A

CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED BY

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

ISSUED TO

FAXON LANGUAGE IMMERSION ACADEMY
(A PUBLIC SCHOOL ACADEMY)

CONFIRMING THE STATUS OF

FAXON LANGUAGE IMMERSION ACADEMY

AS A

PUBLIC SCHOOL ACADEMY

DATED:
JULY 1, 2012
GENERAL INDEX

Contract Schedules

Schedule 1: University Board Resolutions
Method of Selection Resolution, dated May 1, 2012
Authorization Resolution, dated May 1, 2012

Schedule 2: Articles of Incorporation

Schedule 3: 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; and Occupancy Certificate
# TABLE OF CONTENTS

## ARTICLE I

### DEFINITIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Certain Definitions</td>
<td>1</td>
</tr>
<tr>
<td>1.2</td>
<td>Schedules</td>
<td>3</td>
</tr>
<tr>
<td>1.3</td>
<td>Statutory Definitions</td>
<td>3</td>
</tr>
<tr>
<td>1.4</td>
<td>Application</td>
<td>3</td>
</tr>
<tr>
<td>1.5</td>
<td>Conflicting Contract Provisions</td>
<td>3</td>
</tr>
</tbody>
</table>

## ARTICLE II

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

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>University Board Resolutions</td>
<td>4</td>
</tr>
<tr>
<td>2.2</td>
<td>Method for Monitoring Academy’s Compliance With Applicable Law and Performance of its Targeted Educational Outcomes</td>
<td>4</td>
</tr>
<tr>
<td>2.3</td>
<td>University Board Administrative Fee</td>
<td>5</td>
</tr>
<tr>
<td>2.4</td>
<td>University Board as Fiscal Agent for the Academy</td>
<td>5</td>
</tr>
<tr>
<td>2.5</td>
<td>Authorization of Employment</td>
<td>5</td>
</tr>
<tr>
<td>2.6</td>
<td>Financial Obligations of the Academy Are Separate</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>From the State of Michigan, University Board and the University</td>
<td></td>
</tr>
<tr>
<td>2.7</td>
<td>Academy Has No Power To Obligate or Bind State of Michigan, University Board or the University</td>
<td>6</td>
</tr>
<tr>
<td>2.8</td>
<td>Authorizing Body Contract Authorization Process</td>
<td>6</td>
</tr>
</tbody>
</table>

## ARTICLE III

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

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Governmental Agency or Entity and Political Subdivision</td>
<td>7</td>
</tr>
<tr>
<td>3.2</td>
<td>Other Permitted Activities</td>
<td>7</td>
</tr>
</tbody>
</table>

## ARTICLE IV

### PURPOSE

<table>
<thead>
<tr>
<th>Section</th>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Academy’s Purpose</td>
<td>7</td>
</tr>
</tbody>
</table>
ARTICLE V
CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1 Articles of Incorporation................................................................. 7
Section 5.2 Bylaws........................................................................................... 7

ARTICLE VI
OPERATING REQUIREMENTS

Section 6.1 Governance Structure................................................................. 8
Section 6.2 Contributions and Fund Raising...................................................... 8
Section 6.3 Educational Goals and Programs.................................................... 8
Section 6.4 Curriculum..................................................................................... 8
Section 6.5 Methods of Accountability ............................................................ 8
Section 6.6 Staff Responsibilities................................................................... 9
Section 6.7 Admission Policy.......................................................................... 9
Section 6.8 School Calendar/School Day Schedule ........................................... 9
Section 6.9 Age/Grade Range of Pupils Enrolled............................................. 9
Section 6.10 Annual Financial Audit................................................................. 9
Section 6.11 Address and Description of Proposed Site(s); Process for Expanding Academy’s Site Operations................................................................. 9
Section 6.12 Accounting Standards................................................................. 10
Section 6.13 Placement of University Student Interns...................................... 10
Section 6.14 Disqualified Organizational or Contractual Affiliations.................. 10
Section 6.15 Matriculation Agreements............................................................ 11
Section 6.16 Posting of Adequate Yearly Progress (AYP) and Accreditation Status ....11

ARTICLE VII
TUITION PROHIBITED

Section 7.1 Tuition Prohibited: Fees and Expenses......................................... 11

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

Section 8.1 Compliance with Part 6a of Code.................................................. 11
Section 8.2 Compliance with State School Aid Act.......................................... 11
Section 8.3 Open Meetings Act....................................................................... 11
Section 8.4 Freedom of Information Act.......................................................... 11
Section 8.5 Public Employees Relations Act.................................................... 12
Section 8.6 Prevailing Wage on State Contracts............................................ 12
Section 8.7 Uniform Budgeting and Accounting Act........................................ 12
Section 8.8 Revised Municipal Finance Act of 2001........................................ 12
Section 8.9 Non-discrimination.................................................................... 12
ARTICLE IX

AMENDMENT

Section 9.1 Process for Amending the Contract ........................................ 12
Section 9.2 Process for Amending Academy Articles of Incorporation ............ 13
Section 9.3 Process for Amending Academy Bylaws .................................. 13
Section 9.4 Change in Existing Law ............................................................ 13

ARTICLE X

TERMINATION, SUSPENSION AND REVOCATION

Section 10.1 Grounds and Procedures for Academy Termination of Contract ....... 13
Section 10.2 Termination by University Board ............................................ 14
Section 10.3 Contract Suspension ............................................................... 15
Section 10.4 Statutory Grounds for Revocation ........................................... 15
Section 10.5 Other Grounds for University Board Revocation ....................... 16
Section 10.6 University Board Procedures for Revoking Contract ................. 17
Section 10.7 Automatic Revocation by State of Michigan ............................. 19
Section 10.8 Material Breach of Contract ................................................ 20
Section 10.9 Appointment of Conservator/Trustee .................................... 20

ARTICLE XI

PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1 Grand Valley State University Faculty Employment in the Academy .... 21
Section 11.2 The Academy Faculty Appointment to Grand Valley State University Faculty ................................................................. 21
Section 11.3 Student Conduct and Discipline ............................................. 21
Section 11.4 Insurance .................................................................................. 21
Section 11.5 Transportation .......................................................................... 22
Section 11.6 Extracurricular Activities and Interscholastic Sports .................. 22
Section 11.7 Legal Liabilities and Covenants Not to Sue ............................. 22
Section 11.8 Lease or Deed for Proposed Single Site(s) ................................... 23
Section 11.9 Occupancy and Safety Certificates ......................................... 23
Section 11.10 Deposit of Public Funds by the Academy .............................. 23
Section 11.11 Educational Service Provider Agreements ............................... 23
Section 11.12 Required Provisions for Educational Service Provider Agreements .... 23
Section 11.13 Incompatible Public Offices and Conflicts of Interest Statutes ....... 24
Section 11.14 Certain Familial Relationships Prohibited ............................. 25
Section 11.15 Dual Employment Positions Prohibited .................................. 25
ARTICLE XIII

GENERAL TERMS

Section 12.1 Notices ......................................................26
Section 12.2 Severability ..................................................26
Section 12.3 Successors and Assigns .................................26
Section 12.4 Entire Contract .............................................26
Section 12.5 Assignment ...................................................26
Section 12.6 Non-Waiver ..................................................27
Section 12.7 Indemnification ..............................................27
Section 12.8 Construction ................................................27
Section 12.9 Force Majeure .................................................27
Section 12.10 No Third Party Rights .................................27
Section 12.11 Non-agency ...............................................27
Section 12.12 Governing Law ...........................................28
Section 12.13 Counterparts ..............................................28
Section 12.14 Term of Contract ......................................28
Section 12.15 Survival of Provisions .................................29
Section 12.16 Termination of Responsibilities .........................29
Section 12.17 Disposition of Academy Assets Upon Termination or Revocation of Contract .................................29

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Contract to Charter a Public School Academy

Pursuant to Part 6a of the Revised School Code ("Code"), being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the Grand Valley State University Board of Trustees ("University Board") issues a contract to Faxon Language Immersion Academy (the "Academy"), to be effective July 1, 2012, confirming the Academy's status as a public school academy in this State. 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 public school academies.

d) Applicant means the person or entity that submitted the public school academy application to the University for the establishment of the Academy.

e) Application means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.

f) Authorization Resolution means the resolution adopted by the Grand Valley State University Board of Trustees approving the issuance of a Contract.

g) Charter School means public school academy.


i) Contract means, in addition to the definitions set forth in the Code, the Terms and Conditions and the Schedules.
j) **Educational Service Provider or “ESP”** means an educational management organization as defined under section 503c of the Code, MCL 380.503c, that has entered into a contract or agreement with the Academy Board for operation or management of the Academy, which contract has been submitted to the University Charter Schools Office Director for review as provided in Section 11.11 and has not been disapproved by the University Charter Schools Office Director, and is consistent with the Charter Schools Office Educational Service Provider Policies, as they may be amended from time to time, and Applicable Law.

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 Service Provider or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support from an Educational Service Provider or other person or entity that does not require repayment by the Academy, and is not conditioned upon the actions or inactions of the Academy Board, then such gift or grant shall not constitute a financial borrowing or contribution for purposes of determining a Fund Balance Deficit.

l) **Management Agreement or ESP Agreement** means an agreement as defined under section 503c of the Code, MCL 380.503c that has been entered into between an ESP and the Academy Board for operation and/or management of the Academy, which has been submitted to the University Charter Schools Office Director for review as provided in Section 11.11 and has not been disapproved by the University Charter Schools Office Director, and is consistent with the CSO Educational Service Provider Policies as they may be amended from time to time, and Applicable Law.

m) **Master Calendar of Reporting Requirements (MCRR)** means the compliance certification duties required of the Academy by the University Board. The University Charter Schools Office may amend the MCRR each fiscal year or at 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.

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

o) **Resolution** means any resolution adopted by the Grand Valley State University Board of Trustees.

p) **Schedules** mean the schedules incorporated into and part of the Terms and Conditions.
q) **Terms and Conditions** means this document entitled Terms and Conditions of Contract issued by the Grand Valley State University Board of Trustees.

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

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

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

u) **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 public school academy applicants and public school academies 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.

v) **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.

w) **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 the 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 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 Resolution. 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 incorporated into this Contract as Schedule 5. Additionally, the Academy shall be responsible for the following:

a) 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.

b) 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.

c) 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.

d) 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.

e) 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.

f) 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.

g) 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.

h) 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.

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. For purposes of this Contract, state school aid payments received by the Academy in July and August in any given year shall be deemed to have been received by the Academy during the Contract term. 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 Service Provider, 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 ESP agreement shall be effective unless and until the agreement complies with Section 11.12 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 Board shall prohibit any individual from being employed by the Academy, an ESP, or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. 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.

Section 2.8. **Authorizing Body Contract Authorization Process.** Pursuant to the Code, the University Board is not required to issue a contract to the Academy. This Contract is for a fixed term and will terminate at that end of the Contract term set forth in Section 12.14 without any further action of either the Academy or the University Board. Prior to the end of the Contract term, the University Board shall provide a description of the process and standards by which the Academy may be considered for the issuance of a new contract. The timeline for consideration of whether to issue a new contract to the Academy shall be solely determined by the University Board. The standards for issuance of a new contract shall include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria established by the University Board as the most important factor of whether to issue or not issue a new contract. The University Board, at its sole discretion, may change its process and standards for issuance of a contract at anytime, and any such changes shall take effect automatically without the need for any amendment to this Contract. Consistent with the Code, the University Board may elect, at its sole discretion, not to consider the issuance of a contract,
consider reauthorization of the Academy and elect not to issue a contract, or consider reauthorization of the Academy and issue a contract for a fixed term.

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 changes to the Academy’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 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 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. The educational goals shall include demonstrated improved pupil academic achievement for all groups of pupils. Such goals and programs may be amended pursuant to Section 9.1 of Article IX of the Terms and Conditions. Upon request, the Academy shall provide the University Charter Schools Office with a written report, along with supporting data, assessing the Academy's progress toward achieving its goal(s).

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. To the extent applicable, the pupil performance of the Academy shall be assessed using at least the Michigan Education Assessment Program (MEAP) test or the Michigan Merit Examination (MME) designated under the Code. 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, or 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 Article II of the Terms and Conditions, the University Board authorizes the Academy to employ or contract with an Educational Service Provider. A copy of the ESP 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. With respect to the Academy’s pupil admissions process, the Academy shall provide any documentation or information requested by the University Charter Schools Office that demonstrates the following:

a) the Academy has made a reasonable effort to advertise its enrollment efforts to all pupils; and

b) the Academy’s open enrollment period was for a duration of at least 2 weeks and permitted the enrollment of pupils by parents at times in the evening and on weekends.

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 academic school year 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 Kindergarten through Eighth grade(s). The Academy may add additional grades and vocational 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. The Academy shall submit the annual financial statement audit and auditor’s management letter to the Charter Schools Office in accordance with the MCRR. The Academy Board shall provide to the Charter Schools Office a copy of any responses to the auditor’s management letter in accordance with the MCRR.

Section 6.11. Address and Description of Proposed Site(s); Process for Expanding Academy’s Site Operations. The proposed address and physical plant description of the
Academy’s proposed site or sites is set forth in Schedule 7-8. 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. With the approval of the University Board, the Academy Board may operate the same configuration of age or grade levels at more than one (1) site if each configuration of age or grade levels and each site identified in Schedule 7-8 are under the direction and control of the Academy Board.

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

By formal resolution, the Academy Board may request the authority to operate the same configuration of age or grade levels at more than one site. The Academy Board shall submit to the University Charter Schools Office an application for site expansion, in a form or manner determined by the University Charter Schools Office. The application for site expansion shall include all information requested by the University Charter Schools Office, including detailed information about the site, revised budget, renovation and site improvement costs, the Academy’s proposed operations at the site, and the information provided in Contract Schedules 7-8. Upon receipt of a complete application for site expansion, the University Charter Schools Office shall review the application for site expansion and make a recommendation to the University Board on whether the Academy’s request for site expansion should be approved. A positive recommendation by the University Charter Schools Office of the application for site expansion shall include a determination by the Charter Schools Office that the Academy is operating in compliance with the Contract and is making measurable progress toward meeting the Academy’s educational goals. The University Board may consider the Academy Board’s site expansion request following submission by the University Charter Schools Office of a positive recommendation.

If the University Board approves the Academy Board’s site expansion request, the Contract shall be amended in accordance with Article IX of these Terms and Conditions. The University Board reserves the right to modify, reject, or approve any application for site expansion in its sole and absolute discretion.

Section 6.12. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles, and accounting system requirements that comply with Applicable Law.

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.

Section 6.16. Posting of Adequate Yearly Progress (AYP) and Accreditation Status. The Academy shall post notices to the Academy’s homepage of its website disclosing the adequate yearly progress status and accreditation status of each school in accordance with section 1280E of the Code, MCL 380.1280E.

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 6A OF THE CODE AND OTHER LAWS


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. Pursuant to Section 503(6)(a) of the Code, 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. Pursuant to Section 503(6)(b) of the Code, 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.** Pursuant to Section 503(6)(c) of the Code, 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 8.8. **Revised Municipal Finance Act of 2001.** With respect to the Academy’s borrowing money and issuance of bonds, the Academy shall comply with section 1351a of the Code and Part VI of the Revised Municipal Finance Act of 2001, Act No. 34 of the Public Acts of 2001, being MCL 141.2601 to 141.2613 of the Michigan Compiled Laws, except that the borrowing of money and issuance of bonds by the Academy is not subject to section 1351a(4) or section 1351(2) to (4) of the Code. Bonds issued by the Academy are subject to the revised municipal finance act, 2001 PA 34, MCL 141.2101 to 141.2821.

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 public school academies. 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 public school academies. 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 approval by the President or Designee of the University after review
and recommendation by the University’s Legal Counsel. Upon University 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 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 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.

Section 9.4. Change in Existing Law. If, after the effective date of this Contract, there
is a change in Applicable Law, which alters or amends the responsibilities and obligations of
either the Academy or the University Board, this Contract shall be altered or amended to reflect
the change in existing laws as of the effective date of such change. To the extent possible, the
responsibilities and obligations of the Academy and the University Board shall conform to and
be carried out in accordance with the change in Applicable Law.

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), (c) or (d), 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 Academy. If during the period between the University Board’s action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the University Board may elect to initiate suspension or revocation of the Contract as set forth in this Article X.

