance reporting, facility conditions, fiscal strength and reporting and other pertinent performance data, as required by federal and state law, the authorizing contract, or desired by the authorizer for review.

Included in the Comprehensive Performance Review shall be the requirements of Article VI Section 6.5 of the authorizing agreement, which states:

Section 6.5. Methods of Accountability. In addition to those set forth in this Section 6.5, the Academy shall evaluate its pupils’ work based on the assessment strategies identified in the Schedules. The Academy shall provide the University 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 University Charter Schools Office;

b) an assessment of the Academy’s student performance at the end of each academic school year or at such other times as the University Board may reasonably request;

c) an annual education report in accordance with the Code;

d) an annually administered nationally recognized norm-referenced achievement test for the Academy’s grade configuration, or a program of testing approved by the University Charter Schools Office Director; and

e) all tests required under Applicable Law.

The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

Date: ________________

   ______________________
Board President/Vice President Signature

Secretary’s Certification:

I certify that the foregoing resolution was duly adopted by the Arbor Academy Board of Directors at a properly noticed open meeting held on the ___ day of ________, 2011, at which a quorum was present.

   ______________________
Board Secretary
SCHEDULE 7-5

ACADEMY'S ADMISSION POLICIES AND CRITERIA
1. Legal Requirements Relating to Admissions

A. The Academy shall not discriminate on the basis of intellectual or athletic abilities.
B. The Academy shall not discriminate on the basis of “measures of achievement or aptitude.”
C. The Academy shall not discriminate on the status as a handicapped person or any other basis that would be illegal for an existing school district.
D. The Academy shall provide for the education of its pupils without discrimination as to religion, creed, race, sex, color or national origin. The Academy shall comply with all state and federal civil rights laws.
E. The Academy shall not charge tuition (but may charge fees in the same manner as existing public schools).
F. The Academy shall not enroll any student who is not a resident of this state, except a foreign exchange student.
G. The Academy shall comply with all state and federal laws applicable to public schools concerning church-state issues.

2. Public Notice and Application/Enrollment Process

Notice of the enrollment period and application process will be designed to inform the persons most likely to be interested in the school. The time periods offered to those persons interested in enrollment and interview processes will include some evening and weekend times. If the Academy has more applicants than available space, it will select students (from among qualified applicants) using a random selection method. The Academy will give priority admission to siblings of students already enrolled and to students enrolled and admitted in the prior year.

The Academy will accept applications from the first day of class until the last business day in February of each year for the subsequent academic year. If applications exceed positions available, the last business day of February of each year shall be the deadline for applications to be drawn by random selection. Interested parties may obtain applications from either the Academy, or the Foundation for Behavioral Resources’ office at 600 South Lincoln Street, Augusta, MI 49012. Interested parties may also call the Academy at (269) 963-5851 or FBR at (269) 731-5775 to obtain applications. The FBR and Academy will mail or fax applications to anyone requesting an application by telephone.

The Academy Board will provide notice of open enrollment by:

(i) mailing written notice of the open enrollment period and an application to all families who inquire about Academy enrollment; and
(ii) posting written notice of open enrollment period at the Academy’s and FBR’s principal offices; and
(iii) either airing a public service announcement on local Cable television and/or radio announcing the open enrollment period and application process and/or
(iv) printing a written notice of the enrollment period in the local newspaper.

3. Application Procedure

People interested in applying may obtain applications at the Academy or FBR on weekdays between the hours of 8:00 a.m. and 4:00 p.m. The FBR will mail or fax applications to anyone requesting an application by telephone. All applications received after the last business day in February but before the lottery will not be eligible to participate in the lottery.

4. Student Selection

After the first year, the deadline for applications shall be the last business day in February of every year. If the number of applicants for a classroom exceeds the number of positions available, the Academy will hold a random selection lottery during or prior to the second week of March. The random selection drawing shall be open to the public, and the Academy will notify all applicants of the time and place. Names will be drawn until all available classroom positions have been filled. Any remaining names will be drawn to establish waiting list priority to be used to fill openings during the school year for which the student applied. After all eligible names have been drawn, the Academy will add the names of applicants after the last business day in February. All post-deadline applicants will be added in the order in which they are received.