(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 the 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 of the following has occurred:
a) Failure of the Academy to demonstrate improved pupil academic achievement for all groups of pupils or meet the educational goals set forth in this Contract;

b) Failure of the Academy to comply with all Applicable Law;

c) Failure of the Academy to meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship; or

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

Section 10.5. Other Grounds for University Board Revocation. In addition to the statutory grounds for revocation set forth in Section 10.4 and the grounds for an automatic revocation 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 Board 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 Board in connection with the University Board’s approval of the Application, the issuance of this Contract, or the Academy’s reporting requirements under this Contract or Applicable Law;

g) The Academy 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

h) 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. Except for the automatic revocation process set forth in Section 10.7 or the termination of Contract by the University Board in Section 10.2, 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 May Include Conditions to Satisfy University Board’s Contract Reconstitution Obligation. As part of the Plan of Correction, the CSO Director may reconstitute the Academy in an effort to improve student educational performance and to avoid interruption of the educational process. An attempt to improve student educational performance may include, but is not limited to, one of the following actions: (i) removal of 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 the Academy’s authorization to contract with an ESP; or (iv) the appointment of a new Academy Board of directors or a conservator/trustee to take over operations of the Academy. The University Charter Schools Office shall notify the Superintendent of Public Instruction of any Plan of Correction that includes a reconstitution of the Academy to ensure that the Academy is not included on the list of school buildings subject to automatic closure under section 1280c of the Code.

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 6a of the Code ("State’s Automatic Closure Notice"), and the Academy is currently not undergoing a reconstitution as part of a Plan of Correction developed under Section 10.6, then this Contract shall automatically be amended to eliminate the Academy’s authority to operate certain age and grade levels at the site or sites identified in the State’s Automatic Closure Notice. If the State’s Automatic Closure Notice includes all of the Academy’s existing sites, 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 the elimination of certain age or grade levels at the identified site or sites, or if all of the Academy’s existing sites are included in the State’s Automatic Closure Notice, then wind-up and dissolution of the Academy corporation at the end of the current school year. All Academy inquiries and requests for reconsideration of the State’s Automatic 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 PUBLIC SCHOOL ACADEMIES

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 insurance (statutory limits) and Employers' Liability insurance with a minimum of one million dollars ($1,000,000); if the Academy has no employees or leases employees, it must carry Workers' Compensation insurance (statutory limits) on an "if any" basis including Employers' Liability limits of one million dollars ($1,000,000).

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 with primary coverage 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. Educational Service Provider Agreements. The Academy may enter into an ESP Agreement with an ESP to contract out its administrative and/or educational functions and personnel. For the purposes of this Contract, an employee leasing agreement shall be considered an ESP Agreement, and an employee leasing company shall be considered an ESP. Prior to entering any ESP Agreement with an ESP, the Academy shall submit a copy of the final draft ESP Agreement to the University charter Schools Office in a form or manner consistent with the ESP policies of the University Charter Schools Office, which are incorporated into and be deemed part of this Contract. The Charter Schools Office may, from time to time during the term of this Contract, amend the ESP policies and the amended policies shall automatically apply to the Academy without any amendment under Article IX of this Contract. The University Charter Schools Office may disapprove the proposed ESP Agreement submitted by the Academy if the ESP Agreement is contrary to this Contract or Applicable Law. Any subsequent amendment to an ESP Agreement shall be submitted for review by the University Charter Schools Office in the same form and manner as a new ESP Agreement.

Section 11.12. Required Provisions for Educational Service Provider Agreements. Any ESP 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 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 ESP, 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 ESP 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.”

“Compliance with Section 503c. On an annual basis, the ESP agrees to provide the Academy Board with the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Academy Board shall make the information available on the Academy’s website home page, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this Agreement.”

Section 11.13. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, being MCL 15.181 to 15.185 of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 317 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding 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 consultant of an educational service provider or an employee leasing company that has an ESP agreement with the Academy;
(b) An individual simultaneously serving as an Academy Board member and an Academy employee;

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

(d) An individual simultaneously serving as an Academy Board member and 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, official, or consultant, to the University.

Section 11.14. Certain Familial Relationships Prohibited. The Academy Board shall prohibit specifically identified family relationships pursuant to applicable law and the Terms and Conditions of this contract. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited familial relationships for the purposes of this Contract:

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

(i) Is employed by the Academy;
(ii) Works at or is assigned to the Academy
(iii) Has an ownership, officer, policy making, managerial, administrative, non-clerical or other significant role with the Academy’s ESP or employee leasing company.

Section 11.15. 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 11.16. Oath of Public Office. Academy Board members are public officials. Before entering upon the duties of a public school board member, each Academy Board member shall take, sign, and file the constitutional oath of office with the Charter Schools Office.

Section 11.17. 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 University in the same manner and to the same extent as is required for public schools and school districts.

(b) Information to be provided by Educational Service Providers. The agreement between the Academy and the ESP shall contain a provision requiring the ESP 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).
Section 11.18. University Board Invitation to Apply to Convert Academy to School of Excellence. If the University Board is interested in accepting applications to issue contracts to charter Schools of Excellence under Part 6e of the Code, MCL 380.551 et seq. (“Part 6e”), and the University Board determines that the Academy meets the University Board’s and the Code’s eligibility criteria for applying to convert the Academy to a School of Excellence, then the University Board may invite the Academy to submit an application to apply for a contract to convert the Academy to a School of Excellence. In accordance with the Code, the University Board shall establish its own competitive application process and provide the necessary forms and procedures to eligible public school academies.

ARTICLE 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:

Charter Schools Office Director
Grand Valley State University
201 Front Avenue, SW., Suite 310
Grand Rapids, Michigan 49504

If to Academy:

Board President
Faxon Language Immersion Academy
28555 Middlebelt Road
Farmington Hills, MI 48334

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 6a of the Code or actions taken by the University Board as an authorizing body under Part 6a of the Code, the University Board’s consideration of or issuance of a Contract, the Academy’s preparation for and operation of a public school, or which are incurred as a result of the reliance of the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the failure of the Academy to perform its obligations under this Contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of 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 ESP. 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.

Section 12.14. **Term of Contract.**

(a) **Initial Term of Contract.** Except as otherwise provided in Section 12.14 (b) set forth below, this Contract shall commence on July 1, 2012, and shall remain in full force and effect for seven (7) years until June 30, 2019, 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, 2019, 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 Service Provider. 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 Service Providers 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.

(ix) If the Academy, for any reason, is unable to enroll students and conduct classes by October 1, 2012, then this Contract is automatically terminated without further action of the parties.

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), the Academy will be eligible for consideration of a new contract term.

Section 12.15. Survival of Provisions. The terms, provisions, and representations contained in Section 11.4, Section 11.17, Section 11.12, 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 Applicable Law.
As the designated representative of the Grand Valley State University Board of Trustees, I hereby issue this Contract to the Academy on the date set forth above.

GRAND VALLEY STATE UNIVERSITY
BOARD OF TRUSTEES
By: [Signature]
University President or his/her designee

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 the terms and conditions of this Contract.

FAXON LANGUAGE IMMERSION ACADEMY

By: [Signature]
Academy Board President
SCHEDULE 1

METHOD OF SELECTION RESOLUTION
AUTHORIZING RESOLUTION
CERTIFIED COPY OF RESOLUTION ADOPTED BY THE BOARD OF TRUSTEES OF
GRAND VALLEY STATE UNIVERSITY ON APRIL 27, 2012:

Authorization of Faxon Language Immersion Academy 6a Contract

WHEREAS, the Michigan Legislature has provided for the establishment
of public school academies as part of the Michigan public school system
by enacting Act No. 362 of the Public Acts of 1993; and

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

WHEREAS, the Michigan Legislature has mandated that public school
academy contracts be issued on a competitive basis taking into
consideration the resources available for the proposed public school
academy, the population to be served by the proposed public school
academy, and the educational goals to be achieved by the proposed public
school academy; and

WHEREAS, the Grand Valley State University Board of Trustees, having
requested applications for organizing public school academies and having
reviewed the applications according to the provisions set forth by the
Michigan Legislature;

NOW, THEREFORE, BE IT RESOLVED:

1. That the application for Faxon Language Immersion Academy
(“Academy”), located at 38555 Middlebelt Road, Farmington
Hills, MI 48334, submitted under Section 502 of the Revised
School Code, meets the Board of Trustees’ requirements and the
requirements of applicable law, is therefore approved;

2. That the Board of Trustees establishes the method of selection,
length of term and number of members of the Academy’s Board of
Directors as follows:

Method of Selection and Appointment of Academy Board
Members:

1 Campus Drive • Allendale, MI 49401-9403 • (616) 331-5000
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.

3. 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.

4. 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.

5. 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.

6. **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.

7. **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  

8. **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.

9. **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.

10. **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:

<table>
<thead>
<tr>
<th># of Academy Board positions</th>
<th># required for Quorum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five (5)</td>
<td>Three (3)</td>
</tr>
<tr>
<td>Seven (7)</td>
<td>Four (4)</td>
</tr>
<tr>
<td>Nine (9)</td>
<td>Five (5)</td>
</tr>
</tbody>
</table>

11. **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:

<table>
<thead>
<tr>
<th># of Academy Board positions</th>
<th># for Quorum</th>
<th># required to act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five (5)</td>
<td>Three (3)</td>
<td>Three (3)</td>
</tr>
<tr>
<td>Seven (7)</td>
<td>Four (4)</td>
<td>Four (4)</td>
</tr>
<tr>
<td>Nine (9)</td>
<td>Five (5)</td>
<td>Five (5)</td>
</tr>
</tbody>
</table>

12. **Initial Members of the Board of Directors:** The Grand Valley State University Board of Trustees appoints the following persons to serve as the initial members of the Academy’s Board of Directors for the designated term of office set forth below:

Bernd G. Barthel 1 year term expiring June 30, 2013
Bernard M. Cohen 1 year term expiring June 30, 2013
Jennifer L. Gerrard 2 year term expiring June 30, 2014
Ann E. Klein 2 year term expiring June 30, 2014
Linda S. Lax 3 year term expiring June 30, 2015
Linda M. Robinson 3 year term expiring June 30, 2015
Jamina E. Tepley 3 year term expiring June 30, 2015

13. The Board of Trustees approves and authorizes the execution of a contract to charter a public school academy to the Academy and authorizes the University President or designee to issue a contract to charter a public school academy and related documents (“Contract”) to the Academy, provided that, before execution of the Contract, the University President or 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 and Applicable Law. This resolution shall be incorporated in and made part of the Contract.

14. Within ten days after the Board of Trustees issues the Contract, the Director will submit the Contract to the Michigan Department of Education. Pursuant to the State School Aid Act of 1979, the Michigan Department of Education shall, within thirty days after the Contract is submitted to the Michigan Department of Education, issue a district code number to each public school academy that is authorized under the Revised School Code and is eligible to receive funding under the State School Aid Act. By approving and issuing the Contract, the Board of Trustees is not responsible for the Michigan Department of Education’s issuance or non-issuance of a district code number. As a condition precedent to the Board of Trustees’ issuance of the Contract, the Applicant, the Academy and the Academy’s Board of Directors
shall acknowledge and agree that the Board of Trustees, Grand Valley State University, its officers, employees and agents are not responsible for any action taken by the Academy in reliance upon the Michigan Department of Education's issuance of a district code number to the Academy, or for any Michigan Department of Education's decision resulting in the non-issuance of a district code number to the Academy.

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 May 2012.

[Signature]

Teri L. Losey, Secretary
Board of Trustees
Grand Valley State University
SCHEDULE 2

ARTICLES OF INCORPORATION
This is to Certify that the RESTATED ARTICLES OF INCORPORATION - NONPROFIT
for
FAXON LANGUAGE IMMERSION ACADEMY

ID NUMBER: 71202Y

received by facsimile transmission on June 27, 2012 is hereby endorsed
Filed on June 28, 2012 by the Administrator.

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

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 28TH day of June, 2012.

Director

Bureau of Commercial Services
**RESTATED ARTICLES OF INCORPORATION**

For use by Domestic Nonprofit Corporations

(Please read information and instructions on the last page)

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

1. The present name of the corporation is Faxon Language Immersion Academy.
2. The identification number assigned by the Bureau is 71202Y.
3. All former names of the corporation are:
4. The date of filing the original Articles of Incorporation was May 10, 2012.

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

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

**ARTICLE I**

The name of the corporation is Faxon Language Immersion Academy ("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 Academy is organized for the purposes of operating as a public school academy in the State of Michigan pursuant to Part 6A of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.

2. The Academy, 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 Academy 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 nonstick, directorship basis.

2. The value of the assets which the corporation possesses is:
   - Real Property: none
   - Personal Property: none

3. The corporation is to be financed under the following general plan:
   a. State school aid payments received pursuant to the State School Aid Act of 1979 or any successor law.
   b. Federal funds.
   c. Donations.
   d. Fees and charges permitted to be charged by public school academies.
   e. Other funds lawfully received.

ARTICLE IV

1. The name of the resident agent at the registered office is Lawrence C. Patrick, Jr.

2. The address of the registered office is:
   500 Griswold, Suite 2400, Detroit, Michigan 48226.

3. The mailing address of the registered office, if different than above:
ARTICLE V

The name and address of the incorporator is as follows:

Name: Lawrence C. Patrick, Jr.
Business Address: 500 Griswold, Suite 2400, Detroit, Michigan 48226.

ARTICLE VI

The corporation is a governmental entity.

ARTICLE VII

Before execution of a contract to charter a public school academy between the Academy’s Board of Directors (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 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 the Academy's Board, the Director, with University President approval, may immediately appoint a person to serve as a 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 Academy's Board of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when an 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 described in this Article VII.

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:

<table>
<thead>
<tr>
<th>Number of Academy Board positions</th>
<th>Number required for Quorum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five (5)</td>
<td>Three (3)</td>
</tr>
<tr>
<td>Seven (7)</td>
<td>Four (4)</td>
</tr>
<tr>
<td>Nine (9)</td>
<td>Five (5)</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th>Number of Board Positions</th>
<th>Number for Quorum</th>
<th>Number required to act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five (5)</td>
<td>Three (3)</td>
<td>Three (3)</td>
</tr>
<tr>
<td>Seven (7)</td>
<td>Four (4)</td>
<td>Four (4)</td>
</tr>
<tr>
<td>Nine (9)</td>
<td>Five (5)</td>
<td>Five (5)</td>
</tr>
</tbody>
</table>

**ARTICLE VIII**

No part of the net earnings of the Academy 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 Academy 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 Academy 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 Academy, Academy Board shall, after paying or making provision for the payment of all of the liabilities of the Academy,
dispose of all of the Academy's assets 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

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

ARTICLE X

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 XI

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

ARTICLE XII

A volunteer director is not personally liable to the Academy 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 Academy;

(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; or

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

If the Academy obtains tax exempt status under section 501(c)(3) of the Internal Revenue Code, the Academy assumes all liability to any person other than the Academy 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 XIII

The Academy 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

(v) 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 XIV

The officers of the Academy's Board shall be a President, Vice-President, Secretary and a Treasurer, each of whom shall be selected by the Academy's Board. 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 Academy.

ARTICLE XV

The Articles of Incorporation shall become effective upon filing. However, the Academy 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.
These Restated Articles of Incorporation were duly adopted on June 27, 2012, 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 board of directors. The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

Signed this day 27th day of June, 2012.

By: [Signature]

[Name]
President
SCHEDULE 3

BYLAWS
BYLAWS

OF

Faxon Language Immersion Academy

ARTICLE I
NAME

This organization shall be called Faxon Language Immersion Academy (the "Academy" or the "Corporation"), which shall be a Michigan public school academy authorized by the Grand Valley State University Board of Trustees.

ARTICLE II
FORM OF CORPORATION

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

ARTICLE III
OFFICES

Section 1. Principal Office. The principal office of the Corporation shall be located in Farmington Hills, County of Oakland, State of Michigan.

Section 2. Registered Office. The registered office of the Corporation may be the same as the principal office of the Corporation, but in any event must be located in the state of Michigan, and be the business office of the registered agent, as required by the Michigan Nonprofit Corporation Act, MCL 450.2101 et seq.

ARTICLE IV
BOARD OF DIRECTORS; MEETINGS; FISCAL YEAR

Section 1. General Powers. The business, property, and affairs of the Corporation shall be managed by its Board of Directors. The Board of Directors may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or pursuant to Part 6A of the Michigan Revised School Code ("Code"), as amended, MCL 380.501 et seq. The Board of Directors may delegate such powers to the officers of the Board of Directors as it deems necessary and to the extent permitted by applicable law.
Section 2. Method of Selection. Directors shall be selected in accordance with the Resolution adopted by the Grand Valley State University Board of Trustees.

Section 3. Length of Term. The term of each member of the Board of Directors shall be three (3) years, except that of the members first appointed, 1/3 shall be appointed for a term of three (3) years, 1/3 shall be appointed for a term of two (2) years, and the remainder shall be appointed for a term of one (1) year. At the first meeting, the Board of Directors shall designate which members of the initial Board of Directors shall serve one (1), two (2), and three (3) year terms. The length of term of the members of the Board of Directors shall commence with the first meeting of the Board of Directors. The initial terms shall commence on the day of appointment and shall initial Board of Directors continue until June 30 of the respective term year. Subsequent terms shall be from July 1 through June 30 of the appropriate year.

Section 4. Number of Directors. The number of members of the shall be 7. The number of members of the Board of Directors shall never be fewer than five (5) nor more than nine (9), as determined from time to time by the University Board.