New students may be admitted after the start of the first semester if there are classroom openings. Similarly, the Academy may admit new students after the second semester begins, but only up to and through the business day prior to the second semester official student count day as established by the state if classroom openings exist. In either case, admissions will be of students drawn randomly from the eligible roll, or as above described by preference of prior enrollment or current family enrollments.

- The Academy may make an exception to this policy if the following two conditions apply:
  1) there is a classroom vacancy with the certified teachers employed as of the second semester, third quarter, official student count day as established by the state; and
  2) there are no other applicants on the waiting list eligible to fill that classroom vacancy.
SCHEDULE 7-6

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE
<table>
<thead>
<tr>
<th>Date</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 16</td>
<td>Principal reports</td>
</tr>
<tr>
<td>August 23</td>
<td>Office staff report</td>
</tr>
<tr>
<td>August 30</td>
<td>All staff report</td>
</tr>
<tr>
<td>September 1</td>
<td>Registration night (Wednesday)</td>
</tr>
<tr>
<td>September 6</td>
<td>No School – Labor Day</td>
</tr>
<tr>
<td>September 7</td>
<td>First Day of School</td>
</tr>
<tr>
<td>September 20</td>
<td>Begin NWEA testing</td>
</tr>
<tr>
<td>November 5</td>
<td>Half Day (end Q1)</td>
</tr>
<tr>
<td>November 17/18</td>
<td>Parent – Teacher Conferences (wed/thurs)</td>
</tr>
<tr>
<td>November 25/26</td>
<td>No School – Thanksgiving Holiday</td>
</tr>
<tr>
<td>December 18</td>
<td>Begin Winter Break</td>
</tr>
<tr>
<td>December 20-31</td>
<td>Winter Break</td>
</tr>
<tr>
<td>January 3</td>
<td>Return to school</td>
</tr>
<tr>
<td>January 17</td>
<td>No School – Martin Luther King Jr. Day</td>
</tr>
<tr>
<td>January 21</td>
<td>End of Q2 (full day)</td>
</tr>
<tr>
<td>February 21</td>
<td>No School – PD Day (President’s Day)</td>
</tr>
<tr>
<td>March 25</td>
<td>Half Day (end Q3)</td>
</tr>
<tr>
<td>March 30/31</td>
<td>Parent – Teacher Conferences (wed/thurs)</td>
</tr>
<tr>
<td>April 4-8</td>
<td>Spring Break</td>
</tr>
<tr>
<td>April 22</td>
<td>No School – Good Friday</td>
</tr>
<tr>
<td>May 30</td>
<td>No School – Memorial Day</td>
</tr>
<tr>
<td>June 10</td>
<td>Half Day – Last Day of School</td>
</tr>
</tbody>
</table>

| Quarter 1       | 44 days                                    |
| Quarter 2       | 42 days                                    |
| Quarter 3       | 44 days                                    |
| Quarter 4       | 47 days                                    |

| Total           | 177 days of instructions                   |
SCHEDULE 7-7

AGE/GRADE RANGE OF PUPILS ENROLLED
Arbor Academy, located at 55 Arbor Street, Battle Creek, Michigan offers kindergarten through sixth grades to age-appropriate students. Arbor Academy may add grades with written approval of the Charter Schools Office or the Grand Valley State University Board of Trustees.
SCHEDULE 7-8

ADDRESS AND DESCRIPTION OF PROPOSED PHYSICAL PLANT; LEASE OR DEED FOR PROPOSED SITE; OCCUPANCY CERTIFICATE
Arbor Academy, 55 Arbor Street, Battle Creek, Michigan 49015

Arbor Academy’s campus has two buildings. Each building is a one story framed building with a stainless steel roof. Each building is equipped with gas, fire and a heating, ventilation and air conditioning system.
This lease agreement made and entered by and between the Foundation for Behavioral Resources, 600 South Lincoln Street, Augusta, Michigan 49012, herein after referred to as “landlord”, and Arbor Academy Board of Directors, 55B Arbor Street, Battle Creek, Michigan 49015, herein after referred to as “tenant.”

NOW, THEREFORE, BE IT AGREED AS FOLLOWS:

1. Description. For and in consideration of the reimbursements and covenants herein contained, landlord does hereby make available buildings located at 55 Arbor Street in the City of Battle Creek, Michigan, including adjacent land, playground and parking. The said buildings, consisting of one building approximately 8,160 square feet and one approx 9,508 square feet, with the improvements thereon and appurtenances thereto, are hereinafter referred to as the “premises.”