Section 5. Qualifications. Members of the Board of Directors shall be citizens of the United States. Members of the Board of Directors shall not include: (i) employees of the Academy; (ii) directors, officers, or employees of a management company that contracts with the Academy; (iii) members appointed or controlled by a profit or another non-profit corporation; or (iv) Grand Valley State University officials, as representatives of Grand Valley State University ("University").

Section 6. Oath. All members of the Board of Directors of the Corporation must file an acceptance of office with the University. All members of the Board of Directors of the Corporation shall take the oath of office required by Section 512a(4)(b)(vi) of the Code.

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

Section 8. Removal. Any Director may be removed with cause by a two-thirds (2/3) vote of the Board of Directors of the Corporation or as directed by the University Board.

Section 9. Resignation. Any Director may resign at any time by providing written notice to the Corporation. Notice of resignation will be effective upon receipt or at a subsequent time designated in the notice. A successor shall be appointed as provided in Section 2 of this Article.

Section 10. Annual and Regular Meetings. The Board of Directors shall hold an annual meeting in July of each year. The Board of Directors may provide, by resolution, the time and place, within the state of Michigan, for the holding of regular meetings. The Corporation shall provide notice of the annual and all regular meetings as required by the Open Meetings Act, MCL 15.261 et seq.

Section 11. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any Director. The person or persons authorized to call special meetings of the Board of Directors may fix the place within the state of Michigan for holding any special meeting of the Board of Directors 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 12. Notice; Waiver. In addition to the notice provisions of the Open Meetings Act, notice of any special meeting shall be given at least twenty-four (24) hours prior to the special meeting by written notice, stating the time and place of the meeting, delivered personally or mailed or sent by facsimile to each Director at the Directors business address. If mailed, such notice shall be deemed to be delivered forty-eight (48) hours after it is deposited in the United States mail so addressed, with postage thereon prepaid. If notice is given by facsimile, such notice shall be deemed to be delivered when the facsimile is sent. Any Director may waive notice of any meeting by written statement, or telecopy sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 13. Quorum. A majority of the Directors of the Board of Directors constitutes a quorum for the transaction of business at any meeting of the Board of Directors, but if less than a majority is present at a meeting, a majority of the Directors present may adjourn the meeting from time to time, providing such notice as is required by the Open Meeting Act.

Section 14. Manner of Acting. The act of the majority of the Directors of the Board of Directors shall be the act of the Board of Directors.

Section 15. Open Meetings. All meetings of the Board of Directors, including committee meetings, shall at all times be in compliance with the Open Meetings Act, to the extent the Open Meetings Act is applicable.

Section 16. Board Vacancies. A vacancy on the Board of Directors shall occur as specified in the Code. Any vacancy shall be filled as provided in Section 2 of this Article.

Section 17. Compensation. A Director of the Corporation shall serve as a volunteer director. By resolution of the Board of Directors, the Directors may be paid their expenses, if any, of attendance at meetings of the Board of Directors.

Section 18. Presumption of Assent. A Director of the Corporation who is present at a meeting of the Board of Directors at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the Corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

Section 19. Committees. The Board of Directors, by resolution, may designate one or more committees, each committee to consist of one or more Directors elected by the Board of Directors, which shall have the functions provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution. The Board of Directors may elect one or more of its members as alternate members of any committee who may take the place of any absent member or members at any meeting of a committee, upon request by the Chair of the meeting. Subject to the
Open Meetings Act and other applicable law, each committee shall fix its own rules governing the
conduct of its activities and shall make such reports to the Board of Directors of its activities as the
Board of Directors may request.

Section 20. Fiscal Year, Budget, and Accounting. The fiscal year of the Corporation shall
begin on the first day of July in each year. The Board of Directors, subject to the oversight
responsibilities of the University Board, shall have exclusive control of the budget. The Board of
Directors shall prepare and publish an annual budget in accordance with University Board policy.

ARTICLE V
OFFICERS OF THE BOARD

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

Section 2. Election and Term of Office. The Board of Directors shall elect the initial officers
at a duly noticed meeting prior to July 1, 2012. Thereafter, the officers of the Corporation shall be
elected annually by the Board of Directors at the annual meeting of the Board of Directors. If the
election of officers is not held at that meeting, the election shall be held as soon thereafter as may be
convenient. Each officer shall hold office while qualified or until the officer resigns or is removed in
the manner provided in Section 3.

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

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

Section 5. President. The President shall be a member of the Board of Directors. The
President of the Corporation shall preside at all meetings of the Board of Directors. If there is not a
President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is
absent, then a temporary chair, chosen by the members of the Board of Directors attending the
meeting, shall preside. The President shall be an ex officio member of all standing committees and
may be designated Chair of certain committees by the Board of Directors. The President shall, in
general, perform all duties incident to the office of the President of the Board as may be prescribed
by the Board from time to time.

Section 6. Vice-President. The Vice-President shall be a member of the Board of Directors. In
the absence of the President or in the event of the President's death, inability or refusal to act, the
Vice-President shall perform the duties of President, and when so acting, shall have all the powers
of and be subject to all the restrictions upon the President. The Vice-President shall perform such
other duties as from time to time may be assigned to the Vice-President by the President or by the
Board of Directors.

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

Section 8. Treasurer. The Treasurer of the school shall be a member of the Board of Directors of the school. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the school; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the school 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 school 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 Board of Directors.

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

Section 10. Salaries. Officers of the Board of Directors may not be compensated for their services. They may, however, be reimbursed for traveling and other expenses.

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

ARTICLE VI
CONTRACTS, LOANS, CHECKS AND DEPOSITS;
SPECIAL CORPORATE ACTS

Section 1. Contracts. The Board of Directors may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the Corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Board of Directors authorizes the execution of a contract or of any other instrument in the name of and on behalf of the Corporation, without specifying the executing officers the President or Vice-President, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto.
Section 2. Loans. No loans shall be contracted on behalf of the Corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board of Directors. Such authority may be general or confined to specific instances. No loan, advance, overdraft or withdrawal by a officer or Director of the Corporation, other than in the ordinary and usual course of the business of the Corporation, shall be made or permitted.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation, shall be signed by such officer or officers, agent or agents, of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 5 or 6 of Act No. 105 of the Public Acts of 1855, as amended, being sections 21.145 and 21.146 of the Michigan Compiled Laws.

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

Section 6. Contracts Between Corporation and Related Persons. Any contract or other transaction between this Corporation and one or more of its Directors, or between this Corporation and any firm of which one or more of this Corporation's Directors are members or employees, or in which one or more of this Corporation's Directors are interested, shall be valid for all purposes, notwithstanding the presence of such Director or Directors at the meeting at which the Board of Directors of the Corporation acts upon, or in reference to, such contract or transaction, and notwithstanding the participation of the Director or Directors in such action, if the fact of such interest shall be disclosed or known to the Board of Directors and the Board of Directors shall, nevertheless, authorize, approve and ratify such contract or transaction by a vote of a majority of the Directors present, such interested Director or Directors to be counted in determining whether a quorum is present, but not to be counted as voting upon the matter or in calculating the majority of such quorum necessary to carry such vote. This Section shall not be construed to invalidate any
contract or other transaction which would otherwise be valid under the common and statutory law applicable thereto.

Any director, officer or employee of the Academy, who enters into a contract with the Academy, that meets the definition of contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being section 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirements set forth in Section 3 of the statute. Public disclosure of the contract means as follows:

(i) Prompt disclosure of any pecuniary interest in a contract with the Corporation. The disclosure shall be made a matter of corporate record at a regular or special meeting.

(ii) The contract is approved by a vote of not less than 2/3 of the directors of the Corporation at a regular or special meeting. If applicable, the vote shall be without the vote of the director making the disclosure.

(iii) The Corporation discloses the following summary information in its board minutes:

(a) The name of each party involved in the contract;

(b) The terms of the contract, including duration, financial consideration between parties, facilities or services of the Corporation degree of fulfillment of included in the contract, and the nature and assignment of Corporation employees for the contract; and

(c) The nature of any pecuniary interest.

ARTICLE VII
INDEMNIFICATION

Each person who is or was a trustee, Director, officer or member of a committee of the Corporation and each person who serves or has served at the request of the Corporation as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture or other enterprise, shall be indemnified by the Corporation to the fullest extent permitted by the corporation laws of the State of Michigan as they may be in effect from time to time. The Corporation may purchase and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the Corporation would have power to indemnify such person against such liability under the preceding sentence. The Corporation may, to the extent authorized from time to time by the Board, grant rights to indemnification to any employee or agent of the Corporation to the extent provided under the laws of the State of Michigan as they may be in effect from time to time.

ARTICLE VIII
SEAL
The Board of Directors may provide a corporate seal which shall be circular in form and have inscribed thereon the name of the Corporation, the State of Michigan and the words "Corporate Seal" and "Public School Academy."

**ARTICLE IX**
**AMENDMENTS**

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by obtaining (a) the affirmative vote of a majority of the Board of Directors at any regular or special meeting of the Board of Directors, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements for special meetings, and (b) the written approval of the changes or amendments by the University President. In the event that a proposed change is not accepted by the University President, the University Board shall consider and vote upon a change proposed by the Corporation following an opportunity for a written and oral presentation to the University Board by the Corporation. Amendments to these Bylaws take effect only after they have been approved by both the Corporation Board of Directors and by the University President or the University Board.

These Bylaws were adopted as and for the Bylaws of the Faxon Language Immersion Academy in an open and public meeting, by unanimous consent of the Board of Directors on the 9th day of May, 2012.

\[Signature\]

Secretary

7797995.1 22734/095657
SCHEDULE 4

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 Faxon Language Immersion 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 L. Felek, Director  
Bureau of State and Authority Finance  
Michigan Department of Treasury

Date: May 7, 2012
<table>
<thead>
<tr>
<th>DUE DATE</th>
<th>REPORT DESCRIPTION</th>
<th>SUBMIT TO:</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 2</td>
<td>Board Adopted 2012-2013 School Calendar/School Day Schedule.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 2</td>
<td>Board Adopted Annual Operating Budget for the General Fund and School Service Fund for 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 2</td>
<td>Copy of Notice of Public Hearing for Annual Operating Budget for 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 2</td>
<td>Copy of Parent Satisfaction Survey and Results from 2011-2012, if applicable.</td>
<td>CSO</td>
</tr>
<tr>
<td>July 5</td>
<td>Anti-Bullying Policy, in accordance with Matt’s Safe School Law</td>
<td>CSO</td>
</tr>
<tr>
<td>July 25</td>
<td>DS-4168 Report of Days and Clock Hours of Pupil Instruction for 2011-2012 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 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board Resolution appointing Chief Administrative Officer for 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board Resolution appointing Freedom of Information Act Coordinator for 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board Designated Legal Counsel for 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>August 1</td>
<td>Board adopted Annual Calendar of Regularly Scheduled Meetings for 2012-2013.</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 4</td>
<td>Organizational Chart for 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 4</td>
<td>Board approved Student Handbook 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 4</td>
<td>Board approved Employee Handbook 2012-2013.</td>
<td>CSO</td>
</tr>
<tr>
<td>September 4</td>
<td>Copy of School Improvement Plan covering 2012-2013 academic year.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 1</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 1</td>
<td>Annual Nonprofit Corporation Information Update for 2012.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 12</td>
<td>Audited Financial Statements for fiscal year ending June 30, 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>October 12</td>
<td>Management Letter (comments and recommendations from independent financial auditor) for fiscal year ending June 30, 2012, 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 12</td>
<td>Annual A-133 Single Audit for year ending June 30, 2012 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>
<td>------------</td>
</tr>
<tr>
<td>October 12</td>
<td>DS-4898 PSA Preliminary Pupil Membership Count for September 2012 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 12</td>
<td>Annual Education Report for the 2011-2012 academic year to be submitted and presented at a public meeting.</td>
<td>CSO</td>
</tr>
<tr>
<td>October 29</td>
<td>1st Quarter Financial Statements – quarter ending 09/30.</td>
<td>CSO</td>
</tr>
<tr>
<td>December 3</td>
<td>Academy’s Technology Plan covering 2012-2013 or annual updates thereto.</td>
<td>CSO</td>
</tr>
<tr>
<td>January 7</td>
<td>Modifications to ISD’s Plan for the Delivery of Special Education Services covering 2012-13 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 19</td>
<td>DS-4168-B District Report of Planned Number of Days and Clock Hours of Pupil Instruction for 2012-2013 (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 26</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 2013-2014.</td>
<td>CSO</td>
</tr>
<tr>
<td>June 3</td>
<td>Certificate of Boiler Inspection covering years 2012-2013</td>
<td>CSO</td>
</tr>
<tr>
<td>June 28</td>
<td>Board Approved Amended Budget for 2012-2013 fiscal year (or statement that budget has been reviewed and no amendment was needed).</td>
<td>CSO</td>
</tr>
<tr>
<td>June 28</td>
<td>2012-2013 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 28</td>
<td>Board adopted Letter of Engagement for year ending June 30, 2013 independent financial audit.</td>
<td>CSO</td>
</tr>
<tr>
<td>June 28</td>
<td>Food service license expiring 04/30/2014.</td>
<td>CSO</td>
</tr>
</tbody>
</table>
Ongoing Reporting Requirements  
July 1, 2012 – June 30, 2032

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>
Original/Subsequent Board Policy Reporting Requirements
July 1, 2012 – June 30, 2013

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 renovations/additions, etc.</td>
<td>CSO</td>
</tr>
<tr>
<td>Lease, Deed of Premises or Rental Agreement and subsequent amendments (includes modular units).</td>
<td>CSO</td>
</tr>
<tr>
<td>Curriculum including any additions/deletions.</td>
<td>CSO</td>
</tr>
<tr>
<td>Asbestos Hazardous Emergency Response Act (AHERA) Management Plan. Visit <a href="http://www.michigan.gov/asbestos">www.michigan.gov/asbestos</a> for Michigan’s model management plan. A copy of the “acceptance” letter sent by MIOSHA is also required.</td>
<td>CSO</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>

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

<table>
<thead>
<tr>
<th><strong>Academy Deposit Policy</strong> (date of approval).</th>
<th>CSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>PA 105 of 1855, being MCL 21.146, Section 11.10 of the Charter Contract</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Parental Involvement Policy</strong> (date of approval).</th>
<th>CSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference: MCL 380.1294</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th><strong>Wellness Policy</strong> (date of approval).</th>
<th>CSO</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reference: 42 USC §§ 1751, 1758, 1766; 42 USC § 1773</td>
<td></td>
</tr>
</tbody>
</table>
## Calendar of Additional Reporting Requirements and Critical Dates
**July 1, 2012 – June 30, 2013**

*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 (“SRSR”) 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 6</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>
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SCHEDULE 6

INFORMATION TO BE PROVIDED BY ACADEMY AND EDUCATIONAL MANAGEMENT COMPANY
A. The following described categories of information are specifically included within those to be made available to the public and the University Charter Schools Office by the Academy in accordance with Section 11.17(a) of the Terms and Conditions:

1. Contract;
2. Copies of the executed Constitutional Oath of public office form for each serving Director;
3. List of currently serving Directors with name, address, and term of office;
4. Academy Board meeting calendar;
5. Copy of public notice for all Academy Board meetings;
6. Academy Board meeting agendas;
7. Academy Board meeting minutes;
8. Academy Board approved budget and amendments to budget;
9. List of bills paid for amounts of $10,000.00 or more as submitted to the Academy Board;
10. Quarterly financial reports submitted to the University Charter Schools Office;
11. Curriculum documents and other educational materials submitted to the University Charter Schools Office;
12. Copy of school improvement plan (if required);
13. Copies of facility leases or deeds, mortgages, modular leases and/or deeds;
14. Equipment leases;
15. Proof of ownership for Academy owned vehicles and portable buildings;
16. Academy Board approved management contract with Educational Service Provider;
17. Academy Board approved service contract(s);
18. Office of Fire Safety certificate of occupancy for all Academy facilities;
19. MDE letter of continuous use (if required);
20. Local County Health Department food service permit (if required);
21. Asbestos inspection report and asbestos management plan (if required);

22. Boiler inspection certificate and lead based paint survey (if required);

23. Phase 1 environmental report (if required);

24. List of current Academy staff with their individual compensation as submitted to the Registry of Educational Personnel;

25. Copies of administrator and teacher certificates or permits for all current administrative and teaching staff;

26. Evidence of fingerprinting, criminal background and record checks and unprofessional conduct check required by the Code for all Academy teachers and administrators;

27. Academy Board approved policies;

28. Copy of the annual financial audit and any management letters issued to the Academy Board as part of the audit;

29. Proof of insurance as required by the Contract;

30. Any other information specifically required under Public Act 277 of 2011.

B. The following information is specifically included within the types of information available to the Academy by the ESP (if any) in accordance with section 11.17(b) of the Terms and Conditions:

1. Any information needed by the Academy in order to comply with its obligations to disclose the information listed under (a) above.
SERVICE AGREEMENT

This agreement is between American Charter Education Services, Inc. (hereinafter referred to as "Service Provider") and Faxon Language Immersion Academy (hereinafter referred to as "Client").

I. Time Period:

This agreement will be in effect as of July 1, 2012 and will remain in effect until June 30, 2013, unless terminated earlier in accordance with Section V.5.

II. Devoting the necessary hours to complete all assignments in a timely fashion, Service Provider agrees to provide client with board support, business management, financial reporting and compliance support as follows:

1. Assist Client with the budget preparation process for all funds.
2. Coordinate the financial reporting requirements to ensure a proper integration with the overall budget.
3. Process all purchase order and check requests specifically for the Board.
4. Provide an actual to budget comparison for all funds as requested.
5. Verify and record deposits.
6. Track all fundraising and agency funds.
7. Provide fundraising reports as requested.
8. Provide agency reports as requested.
9. Ensure timely reporting for all programs to include final expenditure reports.
10. Oversee the issuing of approved Purchase Orders to ensure that costs are aligned with the approved budget.
11. Post all invoices to the Accounts Payable system.
12. Generate checks for Client approval in accordance with properly documented requests, or as approved in the annual budget.
13. Post all cash receipts and cash disbursements into the General Ledger on a monthly basis.
15. Post any necessary adjusting journal entries.
16. Generate monthly financial statements (balance sheet with statement of revenues and expenditures) for Client review on a monthly basis comparing actual expenditures to budget.
17. Note where amendments may be necessary to ensure budget compliance.
18. Meet with the Client as needed to review financial documents.
19. Update the Board on the status of financing requirements, documents, payments and all other items related to the Board's compliance requirements under any financing.
20. Perform the functions of the Chief Administrative Officer as defined by the Uniform Budget and Accounting Act as amended (ACT No. 493).
21. Assist school administration with compliance and reporting issues.
22. Assist Client with the development of processes and procedures to ensure the ongoing completion of all tasks beyond the term of this contract.
23. Assist with preparation for annual audit and any field audits.
24. Provide Client with all original records for client's recordkeeping.
25. Attend meetings (regular, special, committee) as scheduled by the Board.
26. Publish notices of meetings in order to comply with Open Meetings Act.
27. Draft and complete minutes of meetings.
28. Maintain Board records and prepare board meeting agendas using Board Docs
   Lt., or by the use of hardcopies, whichever preferred by the Board of
   Directors.
29. Maintain the Board's asset listing:
   a. Implement the ASAP software system.
   b. Provide manpower to tag all equipment and furniture belonging to the
      Board.
   c. Provide manpower to complete an annual inventory of furniture and
      equipment.
   d. Oversee the removal of items from inventory and adjust the listing as
      needed.
   e. Receive purchase requests, invoices and shipping receipts to verify Board
      assets.
   f. Provide inventory reports as requested.
30. Meet at least twice per year with a representative from the National Charter
    Schools Institute to ensure current board policies that are compliant with state
    and federal law.
31. Provide administrative support for the Academy Board of Directors.
32. Carry out other duties as directed by the Academy Board of Directors to
    include at a minimum the following responsibilities:
    a. Receive and open all Board mail. Upload correspondence to Board Docs
       as appropriate.
    b. Process all invoices for payment.
    c. Record deposits when needed.
    d. Document monthly state aid revenue.
    e. Reconcile all bank accounts on a monthly basis.
    f. Follow up on any returned checks.
    g. Coordinate with Board Attorney as needed.
    h. Coordinate with School Leader as needed.
    i. Coordinate with Board President as needed.
    j. Purchase board supplies as needed.
    k. Submit board documents to GVSU Compliance system. office
33. Other services as requested as agreed upon by both parties.

III. Client agrees to:

1. Provide Service Provider with information in a timely manner.
   Information to be provided includes (but may not be limited to):
   a. Initial approved budget
   b. projected revenues and expenditures
   c. original receipts or deposit slips documenting revenues and expenditures
   d. supporting documentation for check requests and purchase orders.
2. Consult with Service Provider when scheduling meetings at which Service
   Provider is to attend.
3. Accept responsibility for maintaining all original records in compliance
   with Michigan's Record Retention policies or other applicable state and
   federal requirements.
Pay Service Provider in a timely manner.

IV. Payment shall be:

Five Thousand Dollars ($5,000) per month, due and payable on or before the 1st of each month for the current month’s invoice. Should school enrollment be less than 200 students, this fee may be renegotiated as agreed to in writing by both parties.

V. Other:

1. Neither Service Provider nor the Client is limited in representation by this agreement and each shall have the right to engage in transactions with other parties.
2. Client is aware that Service Provider has performed similar work for others Academies and this similar work is not to be mistaken as the property of the Client.
3. Client recognizes that Service Provider maintains its own office in Fenton Michigan and conducts work for other charter schools. The work required by this Agreement may be conducted at any location as desired by Service Provider.
4. Client recognizes that Service Provider maintains its own staff. The work required by the Agreement may be conducted by any designated staff as solely deemed necessary by the Service Provider.
5. This Agreement may be cancelled by either party at any time with 90 days prior written notice provided that payment has been made in accordance with Section IV.
6. The Service Provider and Client agree to indemnify, save and hold harmless each other from and against any and all claims, allegations, suits, fines, penalties, expenses, costs, liabilities, and damages, whether in contract, tort or otherwise, arising out of or in connection with each party’s performance of its particular portion of this Agreement by reason of its acts, inaction, omissions, negligence, reckless or intentional conduct except and to the extent such losses arise out of the gross negligence or willful misconduct of the indemnified party.

VI. Acceptance:

[Signatures]

Service Provider

Date

Client

Date
MM1, Inc.

Employee Management Service Agreement

This Agreement (this "Agreement") is effective on the 1st day of July, 2012 by and between MM1, Inc. ("MM1"), whose headquarters or principal place of business is located at 3170 Old Farm Lane, Commerce Twp., Michigan 48390 and Faxon Language Immersion Academy, (the "Academy") a Michigan public school academy, whose headquarters or principal place of business is located at 28555 Middlebelt Road Farmington Hills, MI  48334. This Agreement is supplemented by an Addendum attached hereto and made part hereof and dated as of even date herewith (the "Addendum"). Notwithstanding anything in this Agreement to the contrary, to the extent there is conflict between the language of this Agreement and the Addendum, the language of the Addendum shall control.

RECITALS

A. Through its affiliated network of service providers, MM1 provides human resource related administrative services and employees to the Academy.

B. MM1 desires to contract with the Academy, and the Academy desires to contract with MM1, to obtain human resource related administrative services and employees required for the operation of the Academy’s Business.

IN CONSIDERATION OF THE MUTUAL PROMISES AND BENEFITS CONTAINED IN THIS AGREEMENT, THE PARTIES AGREE AS FOLLOWS:

I. SERVICES

1.1 MM1 agrees to contract to the Academy and the Academy agrees to contract from MM1 the Worksite Employees on the terms and conditions in this Agreement. "Worksite Employees" means all employees assigned to fulfill the Academy worksite job positions as are mutually agreed between the Academy and MM1 and reviewed from time to time. MM1 shall also provide and control all human resources, personnel, payroll, benefits and related administrative functions for Worksite Employees.

1.2 The Academy shall retain control over its business operations, instructional activity and all other matters, including but not limited to: the curriculum, books, equipment and educational supplies; state funding; finances and budgeting; parent relations; student achievement and guidance; student discipline; food; building and property management; transportation; sports and extracurricular activities; purchasing; public relations; Worksite Employee working conditions; and the assignment, direction and supervision of the day to day work of Worksite Employees.

1.3 The Academy and MM1 will consult with each other on personnel related issues including but not limited to: hiring, approving, implementing and supervising compliance with personnel policies, procedures and directives; and evaluating, supervising, disciplining and terminating; however MM1 has ultimate control over these areas.

II. TERM OF AGREEMENT

2.1 Effective Date. MM1 shall provide services commencing on July 1, 2012 ("Effective Date"). This Agreement shall remain in full force and effect through and including June 30, 2013 ("Term").

2.2 Termination. This Agreement shall remain in full force and effect until one of the following occurs:

(a) In the event one party shall be in Default under Section 6.5, the other party may immediately terminate this Agreement.

(b) During the Term of this Agreement, either party may terminate the Agreement with sixty (60) days written notice of intent to terminate.

(c) If the Academy’s Charter Contract issued by the Grand Valley State University (“GVSU”) Board of Trustees is revoked, terminated or a new Charter Contract is not issued to the Academy after expiration of the Academy’s Charter Contract, this Agreement shall automatically terminate on the same date as the Academy’s Charter Contract is revoked, terminated or expires without further action of the parties.
(d) This Agreement shall automatically terminate in the event of a State-mandated shut down of the Academy.

2.3 Dissolution / Bankruptcy. This Agreement shall terminate automatically without notice to the Academy if a petition in Bankruptcy Court is filed by or against the Academy, shall have been voluntarily or involuntarily adjudicated bankrupt by any Court of competent jurisdiction, or if a petition is filed for reorganization of the Academy, or if a receiver shall have been appointed for all or a substantial part of the Academy’s business.

2.4 Obligation upon Termination. On the termination of this Agreement by any party for any reason:

(a) MM1 shall immediately notify in writing each Worksite Employee that his/her employment relationship with MM1 has been terminated, and

(b) The Academy shall immediately notify in writing each Worksite Employee that this Agreement has been terminated. The Academy shall reimburse MM1 for all Worksite Employee compensation, if any, due through the date of termination of this Agreement.

III. PAYMENTS & FEES

3.1 Initial Fee. MM1 has agreed to waive the Initial Fee.

3.2 Service Fees. The Academy shall pay all Fees set forth in Schedule A for services rendered by MM1 pursuant to this Agreement. For new employees hired after execution of this Agreement (as opposed to the Effective Date), the Academy agrees to pay MM1 an Employee Processing Fee of fifteen ($15) dollars per Worksite Employee as set forth in Schedule A.

(a) The Academy’s payment obligation shall continue during normal periods of Worksite Employee absence for vacation, sick leave, legal holidays and short term emergency situations.

(b) The Fees shall be payable during the entire Term of this Agreement and any unpaid fee shall be immediately due upon termination of this Agreement.

3.3 Payment. Payment shall be processed by wire transfer or by Automated Clearing House debit. Payments are due no later than the payroll check date unless the Academy chooses direct deposit for their paychecks ("Due Date"). In that case, payments are due two business days prior to the payroll check date. The Academy acknowledges that MM1 will not release payroll checks until they receive evidence that full payment has been received by the Due Date.

3.4 Reimbursements. In addition to the Service Fees detailed in Schedule A, the Academy shall amend its budget and reimburse MM1 for any and all: (i) additional costs and expenses requested and approved by the Faxon Language Immersion Academy Board of Directors ("Academy Board") in writing in advance; and (ii) increases in Pass-Through Costs (see Schedule A) mandated by state law or regulation. The Academy shall also pay to MM1 all current and future costs incurred by MM1 in connection with Worksite Employees, including but not limited to: (i) all payroll, including any overtime pay that is or becomes due to or owed to any Worksite Employee. (ii) all applicable Federal, State and Local taxes, (iii) all premium contributions in connection with employee benefits, and (iv) all workers compensation premiums, insurance premiums, and unemployment compensation charges applicable to or incurred by MM1 with respect to services rendered pursuant to this Agreement. Any required adjustment to Federal, State or Local taxes or insurance premiums applicable to this Agreement or change in status of the Worksite Employee shall be effective on the date of such adjustment or change in the application of taxes or insurance. The Academy acknowledges that as the employer of record, in addition to the fees received by MM1 pursuant to this Agreement, MM1 shall retain all Federal and state tax benefits, credits or deductions in consideration of services rendered to the Academy pursuant to this Agreement, including but not limited to IRS Sec 125 Plan benefits and savings. Further, the Academy shall reimburse MM1 for any benefits premium unnecessarily incurred by MM1 because a Worksite Employee is laid off or terminated during a benefit month (i.e., the prepaid cost of the premium for the remainder of the month following termination).

3.5 Late Payments. All payments not made or sent by the Academy on or before the due date shall be subject to a late charge of three (3%) percent of the amount due. Checks returned from the Academy’s bank will be subject to the late payment charge of fifty ($50.00) dollars plus any additional costs incurred by MM1. All amounts shall bear interest at the rate of one and one half (1 1/2 %) percent per month, or portion thereof that such amounts remain unpaid.
3.6 **Modification.** Any required adjustment to Federal, State or Local taxes shall be effective on the date of such adjustment or change. In the event MM1 fails to include the additional cost on the next invoice when due the same shall be due retroactive to the date of change, as mandated, and shall be due by the Academy upon receipt of the next invoice.

3.7 **Verification by the Academy.** The Academy will provide MM1 a true, correct and complete list of the Academy’s most recent payroll. MM1, through its Liaison, will verify all time submissions of Worksite Employees. If the Academy believes that there is an error in the Worksite Employees submitted time or payment, it shall be the responsibility of the Academy to communicate and provide written notice of the error. Until corrected, the Academy shall not deduct any amount from payment of its current invoice as a credit or setoff. Errors, upon verification, shall be corrected by an adjustment on the next invoice.

3.8 **Continuing Liabilities.** In the event that this Agreement is terminated, by either party, the Academy shall be responsible for any insurance or employment liabilities prepaid or incurred by MM1 with respect to the Worksite Employees in the ordinary course on a pro rata basis through the date of termination. Such charges shall be paid by the Academy to MM1 upon receipt of an invoice for such amounts.

3.9 **Unemployment Insurance Expense Reimbursement.** In the event of the sale, dissolution, liquidation, reorganization or closing of the Academy’s business which causes MM1 to terminate or lay-off any Worksite Employee assigned to the Academy under this Agreement, the Academy agrees to promptly reimburse MM1 for claims paid for Worksite Employees and related charges incurred by MM1 with respect to such employees prior to such sale, dissolution, liquidation, reorganization or closing of the Academy's business.

3.10 **Workers Compensation Injury Reporting.** In order for MM1 to pro-actively manage workers compensation claims for the benefit of MM1 and the Academy, all work related injuries must be reported by the Academy to MM1 on a First Report of Occupational Injury form (supplied by MM1) within twenty-four (24) hours of injury. A fee of one hundred twenty-five dollars ($125.00) will be charged to the Academy for each work related injury that is not reported on the form supplied by MM1 within forty-eight (48) hours of occurrence.

### IV. WORK ENVIRONMENT & RELATED MATTERS

4.1 **Worksite Employees.** With MM1’s guidance, the Academy shall comply with all safety, health and work laws, regulations and rules at its own expense. With MM1’s guidance, the Academy shall also comply with all safe work practices and use of protective equipment required by Federal, state or Local law at the worksite locations. Accordingly, MM1 shall consult with the Academy, and the Academy shall have certain risks and responsibilities including but not limited to, premises liability, safety risks attendant to the ownership of premises and equipment (which are traditionally assigned to the owner of a business, location, or equipment).

4.2 **The Academy Responsibilities.** The Academy shall at its expense (i) comply with all applicable health and safety laws, regulations, ordinances, directives, and rules of controlling Federal, State and Local government and (ii) will immediately report all employee accidents and injuries to MM1 by completing an Injury Report Form provided by MM1 within twenty-four (24) hours after the accident. The Academy shall provide or ensure use of all personal protective equipment, as required by Federal, State or Local law, regulation, ordinance, directive, or rule or as deemed necessary by MM1. MM1, MM1’s workers compensation carrier and MM1’s liability insurance carrier shall have the right to inspect the Academy’s place of business at all times to insure compliance with this Section and with the terms of this Agreement. MM1, through its Liaison, shall be responsible for providing records of hours worked by the Worksite Employees.

4.3 **Records.** All records and related documents prepared by MM1 or otherwise created in connection with the rendering of services at the Academy’s offices shall be prepared in accordance with practices and procedures determined by MM1 and the Academy. Such records shall be maintained in secured files on the premises of the MM1, and the Academy shall have access to such records at all reasonable times. The Academy may make copies of records necessary for it to perform its duties and obligations under this Agreement. MM1 shall make any and all reports with regard to its employees required by applicable law and shall assist the Academy in timely complying with any and all compliance and reporting obligations it may have to the Michigan and United States Departments of Education, The Grand Valley State University Board of Directors, or as otherwise mandated by applicable law.

4.4 **Working Facilities.** MM1 may utilize the premises and facilities of the Academy in rendering services pursuant to this Agreement, including existing Academy infrastructure, such as office space, internal mail
service, copiers, computers, internet access and email addresses. The Academy shall also bear the cost of providing a workplace that is in compliance with any requirements of the ADAAA of 2008, the Federal Rehabilitation Act or similar Federal, State or Local law.