2. Term. The term of this Agreement shall commence on July 1, 2010 and terminate on June 30, 2011.

3. Cost Apportionment. The annual cost for space shall be $276,600.00. Payment shall be made in twelve installments in the amount of $23,050.00 each. Payments shall commence on July 1, 2010 and continuing on the 1st day of each month thereafter through June 30, 2011.

4. Utilities. Water, gas, electricity and garbage disposal are the responsibility of the tenant.

5. Custodial. Tenant shall maintain the yard in and about the premises in a neat, tidy manner. Tenant shall be responsible for the removal of snow and ice from the sidewalk areas and shall provide janitorial maintenance for the entire building.

6. Use of the Premises. Parties to the agreement shall use the premises for the purpose of operating a public charter school. No other use will occur without the prior written consent of landlord.
Neither party shall permit the premises or any part thereof to be used in any manner, or anything to be done therein, or permit anything to be brought into or maintained in the premises which would in any way:

A. Violate any law, regulation or requirement of public authorities;
B. Cause structural injury to the building or any part thereof;
C. Interfere with the normal operations of the heating, ventilating, plumbing or other mechanical or electrical systems of the building;
D. Constitute a public or private nuisance;
E. Alter the appearance of the exterior of the building or any portion of the interior thereof;

7. Maintenance of the Premises. Landlord shall, provided it shall have knowledge of the need thereof, at its own expense, make all necessary structural repairs and maintain in good condition and make all repairs to the walls of the leased premises, the electrical wiring, plumbing, and heating facilities serving the premises, and any other repairs necessary to correct any latent defects. In the event any such repairs are necessitated by the acts, omissions, and/or negligence of the tenant, its agents, employees or invitees, then, in such event, landlord shall make repair but tenant shall be financially responsible for such repairs and maintenance. All damage to the premises and/or building caused by tenant, its servants, employees, agents, business invitees, or licensees (normal wear and tear expected) shall be repaired, restored, or replaced promptly by tenant to the reasonable satisfaction of landlord at sole cost and expense of tenant. All such repairs and any restorations or replacements required in connection therewith shall be of a quality and class at least equal to the original work or installations and shall be done in a good and workmanlike manner.

8. Insurance. Tenant shall provide fire, wind, and extended coverage insurance on the building in an amount acceptable to the landlord.

The tenant at its own cost and expense, shall maintain valid and enforceable insurance protecting and indemnifying landlord against any and all claims for injury or damage to persons or property or for the loss of life, or of property occurring upon, in, or about the leased premises. Such insurance shall have minimum limits during the term of this Agreement of not less than 1 million in respect of bodily injury or death of any one
person in respect of any one occurrence or accident and 2 million aggregate. Tenant shall maintain not less than $1,500,000 insurance for property damage. Landlord shall be named as an additional insured on all policies, and Tenant shall provide an insurance certificate indicative thereof.

Tenant shall be responsible for maintaining such insurance upon its personal property as it shall deem necessary.

9. **Waiver of Subrogation In Insured Loss.** Each party agrees to include in its insurance policies a waiver of the insurer’s right of subrogation against the other party. Each party hereby releases the other party with respect to any claim (including any claim for negligence) which it might otherwise have against the other party for loss, damages, or destruction, with respect to its property by fire or other casualty (including rental value or business interest as the case may be) occurring during the term of this Agreement to the extent loss is covered by an insurance policy maintained by the parties suffering the loss.

10. **Improvements.** It is agreed by the parties hereto that no modifications or alterations are to be made by tenant nor equipment installed without the express written consent for landlord. All such addition, modifications or alterations consented to by landlord are to be made only at the expense of tenant. Tenant shall save landlord harmless from all liens and encumbrances on the leased premises as a result of improvement installed by tenant.

Upon termination of this Agreement, said modifications or alterations may be removed and the premises in the area of the removal restored to a condition comparable with the area surrounding the removal area.

Any and all such additions, alterations and modifications shall be made in accordance with all laws, ordinances, or regulations applicable to the school premises.