V. REPRESENTATIONS & WARRANTIES OF THE ACADEMY

The representations and warranties made by the Academy shall survive the termination of this Agreement. The representations and warranties in this Section are deemed to be material and MM1 is entering into this Agreement relying on such representations and warranties. The Academy represents and warrants to MM1 as follows:

5.1 Authorization. The Academy has been duly authorized to execute and deliver this Agreement. The Academy’s execution and performance of this Agreement will not, to the best of the Academy’s knowledge, with or without the giving of notice or the passage of time or both, (a) violate the provisions of any law, rule or regulation applicable to the Academy; (b) violate any judgment, decree, order or award of any court, governmental body or arbitrator; or (c) violate the provisions of any separate contract, agreement or arrangement to which the Academy is bound.

5.2 The Academy Employee Plans. Except as communicated to MM1 in writing prior to the execution of this Agreement:

   (a) List of the Academy Employee Plans. The Academy has supplied MM1 with true and complete list of all pension, 401(k) benefit, profit-sharing, retirement, deferred compensation, welfare, insurance disability, bonus, vacation pay or severance pay and other similar plans, programs and agreements ("Academy Employee Plan") relating to the Worksite Employee(s). The Academy has delivered to MM1 true and complete copies of all the Academy Employee Plans which have been reduced to writing, and all modifications for each Academy Employee Plan.

   (b) Retiree Benefits. No Academy Employee Plan provides health or life insurance benefits for retirees.

   (c) Claims. To the best of Academy’s knowledge, there are no threatened or pending claims, suits or other proceedings by any of the Academy’s former employees, plan participants, beneficiaries or spouses of any of the above, the IRS, the Pension Benefit Guaranty Corporation, or any other person or entity involving any Academy Employee Plan, including claims against the assets of any trust, involving any Academy Employee Plan or any right or benefits there under, other than ordinary pursuant to domestic orders.

   (d) Controlled Group. The Academy is not a member of a "controlled group of corporations" as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended.

5.3 Government Investigations. The Academy has fully disclosed to MM1 all government investigations, lawsuits or other adversary proceeding involving the Academy for five (5) years preceding the execution of this Agreement.

5.4 Contracts and Commitments. Prior to the execution of this Agreement, the Academy has provided MM1 a true and correct copy of each of the following with respect to the Academy’s former employees: all collective bargaining, trust, non-competition, employment and consulting agreements, executive compensation, employee stock option and stock purchase, and group life, health and accident insurance and other similar plans, agreements, memoranda or understanding, arrangements or commitments regarding Academy employees to which the Academy is a party or by which the Academy is bound.

5.5 Workers’ Compensation Information. The Academy has provided MM1 with (a) insurance policies covering its former employees for a period of not less than one (1) entire calendar year immediately preceding the execution of this Agreement and all renewal letters regarding such policies, whether or not such policies were, in fact, renewed; and (b) audits regarding such policies for the same time, whether or not such audit was conducted or requested during or after the effective dates of such coverage(s). With respect to such information, the Academy represents that, to the best of its knowledge, the audit information, classification codes and experience modification information provided is complete and accurate and that no information is omitted that would, by its omission, cause such information to be misleading. The Academy acknowledges that, if not provided, there is no known audit or request for audit currently pending or outstanding. In the event MM1 incurs any charges or surcharges on behalf of the Academy following an audit of MM1 relating to the
Academy’s business after the date of this Agreement, whether or not such charges or surcharges relate to claims experience, employees classification code changes or otherwise, the Academy shall be fully responsible and shall indemnify MM1 for such charges and / or surcharges attributable to the Academy’s business and / or Worksite Employees.

5.6 Employer Relations.

(a) Compliance. The Academy is in compliance with all Federal, State and Local laws respecting employment practices, terms and conditions of employment, wages and hours, and is not engaged in any discriminatory employment or unfair labor practice. There are no arrearages in the payment of wages, taxes or workers compensation assessment or penalties.

(b) Labor Practices. Except as the Academy has disclosed in writing prior to the execution of this Agreement:

(i) None of the Academy’s former Employees are represented by any labor union and, there is no unfair labor practice complaint against the Academy pending before the National Labor Relations Board or any State or Local agency.

(ii) There is no pending labor strike or other material labor strike or other material labor trouble affecting the Academy and there is no material labor grievance pending against or affecting the Academy.

(iii) There are no pending arbitration proceedings arising out of or under any collective bargaining agreement to which the Academy is a party, or to the best of the Academy’s knowledge, any basis for which a claim may be made under any collective bargaining agreement to which the Academy is a party affecting the Academy’s former employees; and

(iv) There is no pending litigation or other proceeding or basis for an unasserted claim against the Academy by any of the Academy’s former employees or group of former employees which is based on claims arising out of any of the Academy’s former employee’s employment relationship with the Academy, including, but limited to, claims for breach of contract, tort, discrimination,employee benefits, wrongful termination or any common law or statutory claims.

(c) Taxes. The Academy has deducted and remitted to the relevant government authority all taxes, contributions and other amounts required by statute, law or regulation.

V. COVENANTS OF PARTIES

6.1 School Safety Legislation. MM1 acknowledges that all Worksite Employees, or any other personnel provided by MM1 to the Academy must be in compliance with all the Academy policy, procedures, rules and regulations. MM1 acknowledges and agrees that unless the Academy notifies MM1 that it is not subject to the provisions of Michigan Public Act 84 of 2006, as amended, MM1 shall promptly have all Worksite Employees or other personnel who will be on the Academy premises, fingerprinted and subjected to criminal history and background checks through the Michigan State Police and Federal Bureau of Investigation, as detailed in Public Act 84 of 2006, as amended. MM1 further agrees to promptly provide the Academy with a copy of all fingerprinting and criminal history background reports. Additionally, unless notified it is not subject to Michigan Public Act 84 of 2006, as amended, MM1’s represents and warrants to the Academy that it will at all times during the Term of this Agreement be in compliance with the provisions of Michigan Public Act 84 of 2006, as amended, including, but limited to, reporting to the Academy within 3 business days of when any, employees, who will be on the Academy’s premises, is/are charged with a crime listed in Section 1535a(1) or 1539b(1) of the Revised School Code, being MCL 380.1535a(1) and 380.1539b(1), or a substantially similar law, and to immediately report to the Academy if that person is subsequently convicted, plead guilty or plead no contest to that crime. In addition to the other indemnity provisions herein, MM1 shall indemnify, defend and hold the Academy, its employees, administrators, the Academy Board, and each member thereof in their official and individual capacities, agents and consultants, harmless from and against any and all claims, counter-claims, suits, debts, demands, actions, judgments, liens, liabilities, costs, expenses, including actual attorneys fees and actual expert witness fees, arising out of or in connection with any violation of, or MM1’s failure to comply with, the requirements of Michigan Public Act 84 of 2006, as amended, or this subsection.

6.2 Liability Insurance. The Academy shall furnish upon signing this Agreement and keep in full force and effect at all times during the Term of this Agreement general liability insurance in an amount not less than one
million ($1,000,000) dollars. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. MM1 and the Academy shall maintain such policies of insurance as required by the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) and the Academy’s Charter Contract issued by the GVSU Board of Trustees (the "Charter Contract") or Applicable Law. In the event that M.U.S.I.C. requests any change in coverage by MM1, MM1 agrees to comply with any change in the type and amount of coverage as requested by M.U.S.I.C. within thirty (30) days after notice of the insurance coverage change.

6.3 **Motorist Insurance.** In the event that a MM1 employee is assigned to fill a job function requiring the employee to operate a vehicle for the Academy, the Academy shall furnish liability insurance. The policy shall insure against public liability for injury and property with a minimum combined single limit of five hundred thousand ($500,000) dollars. The policy shall include uninsured motorist coverage with limits of no less than one hundred thousand ($100,000) dollars. In states where "no-fault" laws apply, equivalent personal injury and property damage coverage shall be included. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. This coverage period shall survive this Agreement.

6.4 **Indemnification.**

(a) **The Academy.** To the extent permitted by law, the Academy agrees to defend, indemnify and hold harmless MM1, its officers, directors, shareholders, agents and employees from any claims made by Worksite Employees for any claims, demands, losses, costs, fees, penalties, fines or damages arising from any actions, conduct or omissions of the Academy or its officers, directors, shareholders, agents or employees. Such claims shall include, but are not limited to, charges of discrimination brought through the State Department of Labor, the Equal Opportunity Commission, the Workers’ Compensation Bureau (or such similar department, commission or board other than State), fees and lawsuits alleging failure to comply with Federal and State wage and hour laws, wrongful termination, discrimination, denial of due process or other employment-related causes of actions resulting from employee discipline or termination. The Academy shall defend and indemnify MM1, its officers, directors, shareholders, agents and employees from employee claims of sexual harassment by the Academy. The duty to defend includes the right to select counsel and duty to pay actual attorney’s fees incurred in defending such claims, and the duty to indemnify includes the duty to pay any award imposed by an administrative agency, judgment or settlement against MM1.

(b) **MM1.** MM1 agrees to defend, indemnify and hold harmless the Academy, their officers, directors, shareholders, agents and employees for any claims, demands, losses, costs, fees, penalties, fines or damages arising from any actions, conduct or omissions of MM1 or its officers, directors, shareholders, agents or employees. Such claims shall include, but are not limited to, charges of discrimination brought through the State Department of Labor, the Equal Opportunity Commission, the Workers’ Compensation Bureau (or such similar department, commission or board other than State), fees and lawsuits alleging failure to comply with Federal and State wage and hour laws, wrongful termination, discrimination, denial of due process or other employment-related causes of action. MM1 shall defend and indemnify the Academy, its officers, directors, shareholders, agents and employees from employee claims of sexual harassment by MM1. The duty to defend includes the right to select counsel and duty to pay actual attorney’s fees incurred by the Academy in defending such claims, and the duty to indemnify includes the duty to pay any award imposed by an administrative agency, judgment or settlement against the Academy.

(c) **GVSU.** The parties acknowledge and agree that GVSU, its Board of Trustees, and its members, officers, employees, agents or representatives (collectively "University") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiary, MM1 hereby promises to indemnify, defend and hold harmless the University from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, demands, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees) settlement and prosecution imposed upon or incurred by the University, 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 approval of the Academy’s application, the University Board's consideration of or issuance of a Contract, MM1’s preparation for or operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by MM1, or which arise out of MM1’s failure to comply with the
Contract or applicable law. The parties expressly acknowledge and agree that the University may commence legal action against MM1 to enforce its rights as set forth in this section of the Agreement.

6.5 **Default.** Either party shall be in "Default" under this Agreement if following ten (10) days written notice from the other (provided, however, such period shall be extended for an additional reasonable period if the default is of a non-monetary nature and is such that it cannot be cured within ten [10] days and the party has diligently commenced the curing of such default and is diligently pursuing the same to completion) the party has failed to cure a material breach of this Agreement or any bankruptcy, receivership or insolvency proceeding is instituted by or against the party. Any action or inaction by MM1 pertaining to this Agreement that causes the Academy’s Charter Contract to be in default or to be terminated is a material breach of the Agreement.

6.6 **Compliance with Employment Related Laws.** The Academy and MM1 shall comply with all state and Federal Employment Related laws, including but not limited to the following:

(a) All Local, State and Federal laws relating to equal employment opportunity and nondiscrimination in employment. MM1 shall not be responsible for any action taken by the Academy with respect to the Worksite Employees, unless the Academy secures prior written authorization from MM1.

(b) The Academy shall, upon request by MM1, make available comparable employment opportunities to Worksite Employees eligible for reinstatement following leave as required by the Family & Medical Leave Act ("FMLA") or any comparable law, the Academy shall bear the sole cost of compliance for any Worksite Employee eligible for reinstatement under the FMLA unless such noncompliance is caused by MM1.

(c) The Academy shall, upon request by MM1, make available a reasonable accommodation to any Worksite Employee entitled to such as required by the Americans with Disabilities Act ("ADA"), the Federal Rehabilitation Act or any comparable law. The Academy shall bear the sole cost of providing a reasonable accommodation to any Worksite Employee. The Academy shall bear the sole cost of providing a workplace that is in compliance with any applicable architectural requirements of the ADA, the Federal Rehabilitation Act or similar Local, State or Federal law.

(d) The Academy shall give MM1 not less than thirty (30) days advance written notice of: (i) any temporary or permanent shutdown of any facility, site of employment or employment unit; or (ii) any reduction in force resulting in the layoff of one-third or more of the persons (counting the Academy employees, Worksite Employees or both) working at any single facility, site of employment or employment unit of the Academy. The Academy shall give equivalent notice to MM1 with respect to the Federal Worker Adjustment Retraining and Notification Act and any comparable law.

(e) The Academy shall immediately notify MM1 of any personnel action involving or affecting a Worksite Employee that would qualify as a qualifying event under the continuation coverage of COBRA. The Academy shall immediately notify MM1 of any qualifying event affecting any plan beneficiary that would qualify as a qualifying event under COBRA.

(f) No individual shall be considered to be engaged as a Worksite Employee until MM1 has received and reviewed, to its sole satisfaction, sufficient pre-employment documentation submitted to MM1 within 48 hours of acceptance of employment, including but not limited to Form INS-9 and IRC W-4.

**VII. REPRESENTATIONS & WARRANTIES OF MM1**

The representation and warranties made by MM1 shall survive the termination of this Agreement. The representations and warranties in this Section are deemed to be material and the Academy is entering into this Agreement relying on such representations and warranties. MM1 represents and warrants to the Academy as follows:

7.1 **Authorization.** MM1 has been duly authorized to execute and deliver this Agreement. MM1’s execution and performance of this Agreement will not, to the best of its knowledge, with or without the giving for the passage of time or both, violate the provisions of any law, rule or regulation applicable to MM1.

7.2 **Government Investigations.** MM1 has fully disclosed to the Academy all government investigations, lawsuits or other adversary proceeding involving MM1 for five (5) years preceding the execution of this Agreement.
Compliance. MM1 is in compliance with all Federal, State and Local laws respecting employment practices, terms and conditions of employment, wages and hours, and is not engaged in any discriminatory employment or unfair labor practice. There are no arrearages in the payment of wages, taxes or workers compensation assessment or penalties.

VIII. MUTUAL OBLIGATIONS

8.1 Waiver of Subrogation. Each party releases and discharges the other party, and any officer, agent, employee or representative of such party, from any liability whatsoever arising from the loss, damage or injury, for any reason, for which insurance is carried by the insured party at the time of such loss, damage or injury, to the extent of any recovery by the insured party. Provided, however, this paragraph shall not apply if its application would invalidate insurance protection.

8.2 Mutual Cooperation. The parties agree that, except where conflicts prevent it, they shall render to each other reasonable assistance and shall cooperate in good faith with each other to ensure the proper and adequate defense of any claim, action, suit or proceeding brought by a third party.

8.3 Confidentiality. The parties agree to cooperate in such a manner as to preserve and uphold the confidentiality of all business records and the attorney-client and work-product privileges, subject to the Freedom of Information Act and the disclosure provisions of the Michigan Revised School Code (the “Code”).

IX. MISCELLANEOUS

9.1 Governing Law. This Agreement shall be interpreted and enforced under the laws of the State of Michigan applicable to contracts made and to be performed entirely within the State without giving effect to choice of law principles of the State. Any claim or controversy arising out of or relating to this Agreement or breach thereof, shall be litigated in the Wayne County Circuit Court or the U.S. District Court for the Eastern District of Michigan. The prevailing party shall be awarded its reasonable attorney fees and costs.

9.2 Independent Contractor. MM1 is an independent contractor of the Academy and neither party is the agent of the other, except for the purposes of the Family Educational Rights and Privacy Act (“FERPA”). The Academy designates MM1 and the employees of MM1 as agents of the Academy having a legitimate educational interest such that they are entitled to access to educational records under 20 U.S.C. §1232g, FERPA.

9.3 Enrolling New Worksite Employee.

   (a) Selection of Worksite Employees. MM1 shall engage new Worksite Employees only as set forth below. The Academy, through its Chief Administrative Officer, shall recommend all job candidates to MM1 for interview and potential hiring, and shall not offer employment to any individual without consent of MM1. MM1 shall employ and assign to the Academy all such qualified and certified classroom teachers, instructors and support staff that the Academy, through its Chief Administrative Officer, approves and deems necessary to accomplish the educational mission of the Academy, and as provided in the Academy’s approved budget and as directed by the Academy Board. Based upon recommendations by the Academy, MM1 shall make the final selection of all Worksite Employees assigned to the Academy. MM1 shall comply with the Immigration Reform and Control Act.

   (b) Hiring, Evaluating, Supervising, Disciplining and Firing. MM1 shall have the ultimate authority and control over hiring, evaluating, supervising, disciplining and firing of Worksite Employees. The Academy shall not terminate any Worksite Employee without prior consent of MM1 and shall abide by all reasonable directives from MM1 regarding personnel matters, it being understood that MM1 retains ultimate control over all personnel decisions involving Worksite Employees.

   (c) MM1 Requirements. MM1, or its designated subcontractor (approved by the Academy) shall be responsible for performing all pre-employment, background, license and eligibility review and other screening and investigation required by Federal, State or Local law, including the Code, as if employed by the Academy directly. Employment records of Worksite Employees shall be made available to the Academy upon request for purposes of auditing such records for compliance with applicable law. An FBI and State Police records check as required by the Code shall be obtained by MM1 and paid for by the Academy regarding each Worksite Employee for whom such records check has not already been completed.
9.4 **Assignment/Amendment.** This Agreement may not be assigned by either party without prior written consent of the other party and notice to GVSU. None of the terms and provisions of this Agreement may be modified or amended except by an instrument in writing executed by each party and in a manner consistent with GVSU’s Educational Service Provider Policies.

9.5 **Severability.** If any provision of this Agreement should be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected thereby and the provision deemed invalid, illegal, or unenforceable shall be construed and enforced to the greatest extent legally possible.

9.6 **Waiver.** Failure by either party to require performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any subsequent breach nor prejudice either party with regard to any subsequent action.

9.7 **Section Headings.** The Section Headings of this Agreement are for the convenience of the parties only and in no way alter, modify, limit or restrict contractual obligations of the parties.

9.8 **Forms.** The Academy shall utilize forms provided by MM1 unless otherwise required by law or regulation.

9.9 **Notices.** Any notice or other communication required by this Agreement shall be sufficiently given in writing and delivered personally, sent by confirmed facsimile transmission, overnight air courier (postage prepaid), or by registered or certified mail (postage prepaid with return receipt requested) addressed as follows:

For the Academy, to:

Faxon Language Immersion Academy
28555 Middlebelt Rd.
Farmington Hills, MI 48334

with a copy to:

Deborah Baughman, Esq.
Jaffe, Raitt, Heuer & Weiss, PC
27777 Franklin Road, Ste. 2500
Southfield, MI 48034

For MM1, to:

Ralph Cunningham
MM1, Inc.
3170 Old Farm Lane
Commerce Township, MI 48390

with a copy to:

David L. Steinberg, P.C.
1900 S. Telegraph, Suite 201
Bloomfield Hills, MI 48302

9.10 **Entire Agreement.** This constitutes the entire agreement between the parties with regard to the subject matter herein. No prior oral or written agreement, practice or course of dealing between the parties relating to the subject matter herein shall supersede this Agreement.

9.11 **Authorization.** The individual executing this Agreement is authorized on behalf of the Academy to bind the Academy to the terms set forth herein.

Faxon Language Immersion Academy
Board of Directors Member
28555 Middlebelt Rd.
Farmington Hills, MI 48334

MM1, Inc.
Ralph Cunningham, President
3170 Old Farm Lane
Commerce Twp., MI 48390

Faxon Language Immersion Academy,
a Michigan public school academy
MM1, Inc.,
a Michigan corporation

9.12 **Counterparts.** This Agreement may be executed in counterparts, each of which taken together shall be deemed to be one agreement.

(Signatures on Next Page)
By: 

Jamia Tepley

Its: President

Dated: 6-12, 2012

By: Ralph Cunningham

Its: President

Dated: 6-28, 2012
ADDENDUM TO EMPLOYEE MANAGEMENT SERVICES AGREEMENT DATED EFFECTIVE AS OF JULY 1, 2012, BY AND BETWEEN THE FAXON LANGUAGE IMMERSION ACADEMY, A MICHIGAN PUBLIC SCHOOL ACADEMY AND MM1, INC.

This Addendum (this "Addendum") to the above-entitled Employee Management Services Agreement (the "Agreement") is effective the 1st day of July, 2012, by and between the Faxon Language Immersion Academy, a Michigan public school academy (the "Academy") and MM1, Inc., a Michigan Corporation ("MM1") with reference to the following:

RECITALS:

WHEREAS, the parties have entered into the above referenced Agreement with respect to provision by MM1 to the Academy of human resource related administrative services and Worksite Employees; and

WHEREAS, the parties desire to supplement certain provisions of the Agreement to reflect their mutual understanding as to certain agreed upon changes; and

WHEREAS, all capitalized terms herein, unless otherwise defined or modified hereby, shall have the same meaning for such terms as set forth in the Agreement.

NOW, therefore for valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

1. On-site Supervision and Worksite Employee Evaluation. MM1 and the Academy shall select a Worksite Employee assigned to a staff/administrative position at the Academy to serve as the “Liaison.” The Liaison shall bear the responsibility to coordinate and monitor the evaluation and supervision of teaching, maintenance and administrative personnel, as well as the other duties and obligations of MM1. The Academy Chief Administrative Officer and Liaison shall jointly conduct all performance evaluations of Worksite Employees. The Liaison shall assist with human resources and personnel matters on the Academy’s premises during normal business hours and the Liaison shall coordinate with and advise MM1 as to the status of such matters at such times as requested by MM1’s home office. The Chief Administrative Officer shall determine the procedures to be followed by Worksite Employees in the day-to-day performance of their job duties.

2. Personnel Requirements. The Academy, through its Chief Administrative Officer, shall advise MM1 of the teachers, instructors, and administrators required by the Academy to perform its mission, as provided in the budget adopted by the Academy Board. Job descriptions and qualifications shall be consistent with Schedule 5 of the Charter Contract (as defined in the Agreement). MM1 shall comply with the Code with respect to the evaluation and compensation systems. (See Sections 1249 and 1250 of the Code). By July 15, 2012, the Academy Board shall adopt a personnel classification and pay plan and provide such plan to MM1. The Academy Board shall notify MM1 of any significant changes in the level of funding provided to the Academy.

3. Worksite Employee Handbook and Policies. MM1 shall assist the Academy in developing a handbook of personnel policies and procedures, which policies and procedures shall guide MM1 with respect to the discipline, layoff or termination of Worksite Employees. Such handbook of personnel policies and procedures will become effective following review and adoption by the Academy Board. If a Worksite Employee has a problem or dispute regarding a co-worker, a student, parent, supplies or any other matter, the Worksite Employee shall first bring the problem or dispute to the attention of the MM1 Liaison. If the problem or dispute is not resolved in a reasonable time period, the Worksite Employee shall take the matter to the Academy Chief Administrative Officer and, if not resolved, to the Academy Board.

4. Personnel Issues. In the event the Academy becomes dissatisfied with the performance of any individual Worksite Employee, the Academy shall notify MM1, in writing, setting forth the nature of the dissatisfaction, the proposed remedial action, and any specific action requested. Upon receipt of such notice from the Academy, MM1 agrees to promptly take such specific action requested; provided however, if such specific action requested is to terminate said Worksite Employee's employment at the Academy's premises, MM1 shall promptly suspend and
promptly remove such Worksite Employee from the Academy's premises until MM1 is able to investigate such request and make a decision as to such Worksite Employee's employment at the Academy's premises.

5. **Compensation and Benefits.** MM1 shall present to the Academy Board, on a frequency established by the Academy, the level of compensation and fringe benefits provided to Worksite Employees.

6. **Authority.** Neither MM1 nor any provision of the Agreement shall interfere with the Academy Board's duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of the Academy. The Agreement shall not in any way restrict the Academy Board from acting as an independent, self-governing public body, or allow public decision to be made other than in compliance with the Open Meetings Act.

7. **Governmental Immunity.** The Agreement does not in any way require the Academy Board to assert, waive or not waive its governmental immunity.

8. **Deposit of Funds.** No provision of the Agreement shall affect the right of the Academy Board to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required by law. The signatories on the depository account shall solely be properly designated Academy Board member(s). Interest income earned on Academy depository accounts shall accrue to the Academy.

9. **Payment.** The Academy Board shall either pay or reimburse MM1 for approved fees or expenses upon properly presented documentation and approval by the Academy Board or a properly designated Academy Board member. The Academy Board may advance funds to MM1 for the fees or expenses associated with the Academy's operation provided that satisfactory documentation for the fees and expenses are supplied for Academy Board ratification.

10. **Academy Records.** The financial, educational and student records pertaining to the Academy are Academy property and shall be kept confidential, subject to the Freedom of Information Act and the Michigan Revised School Code. All Academy records shall be physically or electronically available, upon request, at the Academy’s physical facilities. Except as permitted under the Charter Contract and applicable law, this Agreement shall not restrict GVSU’s or the public's access to Academy records. All records should be kept in accordance with applicable State and Federal requirements.

11. **Access to MM1 Records.** All financial and other records of MM1 related to the Academy shall be made available to the Academy and/or its independent auditor, who shall be solely selected by the Academy Board.

12. **Purchases.** All equipment, materials and supplies purchased by MM1 on behalf of or as agent of the Academy, shall be and remain the property of the Academy. MM1 agrees to comply with Section 1274 of the Revised School Code as if the Academy were making these purchases directly from a third party supplier. If MM1 procures equipment, materials and supplies at the request of or on behalf of the Academy, no added service charges or administrative fees shall be imposed.

13. **Proprietary Rights.** All curriculum and educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by MM1 at the direction of the Academy Board with Academy funds dedicated for the specific purpose of developing such curriculum or materials, shall be the sole proprietary property of the Academy. Those curriculum or educational materials developed or copyrighted by MM1 prior to the date of the Agreement, or that are not otherwise dedicated for the specific purpose of developing Academy curriculum or educational materials, shall be the sole proprietary property of MM1. All educational materials, from any source, as well as teaching techniques used by the Academy, are subject to disclosure under the Revised School Code and the Freedom of Information Act.

14. **Personnel Responsibility.** MM1 shall be responsible for administration and provision of benefits, salaries, worker's compensation, unemployment compensation and liability insurance and for maintenance of Worksite Employees’ personnel files and all other employee records required by state and/or Federal law and the Charter Contract for Worksite Employees and other employees working on Academy operations.

15. **Marketing and Development.** Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program as approved by the Academy Board, and shall not include any costs for the marketing and development of the business of MM1.
16. **Performance Evaluation of MM1.** The Academy Board may develop and implement a process for the review and evaluation of the performance by MM1 under the Agreement. The policies and procedures providing for any such evaluation process shall be provided in writing to MM1. The Academy Board shall communicate in writing to MM1 the results of any such performance review.

17. **Compliance with Academy's Contract.** MM1 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 Charter Contract issued by Grand Valley State University ("GVSU") Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement. Any additional costs of compliance because of changes mandated by GVSU will be borne by the Academy and MM1 equally, provided that any additional costs to MM1 shall be limited to its duties and obligations under this Agreement. The Academy and MM1 enter into the Agreement with the full understanding that the Educational Service Provider Policies of July 1999 (the "Policies") issued by GVSU's Office are undergoing revisions. The Academy and MM1 agree to amend the Agreement within sixty (60) days of the effective date of GVSU's revised Educational Service Provider Policies to conform with such new policies, or as soon as mandated by GVSU.

IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth above.

WITNESS:

\[Signature\]

MM1, INC.,
a Michigan corporation

BY: Ralph Cunningham
ITS: President

DATE: 6-28-2012

WITNESS:

\[Signature\]

FAXON LANGUAGE IMMERSION ACADEMY,
a Michigan public school academy

BY: Jaimie Tepley
ITS: President

DATE: 6-12-2012
### SCHEDULE A

To Employee Management Service Agreement
Between MM1, Inc. and Faxon Language Immersion Academy

<table>
<thead>
<tr>
<th>Pass-Through Costs/Reimbursements</th>
<th>Current Rates(^1)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Michigan Unemployment Tax</td>
<td>9.85%</td>
</tr>
<tr>
<td>Employer Portion Social Security</td>
<td>6.20%</td>
</tr>
<tr>
<td>Employer Portion Medicare</td>
<td>1.45%</td>
</tr>
<tr>
<td>Federal Unemployment Tax</td>
<td>1.70%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Fixed Workers Compensation Costs</th>
<th>Per $100 of Earnings</th>
</tr>
</thead>
<tbody>
<tr>
<td>Code: 8868 Teachers</td>
<td>.68%</td>
</tr>
<tr>
<td>Code: 8810 Clerical</td>
<td>.40%</td>
</tr>
<tr>
<td>Code: 9015 Bldg. Maintenance</td>
<td>6.45%</td>
</tr>
<tr>
<td>Code: 9058 Food Service</td>
<td>3.50%</td>
</tr>
<tr>
<td>Code: 7380 Driver</td>
<td>7.99%</td>
</tr>
</tbody>
</table>

### Fixed Fees

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Admin Fee, as a percentage of gross wages paid to all Worksite Employees</td>
<td>3.0%</td>
</tr>
<tr>
<td>(minimum $33,000)</td>
<td></td>
</tr>
<tr>
<td>Employee Processing Fee (per new hire)(^2)</td>
<td>$15.00</td>
</tr>
</tbody>
</table>

\(^1\) Subject to change as mandated by state or federal law or regulation.

\(^2\) Assessed only for new Worksite Employees hired after initial transfer or start-up hiring of Worksite Employees following execution of the Agreement.
SCHEDULE 7

ACADEMY SPECIFIC INFORMATION & EDUCATIONAL PROGRAM
SCHEDULE 7-1

EDUCATIONAL GOALS AND PROGRAMS
SCHEDULE 7-1

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 all groups of pupils for which the administered nationally norm-referenced test is designed will fall at the fiftieth percentile or higher.

Date: 6/24/12

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 27th day of June, 2012, at which a quorum was present.

Board Secretary
SCHEDULE 7-2

CURRICULUM
Faxon Language Immersion Academy

Kindergarten Curriculum

28555 Middlebelt Road
Farmington Hills, MI 48334

(248) 851-7372

www.faxonacademy.com
LANGUAGE ARTS

Reading

Phonemic Awareness
Students will...
- Recognize and produce rhyming words
- Recognize and produce beginning sounds
- Blend phonemes

Phonics
Students will...
- Identify initial sounds
- Identify short vowels
- Understand and apply the alphabetic principle – that sounds in words are expressed by the letters of the alphabet

Concepts of Print
Students will...
- Understand that print conveys meaning
- Understand how print is organized and read
- Gain alphabet recognition
- Know directionality: left-to-right and top-to-bottom
- Distinguish letters, words and sentences
- Name and match uppercase and lowercase forms

High-Frequency Words
Students will...
- Recognize a small number (about 18) of frequently encountered words in print automatically
- Recognize a few of the basic sight words automatically

Vocabulary
Students will...
- Know the meanings of words encountered frequently in the classroom

Writing
Students will...
- Be introduced to D’Nealian uppercase and lowercase letters
- Begin to practice forming lowercase letters
- Write from left-to-right and top-to-bottom
- Begin to form words phonetically
MATH

Numbers and Operations
Students will...
- Count by ones to 100
- Count by 2s, 5s and 10s to 30
- Read and write numbers 1 to 20
- Count backwards from 22
- Compare numbers 1-30 using less than and more than
- Count objects 1-30
- Understand addition and subtraction and solve problems
- Use + and – with pictures, numbers, models and words
- Create and tell addition and subtraction stores

Geometry
Students will...
- Work with basic geometric shapes and patterns
- Look for patterns in surroundings
- Create pattern designs with a variety of objects
- Sort and categorize patterns

Measurement
Students will...
- Recognize and know the value of a penny, nickel and dime
- Recognize a quarter
- Participate in estimation and measurement
- Tell time to the hour

Data and Probability
Students will...
- Participate in data collection and graphing
- Construct, read and interpret a concrete graph
- Discuss outcomes and probability
SCIENCE

Life Science
Students will...
Explore what a plant and animal need to survive
Observe the growth of seeds into plants
Observe and describe seed and plant parts

Physical Science
Students will...
Explore balance and motion
Explore the five senses (smell, taste, touch, sight and hearing)

Earth Science
Students will...
- Explore questions about air, weather and weather safety
- Describe weather conditions (precipitation, cloud cover, wind and temperature)
- Describe daily and seasonal changes in weather
- Explore the location and shapes of objects in the day and night sky

SOCIAL STUDIES

The Kindergarten Social Studies curriculum orients students to being members of a society by focusing on themselves and others as a member of a school community.

Students will...
- Study the calendar (days of the week, today, yesterday, and tomorrow, the months of the year)
- Study special events and monthly festivities
Faxon Language Immersion Academy

First Grade Curriculum

28555 Middlebelt Road
Farmington Hills, MI 48334

(248) 851-7372

www.faxonacademy.com
**LANGUAGE ARTS**

The First Grade Language Arts Curriculum incorporates:
- Reading to understand the relationship between letters and sounds through classroom discussion, reading a variety of Literature genres, in large and small reading groups.
- Grammar to understand the structure of sentences: nouns, verbs, adjectives, and pronouns.
- Spelling to connect to writing, phonemic awareness of initial and final sounds, and short and long vowels.
- Vocabulary developed through rhyming and decoding strategies, analysis of word patterns, and sigh words.
- Writer’s workshop

**SCIENCE**

The First Grade Science Curriculum concentrates on the concepts in the physical and earth sciences based on the Michigan Goals and Objectives.
- Life Science
- Physical Science
- Earth and Space Science

**MATHEMATICS**

The First Grade Mathematics Curriculum is a comprehensive program that provides a solid foundation in computational and problem-solving skills based on the National and State Standards. Mathematical concepts are presented in a real-world context. The program expands on the skills taught in Kindergarten. The content strands, skills and concept:
- Numeration-
  - Identify numbers to 18
  - Place Value to 100
  - Money
- Data
- Measurement
  - Operations & Computation
- Add and Subtract Facts to 18
- Geometry
- Patterns
TECHNOLOGY

The First Grade use computers in the classroom and Computer Lab. Special software, appropriate for this age group, supports the Language Arts, Science, Math and Social Studies Programs.