11. **Damage to or Destruction of the Premises.** In the event the premises shall be destroyed by fire, casualty, or other cause during the term hereof, this Agreement shall terminate and all reimbursements herein provided shall be prorated to the date of destruction. In the event of partial destruction, landlord shall have the option of restoring the premises or terminating this Agreement. In the event of partial destruction, all
reimbursements herein provided shall be prorated for the portion rendered untenantable until the same shall have been restored to a tenantable condition.

12. **Assignment and Subletting.** Tenant shall not, by operation of law or otherwise, assign, mortgage, or encumber this Agreement or sublet or permit the premises or any part thereof to be used by others, without landlord’s prior written consent in each instance.

13. **Access to Premises.** Landlord shall have access to enter upon the premises at all reasonable hours for the purpose of inspecting, repairing, and maintaining.

14. **Default.** In the event of the default of tenant in the reimbursements specified or any other payment to be made pursuant to this Agreement, or in the performance or observance of any of the conditions, agreements, or covenants of this Agreement, landlord may, at its option, after giving seven (7) days prior written notice thereof in the case of the default in payment of any money or after giving fourteen (14) days written notice thereof in the case of any other default, and in the further event that such default is not corrected within the relevant seven (7) or fourteen (14) day period, terminate this Agreement and re-enter the said premises and remove all persons therefrom pursuant to the statute in such case made and provided.

15. **Quiet Enjoyment.** Landlord warrants that tenant, upon paying the said reimbursements and performing the covenants herein contained, shall peacefully and quietly have, hold, and enjoy said premises during the term of this Agreement.

16. **Notices.** Any notices to be served pursuant to this Agreement shall be deemed satisfactorily served if mailed by ordinary mail with first-class postage prepaid to the address of the party as herein set forth. Service of the notice shall be deemed made on the date following the mailing.

17. **Continuity of Agreement.** This Agreement shall be deemed binding upon the respective heirs, personal representative, successors and assigns of the parties hereto. It is further agreed that this Agreement supersedes and replaces all prior agreement, verbal or written, between the parties hereto and pertaining to the leased premises.
18. **Waiver.** The failure of either party to seek redress for violation of, or to insist upon the strict performance of, any covenant or condition of this Agreement shall not prevent a subsequent act, which would have originally constituted a violation, from having all the force and effect of an original violation. The receipt by landlord of payments by tenant with knowledge of the breach of any covenant of this Agreement shall not be deemed a waiver of such breach. No provision in this Agreement shall be deemed to have been waived by either party, unless such waiver is in writing signed by such party. No payment by tenant or receipt by landlord of a lesser amount than the monthly reimbursement herein stipulated shall be deemed to be other than on account of the earliest stipulated reimbursement, nor shall any endorsement or statement on any check or any letter accompanying and check or payment be deemed an accord and satisfaction, and landlord may accept such check or payment without prejudice to landlord’s right to recover the balance of such reimbursement or pursue any other remedy provided in this Agreement.

19. **Severability.** If any term or provision of this Agreement shall, to any extent, be invalid or unenforceable, the remainder of this Agreement shall not be affected thereby, and the balance of the terms and provisions of the Agreement shall be valid and enforceable to the fullest extent either hereunder or as permitted by law.

20. **Surrender of Premises.** Upon the expiration or the termination of this Agreement for any reason, tenant shall surrender the premises to landlord in like condition as when it took possession thereof, excepting ordinary wear and tear and damage by the elements, within seven (7) days of such expiration or termination. Any personal property not removed from the premises on or before seven (7) days after termination of the Agreement shall be deemed abandoned and landlord may remove said property from the premises without any obligation to reimburse tenant or any other owner thereof for its value.

24. **State of Interpretation.** This Agreement shall be interpreted under the laws of the State of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be signed The day and year first above set forth.
Executed in the Presence of:

[Signatures]

FOUNDATION FOR BEHAVIORAL RESOURCES
By: [Signature]
Its: TREASURER

ARBOR ACADEMY BOARD OF DIRECTORS
By: [Signature]
Its: PRESIDENT

The agreement
CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

Building Permit No. B021168
Arbor Academy
55 Arbor Street
Battle Creek, Michigan
Kalamazoo County

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

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILLED LAWS, AND, IN ACCORDANCE WITH SECTION 110.0 OF THE STATE BUILDING CODE, THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

Charles E. Curtis
February 21, 2007
Larry Lehman, Chief
Charles E. Curtis, Assistant Chief
Building Division