SOCIAL STUDIES

The First Grade Social Studies Curriculum focuses on families. The text increases students' understand of their families, school, and neighborhood, and globe skills, and an increased awareness of children in other countries.

- Daily Calendar and Weather Chart
- Vocabulary
- Monthly Historical Events
- Classroom computer to enhance global knowledge
Faxon Language Immersion Academy

Second Grade Curriculum

28555 Middlebelt Road
Farmington Hills, MI 48334

(248) 851-7372

www.faxonacademy.com
**LANGUAGE ARTS**

The Second Grade Language Arts Curriculum incorporates:
- Reading to understand the relationship between letters and sounds through classroom discussions, reading a variety of Literature genres, in large and small reading groups.
- Grammar to understand the structure of sentences: nouns, verbs, adjectives, and pronouns.
- Spelling to connect to writing, phonemic awareness of initial and final sounds, and short and long vowels.
- Vocabulary developed through rhyming and decoding strategies, analysis of word patterns, and sight words.
- Writer’s workshop

**SCIENCE**

The Second Grade Science Curriculum concentrates on the concepts in the physical and earth sciences based on the Michigan Goals and Objectives.
- Life Science
- Physical Science
- Earth and Space Science

**MATHEMATICS**

The Second Grade Mathematics Curriculum is a comprehensive program that provides a solid foundation in computational and problem-solving skills based on the National and State Standards. Mathematical concepts are presented in a real-world context. The program expands on the skills taught in prior grades. The content strands, skills and concept:
- Numeration
- Data
- Measurement
- Operations & Computation
  - Add and Subtract Facts to 18
  - Multiplication
- Fractions
- Geometry
- Patterns

**TECHNOLOGY**
The Second Grade use computers in the classroom and Computer Lab. Special software, appropriate for this age group, supports the Language Arts, Science, Math and Social Studies Programs.

**SOCIAL STUDIES**

The Second Grade Social Studies Curriculum focuses on communities. The text increases students’ understanding:
- How People Live
- Roles in the communities
- Urban and Rural Communities
- Communities Past and Present
- Communities around the World
- Citizenship
- Holidays
LANGUAGE ARTS

The Third Grade Language Arts Curriculum incorporates:
- Build writing skills through sentence structure to compose paragraphs, letters, and poetry, and the use of reference books and research a topic.
- Reading fluency to develop a vocabulary, understand cause and effect, time capture main idea, book reports, plays, and story frames.
- Spelling through the use of phonics, develop vocabulary, and understand frequency words.
- Writer’s workshop

SCIENCE

The Third Grade Science Curriculum concentrates on the concepts in the physical and earth sciences based on the Michigan Goals and Objectives.
- Life Science
- Physical Science
- Earth and Space Science

The Third Grade studies life cycles, the sun, the moon, and the Earth, forms of energy, Earth’s water, plants and safety.

MATHEMATICS

The Third Grade Mathematics Curriculum is a comprehensive program that provides a solid foundation in computational and problem-solving skills based on the National and State Standards. Mathematical concepts are presented in a real-world context. The program expands on the skills taught in prior grades. The content strands, skills and concept:
- Place Value to hundred thousands
- Addition and Subtraction up to 4-digit numbers
- Estimation
- Time, Money, and Graphs
- Multiplication and Division Facts
- Metric and Customary Measurement
- Fractions and Decimals
- Geometry
TECHNOLOGY

The Third Grade use computers in the classroom and Computer Lab. Special software, appropriate for this age group, supports the Language Arts, Science, Math and Social Studies Programs.

SOCIAL STUDIES

The Third Grade Social Studies Curriculum focuses on connecting the communities. The text increases students’ understanding:

- How people and goods are moved
- Maps – Read a Time Line, Graph and Diagram
- Communities and Cities
- Farms Yesterday and Today
- Resources for our Communities
Faxon Language Immersion Academy

Fourth Grade Curriculum

28555 Middlebelt Road
Farmington Hills, MI 48334

(248) 851-7372

www.faxonacademy.com
LANGUAGE ARTS

The Fourth Grade Language Arts Curriculum incorporates:
- Build writing skills through the use of grammar and the writing process to develop a genre of writing.
- Reading to develop vocabulary, comprehension, predictions, summaries, and journal writing.
- Spelling develops vocabulary through the use of phonics.

SCIENCE

The Fourth Grade Science Curriculum concentrates on the concepts in the physical and earth sciences based on the Michigan Goals and Objectives.
- Life Science
- Physical Science
- Earth and Space Science
The Fourth Grade Studies plants, the solar system, energy, work, machines, populations and ecosystems, the solid Earth, light and sound, and body movement and control.

MATHEMATICS

The Fourth Grade Mathematics Curriculum is a comprehensive program that provides a solid foundation in computational and problem-solving skills based on the National and State Standards. Mathematical concepts are presented in a real-world context. The program expands on the skills taught in prior grades. The content strands, skills and concept:
- Place Value to hundred thousands
- Addition and Subtraction up to 4-digit numbers
- Metric and Customary Measurement
- Estimation
- Time, Money and Graphs
- Fractions and Decimals
- Multiplication and Division Facts
- Geometry
TECHNOLOGY

The Fourth Grade use computers in the classroom and Computer Lab. Special software, appropriate for this age group, supports the Language Arts, Science, Math and Social Studies Programs.

SOCIAL STUDIES

The Fourth Grade Social Studies Curriculum focuses on the regions in the United States and the world. The text increases the students’ understanding:

- Map Skills
- Study the regions of the United States
- Learn the Geography of the regions
- Know the culture and the economy
- Compare the regions with other regions in the world
LANGUAGE ARTS

The Fifth and Sixth Grade Language Arts Curriculum incorporates Grammar, Writing, and Literature.

- Develop sentences to paragraphs, essays, and longer composition
- Learn the writing process
- Read a variety of literary genres integrating with Social Studies and Science
- Spelling

MATHEMATICS

The Fifth and Sixth Grade Mathematics Curriculum is a comprehensive program that provides a solid foundation in computational and problem-solving skills based on the National and State Standards. Mathematical concepts are presented in a real-world context. The program expands on the skills taught in prior grades. The content strands, skills and concept:

- Whole numbers through billions
- Compare and order whole numbers and fractions
- Addition and subtraction – estimating fractions
- Multiplication 1-, 2-, 3-digits, fractions and decimals
- Identifying factors, common factors, GCF

TECHNOLOGY

The Fifth and Sixth Grade use computers in the Computer Lab. Special software applications, appropriate for this age group, support the Language Arts, Science, math, and Social Studies programs.

SCIENCE

The Fifth and Sixth Grade Science Curriculum concentrates on the concepts in the physical and earth sciences based on the Michigan Goals and Objective.

- Life Science
- Physical Science
• Earth Science
This program provides students with a solid foundation in life science, Earth science, and physical science fundamentals. Students will develop skills that they can use both in science as well as other courses.

SOCIAL STUDIES

The Fifth and Sixth Grade Social Studies Curriculum focuses on five periods in the history of the world from ancient times to the 21st century. The focus is on the continents of the world.

• Compare similarities and differences
• Use knowledge of facts and concepts from history to inform decision-making
• Analyze examples of conflict and cooperation among groups, societies, and nations
Faxon
Language
Immersion
Academy

Art Curriculum

28555 Middlebelt Road
Farmington Hills, MI 48334

(248) 851-7372

www.faxonacademy.com
ART CURRICULUM

All classes are presented so that children of different skills and experiences can succeed.

Classes progressively build on previous lessons.

All classes stress individual imagination.

Classes develop hand and eye coordination.

Classes stimulate problem solving, creative thinking, and artistic expression.

All classes are designed to help the child relate to their real world (the world they live in now and their future)...

Students work using a variety of mediums, including the following:

- Collage
- Rubbings
- Sculptures
- Painting
- Clay
- Drawing
- Weaving
- Papier-mache
MUSIC PROGRAM

General Goals for Elementary and Middle School Students:

1. To give students a background in traditional songs from American culture, as well as traditional songs from other cultures.
2. To expose students to classical music and to contemporary classical music and arts, such as the Beatles and West Side Story.
3. To teach students to read music.
4. To teach all students a musical instrument, and how to recognize the sound.
5. To teach vocal music.
6. Exposure to music history and major composers.
7. To teach students how to dance, jazz, country, rock n roll, salsa, waltz, folk.

Goals for Kindergarten Students:

1. Incorporate movement with music.
2. Teach vocal music.
3. Recognition of the different sounds made by musical instruments.
4. Exposure to classical works, such as Peter and the Wolf and Carnival of Animals.
5. To make music with percussion instruments.
6. To develop rhythm with dance movement.
PHYSICAL EDUCATION PROGRAM

The physical education program is an integral part of the total educational process of the students. In our highly technological society in which automation, stress and inactivity are prevalent, the need for physical fitness is a must to maintain healthy living. Our physical education program provides students with the opportunity to enhance physical well-being and to acquire knowledge, skills and positive attitudes which can be utilized throughout life.

Our program consists of four major components:

1. **Motor skill developments:** too many times, children develop at an early age body-related deformations which could have been corrected with a consistent and regular therapy of motor skills necessary to function normally and effectively in a variety of challenges.

2. **Physical fitness:** it ensures healthy living and great prevention program against cardiovascular diseases.

3. **Cognitive skills:** possessing the knowledge and strategies to effectively and efficiently apply this information in everyday life, leisure and emergency situations.

4. **Affective skills:** developing positive skills and values toward each other:
   - Develop positive self concept
   - Develop respect for others

**Program Features for Grades 1-3:**

1. **Motor skill development:**
   - Body velocity training
   - Basic locomotion skills (running, jumping, etc.)
   - Object control skills (kicking, throwing, catching, etc.)
   - Body management balance (balance and space awareness)
   - Corrective skills (walking, running, lifting heavy objects, etc.)

2. **Introduction of team activities:**
   Team activities will allow our students, not only to enjoy themselves in fun team sports, but also to learn to have an understanding of rules and regulation, to learn to respect both sides of team members.

   It’s important to mention that at this stage of our program, emphasis is only put on team spirit. We believe that skill development for any given sport should come later.
Program Features for Grades 4-8:

1. Motor skill enhancement:
We would like to believe that at this stage our students have overcome any motor skill impediment; therefore, it's time for them to be prepared for skill in certain games they will indulge themselves in real life situations. They will be physically prepared before every sport they will play during our team activity physical education sequences.

Sports drills & play calling development:
This part of our program emphasizes talent development. Through drills students will learn how to set up play calls in basketball, soccer, hockey, etc. They will also have a total understand of the rules and regulations of all the game we will be playing.
SCHEDULE 7-3

STAFF RESPONSIBILITIES
Schedule 7-3

Staff Descriptions

In order to implement its educational program with success, staffing positions are described as follows:

The **School Leader** will provide leadership and direction to staff; work with qualified employee leasing firm to hire and evaluate staff; administer scheduling, enrollment, and curriculum; facilitate parent education and involvement; provide a safe environment for learning; and maintain the budget. Qualifications include but are not limited to:

- Satisfactory completion of criminal background check.
- Must meet state professional development requirements.
- Must comply with all applicable law related to the Administrator’s certificate.
- Must meet continuing education requirements as prescribed by rules promulgated by the State of Michigan, as applicable.

The **Special Education Coordinator** may be a contracted position from Total Education Solutions or another qualified vendor. The Special Education Coordinator will accurately prepare written reports and submit them in a timely manner, effectively communicate with regular education teachers, parents, and administrators to facilitate the IEP-related procedures, and provide effective consultation with parents, students, teachers, and administration. The Special Education staff will remain current on rules set forth in Special Education law and maintain privacy of student records and information. Qualifications include but are not limited to:

- Bachelor degree (B.A.) from a four-year college or university.
- Valid Michigan teaching certificate with appropriate endorsement(s).
- Satisfactory completion of criminal background check.
- Must meet continuing education requirements as prescribed by rules promulgated by the State of Michigan, as applicable.

The **Special Education Teacher** may be a contracted position from Total Education Solutions or another qualified vendor. The Special Education Teacher will provide direct and indirect
instruction, as well as evaluate students' progress. Additionally, he/she shall teach a multi-model approach, provide an inviting, exciting, innovative, learning environment, as well as establish and maintain classroom management procedures. The Special Education teacher will remain current on rules set forth in Special Education law and maintain privacy of student records and information. Qualifications include but are not limited to:

- Bachelor degree (B.A.) from a four-year college or university.
- Valid Michigan teaching certificate with appropriate endorsement(s).
- Satisfactory completion of criminal background check.
- Must meet continuing education requirements as prescribed by rules promulgated by the State of Michigan, as applicable.

The **Teacher** will provide direct and indirect instruction; prepare long and short term planning to address the individual needs of students; evaluate student progress; and work as a team member on cultural, academic, behavioral, technological, and social committees that will enhance programming at the school. The teacher shall provide an inviting, exciting, and innovative learning environment, in addition to establishing and maintaining classroom management procedures. Qualifications include but are not limited to:

- Bachelor degree (B.A.) from a four-year college or university.
- Valid Michigan teaching certificate with appropriate endorsement(s).
- Satisfactory completion of criminal background check.
- Must meet continuing education requirements as prescribed by rules promulgated by the State of Michigan, as applicable.

The **Instructional Aide** will aid and work with Special Education or other instructional staff members to address the individual needs of students, provide an inviting, exciting, and innovative learning environment under teacher direction, and establish rapport with the students. The Instructional Aides will use materials effectively, keep lessons focused on objectives, keep students on task, and give feedback about performance. Qualifications include but are not limited to:

- High school diploma is required.
- Satisfactory completion of criminal background check.
- Those instructional aides assisting in the Title I program must also have earned a minimum of sixty credit hours from a college or university and/or completed the paraprofessional exam.

The **Pupil Accountant** will maintain the Academy's student records, maintain attendance and lunch programs, answer phones, and provide assistance to students, parents, and staff. Qualifications include but are not limited to:
- High school graduate, some college preferred with three years of secretarial experience in an administrative secretarial capacity
- Sound use of judgment and independence in the performance of duties.
- Effective leadership and managerial skills
- Excellent computer and typing skills are required.
- Ability to operate computerized word processing equipment.
- Excellent organizational skills and ability to multi-task.
- Experience in working effectively with administrators and other staff personnel.
- Satisfactory completion of criminal background check.
Except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule. The Academy may use noncertified individuals to teach as follows:

(a) A classroom teacher in any grade a faculty member who is employed full-time by the state public university and who has been granted institutional tenure, or has been designated as being on tenure track, by the state public university, and

(b) In any other situation in which a school district is permitted under this act to use noncertificated teachers.

All administrators and chief business officials shall be certified and complete continuing education requirements as described in MCL 380.1246.
SCHEDULE 7-4

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. To the extent applicable, the pupil performance of the Academy shall be assessed using at least the Michigan Education Assessment Program (MEAP) test or the Michigan Merit Examination (MME) designated under the Code. 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: 6/24/12

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 _______, 2012, at which a quorum was present.
SCHEDULE 7-5

ACADEMY’S ADMISSION POLICIES AND CRITERIA
Schedule 7-5

Application and Enrollment Policies

The Academy will follow Section 504 of the Revised School Code stating that public school academies shall not charge tuition nor discriminate on any basis deemed illegal by the State of Michigan. Enrollment is open to all U.S. citizens who are also residents of Michigan. Enrollment preferences will be given to:

- siblings of those students already enrolled
- children of employees of the Academy
- children of board members of the Academy

If the Academy receives more applications than there are positions available a random selection process will be held to determine enrollment. Those applicants not selected in the random selection drawing will be placed on a waiting list in the order they were selected. These applicants will be admitted throughout the academic year as space becomes available.

Each year an open enrollment period will be posted and held for at least two weeks in the month of February and/or March. The Academy will be open to the public during instructional hours as well as specified nights and weekends for the public to retrieve and return application and enrollment materials.
Admission and Lottery Procedures For the 2012-2013 academic year.

1. **Class size**
The openings available in Faxon Language Immersion Academy are as follows:

   - **K-5 Maximum Enrollment - 200**
   - Kindergarten - 50
   - First Grade - 50
   - Second Grade - 25
   - Third Grade - 25
   - Fourth Grade - 25
   - Fifth Grade - 25

   *Total maximum enrollment for Faxon Language Immersion Academy for the first academic year is 200.*

2. **Enrollment for under-subscribed grades/sibling preference**
   
   a. All students will automatically be enrolled in grades that are not over-enrolled.
   b. Siblings of students enrolled in grades not at maximum enrollment will be enrolled next.
   c. If the siblings of enrolled students fill a grade, that grade will have a sibling lottery.
   d. Faxon Language Immersion Academy will continue to receive applications for that grade level, as long as necessary, to complete full enrollment. Such applications received after the deadline will be enrolled in order received.

3. **Random selection lottery for over-subscribed grades**

   Students will be selected for admission by random lottery for each grade that exceeds the maximum number of students per grade if their applications were received by the deadline date of July 30, 2012. Applications received after the deadline date for each grade that has reached full enrollment will be added to the official waiting list in the order which they are received.

4. **Lottery date**

   Faxon Language Immersion Academy will hold the random selection lottery on the evening of August 1, 2012, beginning at 4:00 PM, at the school.
5. **Record of enrolled students**

As the numbers which represent the students are selected, lottery officials will pull their application and place it in the Accepted Student Grade Level File. Their name will be highlighted on the sheet that is posted on the wall indicating admission into Faxon Language Immersion Academy.

**PROCEDURES**

**Step 1:  Pre-lottery setup**

Each student will be assigned a number according to an alphabetical listing in each grade level. Each student will have a file card with this same number, to be placed in a box marked for his or her respective grade level. The student's application will be numbered with the same number on the back of the application. A list of applicants to each grade level with their assigned numbers will be posted in the room.

**Step 2: Admission of applicants for under-subscribed grades**

The students' names in grades that are under-subscribed will be read in alphabetical order, along with the names of their siblings who are applying to Faxon Language Immersion Academy. These students' applications will be placed in the Accepted Student Grade Level File. The applications of the siblings will also be placed in their grade level Accepted Student Grade Level Files. The students' names, which are posted on the wall, will be highlighted to indicate their acceptance into Faxon Language Immersion Academy.

**Step 3  Admission of applicants for over-subscribed grades**

Faxon Language Immersion Academy will begin with the lowest grade and work to the highest grade. An index card with a random number will be drawn and the number will be read aloud. Next, the student's name will be read aloud which corresponds with the selected card number and highlighted on the posted, alphabetized list. Finally, the student's application will be pulled, which will have the corresponding random number on the back and placed in the Accepted Student Grade Level File in that particular grade. If the selected student has siblings who are also applying for admission, those students' names will also be read and highlighted on the posted, alphabetized list. The siblings' applications will then be placed in the appropriate
Accepted Student Grade Level File. The term “sibling” is defined as brothers or sisters living full-time in the same household who have at least one parent or legal guardian in common.

Step 4: **Closing grade levels**

When all openings for a given grade level have been filled, the individual managing the Accepted Student Grade Level File, for that grade, will announce that the grade level is fully enrolled.

Step 5: **Waiting List Priority**

After a grade level is fully enrolled, the lottery officials will continue to draw cards one at a time until each name is called. All remaining names will be placed on the waiting list and numbered in the order in which they were drawn.

**NOTE ON SIBLING PREFERENCE:**

If a student is selected for grade level that still has openings available, but the student has a sibling applying for a grade that no longer has openings available, the student will be placed in the accepted student grade level file, and the sibling will be placed on top of the waiting list but not before other siblings. Therefore, while a “sibling preference” applies to the lottery process, siblings are not guaranteed admission to Faxon Language Immersion Academy.

**NOTE:**

There will be preferential placement of children of Board Members and Employees of Faxon Language Immersion Academy.
Faxon Language Immersion Academy

Student Admission and Lottery Procedures For the 2013-2014 academic year.

1. Class size

The openings available in Faxon Language Immersion Academy are as follows:

K-6 Maximum Enrollment - 250
Kindergarten - 50
First Grade - 50
Second Grade - 50
Third Grade - 25
Fourth Grade - 25
Fifth Grade - 25
Sixth Grade - 25

Total maximum enrollment for Faxon Language Immersion Academy for the academic year is 250.

2. Re-enrollment of current students/sibling preference.

Students enrolled in Faxon Language Immersion Academy for the 2012-13 school year will be automatically admitted for the 2013-2014 school year as long as they have applied for re-enrollment by the deadline date of April 2, 2013.

Siblings of currently enrolled students receive the next priority in enrollment.

3. Enrollment for under-subscribed grades/sibling preference

   e. All students will automatically be enrolled in grades that are not over-enrolled.
   f. Siblings of students enrolled in grades not at maximum enrollment will be enrolled next.
   g. If the siblings of enrolled students fill a grade, that grade will have a sibling lottery.
   h. Faxon Language Immersion Academy will continue to receive applications for that grade level, as long as necessary, to complete full enrollment. Such applications received after the deadline will be enrolled in order received.
4. Random selection lottery for over-subscribed grades

Students will be selected for admission by random lottery for each grade that exceeds the maximum number of students per grade if their applications were received by the deadline date of May 1, 2013. Applications received after the deadline date for each grade that has reached full enrollment will be added to the official waiting list in the order which they are received.

5. Lottery date

Faxon Language Immersion Academy will hold the random selection lottery on the evening of May 3, 2013, beginning at 4:00 PM, at the school.

6. Record of enrolled students

As the numbers which represent the students are selected, lottery officials will pull their application and place it in the Accepted Student Grade Level File. Their name will be highlighted on the sheet that is posted on the wall indicating admission into Faxon Language Immersion Academy.

PROCEDURES

Step 1: Pre-lottery setup

Each student will be assigned a number according to an alphabetical listing in each grade level. Each student will have a file card with this same number, to be placed in a box marked for his or her respective grade level. The student's application will be numbered with the same number on the back of the application. A list of applicants to each grade level with their assigned numbers will be posted in the room.

Step 2: Admission of currently enrolled students and their siblings

The student admissions procedures will begin by drawing and calling the names of each currently enrolled student who has re-enrolled for the 2013-2014 school year. Faxon Language
Immersion Academy will begin with the lowest grade and work to the highest grade. Each student's name will be read aloud. That student's card will be numbered consecutively and placed in the File of Admitted Students in that particular grade. If the admitted student has siblings who are also applying for admission, those students' names will also be read. File cards for the siblings will be filled out, numbered and placed in the File of Admitted Students for the appropriate grade(s). NOTE: The term “siblings” is defined as brothers or sisters living full-time in the same household who have at least one parent or legal guardian in common.

Step 3  Admission of applicants for under-subscribed grades

The students' names in grades that are under-subscribed will be read in alphabetical order, along with the names of their siblings who are applying to Faxon Language Immersion Academy. These students' applications will be placed in the Accepted Student Grade Level File. The applications of the siblings will also be placed in their grade level Accepted Student Grade Level Files. The students' names, which are posted on the wall, will be highlighted to indicate their acceptance into Faxon Language Immersion Academy.

Step 4  Admission of applicants for over-subscribed grades

Faxon Language Immersion Academy will begin with the lowest grade and work to the highest grade. An index card with a random number will be drawn and the number will be read aloud. Next, the student's name will be read aloud which corresponds with the selected card number and highlighted on the posted, alphabetized list. Finally, the student's application will be pulled, which will have the corresponding random number on the back and placed in the Accepted Student Grade Level File in that particular grade. If the selected student has siblings who are also applying for admission, those students' names will also be read and highlighted on the posted, alphabetized list. The siblings' applications will then be placed in the appropriate Accepted Student Grade Level File. The term "sibling" is defined as brothers or sisters living full-time in the same household who have at least one parent or legal guardian in common.

Step 5  Closing grade levels

When all openings for a given grade level have been filled, the individual managing the Accepted Student Grade Level File, for that grade, will announce that the grade level is fully enrolled.
Step 6    Waiting List Priority

After a grade level is fully enrolled, the lottery officials will continue to draw cards one at a time until each name is called. All remaining names will be placed on the waiting list and numbered in the order in which they were drawn.

NOTE ON SIBLING PREFERENCE:

If a student is selected for grade level that still has openings available, but the student has a sibling applying for a grade that no longer has openings available, the student will be placed in the accepted student grade level file, and the sibling will be placed on top of the waiting list but not before other siblings. Therefore, while a “sibling preference” applies to the lottery process, siblings are not guaranteed admission to Faxon Language Immersion Academy.

NOTE:

There will be preferential placement of children of Board Members and Employees of Faxon Language Immersion Academy.
SCHEDULE 7-6

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE
Schedule 7-6

School Calendar

The Academy's calendar will exceed 1,600 school hours. The following is a tentative school calendar, which will be finalized and published after comparing it to the local district and ISD calendar. Additional changes may be made if the Michigan statute changes to allow schools to begin before Labor Day. Additional hours will be available when online supplemental instruction is available through a partnership with Kirtland Community College.

The following calendar outlines the Academy's proposed calendar for the 2012-13 school year. The Academy will adhere to the "common calendar" requirements as presented by the C.O.O.R. ISD for the Academy start date, Christmas and New Year's holiday, and spring break.

<table>
<thead>
<tr>
<th>Month</th>
<th>Dates</th>
<th>Event</th>
</tr>
</thead>
<tbody>
<tr>
<td>August</td>
<td>13-31</td>
<td>Staff/Faculty Professional Development</td>
</tr>
<tr>
<td>September</td>
<td>4</td>
<td>First Day of School</td>
</tr>
<tr>
<td>November</td>
<td>2</td>
<td>End of 1st Marking Period</td>
</tr>
<tr>
<td></td>
<td>8-9</td>
<td>Evening Parent Teacher Conferences</td>
</tr>
<tr>
<td></td>
<td>22-23</td>
<td>Thanksgiving Break (school closed)</td>
</tr>
<tr>
<td>December</td>
<td>21-31</td>
<td>Winter Break (school closed)</td>
</tr>
<tr>
<td>January</td>
<td>1-2</td>
<td>Winter Break (school closed) continued</td>
</tr>
<tr>
<td></td>
<td>25</td>
<td>End of 2nd Marking Period</td>
</tr>
<tr>
<td>March</td>
<td>18-22</td>
<td>Spring Break (school closed)</td>
</tr>
<tr>
<td>April</td>
<td>9</td>
<td>End of 3rd Marking Period</td>
</tr>
<tr>
<td></td>
<td>11-12</td>
<td>Evening Parent Teacher Conferences</td>
</tr>
<tr>
<td>May</td>
<td>27</td>
<td>Memorial Day (school closed)</td>
</tr>
<tr>
<td>June</td>
<td>14</td>
<td>Last Day of School</td>
</tr>
</tbody>
</table>

The following charts display the proposed daily number of hours the Academy will devote to core academic subjects in each grade and a schedule including total number of hours/minutes of instruction per day. Daily, grade-level team meetings are structured into the schedule while students participate in co-curricular areas (e.g., Music, Art, P.E., and Foreign Language). Every day contains an individual student intervention period when students will use to complete research and homework, and revisit subject and concepts not yet mastered. The daily schedule is tentative and is dependent on the needs of the students enrolled.
Study Hall - Tutoring

<table>
<thead>
<tr>
<th></th>
<th>6</th>
<th>7</th>
<th>8</th>
</tr>
</thead>
<tbody>
<tr>
<td>English Language Arts</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Math</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Science</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Social Studies</td>
<td>90</td>
<td>90</td>
<td>90</td>
</tr>
<tr>
<td>Co-Curricular Specials</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
<tr>
<td>Electives</td>
<td>60</td>
<td>60</td>
<td>60</td>
</tr>
</tbody>
</table>

Middle school students will experience 90 minutes of instruction in the four core curricular areas each day. Instruction during the core curricular areas will include opportunities to practice and master concepts in focused and student-driven classrooms. It is especially important to recognize that the time allocated for the core curricular areas planned for the Faxon Language Immersion Academy is nearly twice as much as that which is currently encountered at the local school districts. CHA believes the extra time is necessary to counter the pattern of decreasing proficiency seen in MEAP scores as students approach high school. While co-curricular specials and electives will be offered, an emphasis on a moral focus will be taught within the scope of the appropriate core curriculum subjects.
SCHEDULE 7-7

AGE/GRADE RANGE OF PUPILS ENROLLED
Schedule 7-7

Age/Grade Range of Students

The Academy will offer kindergarten through fifth grade in its first year (2012-2013). The ages of this population is approximately five-years-old through eleven-years-old. The maximum enrollment in year one shall be 200 students. The Academy will annually adopt maximum enrollment figures prior to its application and enrollment period.

The Academy has plans to add a grade 6 in 2013, a grade 7 in 2014, a grade 8 in 2015 with an ultimate maximum enrollment of 360 students in grades k-8.
SCHEDULE 7-8

ADDRESS AND DESCRIPTION OF PROPOSED PHYSICAL PLANT; LEASE OR DEED FOR PROPOSED SITE; OCCUPANCY CERTIFICATE
Schedule 7-8

Description of Physical Plant

The Faxon Language Immersion Academy will be located in a brick and mortar building of approximately 30,000 square feet. The address is 28555 Middlebelt Road, Farmington Hills, Michigan and this facility is currently owned by The City School of Detroit, Inc. (Landlord) who shall lease the building to The Faxon Language Immersion Academy. The building includes the following: a regulation sized gym, art room, music room, library, a fully equipped science facility, and 15 classrooms. The outside provides ample parking, a regulation soccer field, and beautiful playground on a five acre site. The facility meets all current State and Federal requirements and an updated certification of occupancy is available upon request. There will be no renovation costs required as the building complies to school code. Additionally, the building is fully equipped with furniture.

See following page
for school floor plan
THE INTERNATIONAL SCHOOL PROPERTY LEASE

This lease (the “Lease”) is entered into as of June 6, 2012, between THE CITY SCHOOL OF DETROIT, INC., d/b/a THE INTERNATIONAL SCHOOL, a Michigan nonprofit corporation, with offices at 28555 Middlebelt Road, #A, Farmington Hills, Michigan 48334 (“Lessor”), and FAXON LANGUAGE IMMERSION ACADEMY, a Michigan public school academy, of 28555 Middlebelt Road, #B, Farmington Hills, Michigan 48334 (“Lessee”), on the following terms and conditions.

1. **Premises.** Lessor leases to Lessee a portion of the building at 28555 Middlebelt, Farmington Hills, Michigan (the “Building”). Said portion, as illustrated on the attached map, shall include Rooms 1, 2, 3, 4, 7, 8, 9, 11, 13, 14, 15, 16, 17, W3, W4, W5, the Library and the offices (collectively, the “Premises”). Additionally, Lessee shall have the right to share certain common areas with the Lessor, including the Science Lab, the Gym, (excluding the two offices and four storage lockers), the Kitchen, the Music Room (W1), the Art Room (W2), the exterior play lot and fields, and the bathrooms. The School Leaders of Lessor and Lessee shall develop a mutually agreeable schedule for the sharing of these facilities and the hallway student lockers. Lessor anticipates it will reserve the Art Room for two mornings a week, the Music room for two half-days a week, the Science Room for a half-day every weekday, and the Gym for two half days a week, evenings and weekends. Lessor shall also have the right to use Room 13 from 11:40 a.m. - 12:10 p.m. on a daily basis. In addition to the portions of the Building, Lessee shall have the right to use parking spaces in the adjacent parking lots and the trash receptacle located in that parking lot.

2. **Term.** The initial term of this Lease shall commence on June 6, 2012 (the Commencement Date), and shall expire on June 30, 2015, unless extended further as provided under Section 7 below. However, this Lease shall automatically terminate with no penalty for early termination if the charter contract is terminated.

3. **Rent.** For the initial term of the Lease, Lessee shall pay Lessor Monthly Rent for the Premises as follows:

<table>
<thead>
<tr>
<th>Lease Year</th>
<th>Monthly Rent</th>
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<tbody>
<tr>
<td>Initial Term</td>
<td></td>
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<tr>
<td><strong>Lease Year 1</strong></td>
<td></td>
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<tr>
<td>6/6/12 – 8/31/12 (“Preparation Period”)</td>
<td>$6,666.67/month ($20,000.00 for period)*</td>
</tr>
<tr>
<td>9/1/12 – 10/31/12 (“Pre-Funding Period”)</td>
<td>$25,000.00/month*</td>
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<tr>
<td>11/1/12 – 6/30/13</td>
<td>$25,000.00/month</td>
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<tr>
<td><strong>Lease Year 2</strong></td>
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<tr>
<td>7/1/13 – 6/30/14</td>
<td>$25,000.00/month</td>
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<tr>
<td>Lease Year 3</td>
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<td>----------------</td>
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<tr>
<td>7/1/14 – 6/30/15</td>
<td>$25,000.00/month</td>
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<tr>
<th>First Renewal Term</th>
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<tbody>
<tr>
<td>Lease Year 4</td>
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<tr>
<td>7/1/15 – 6/30/16</td>
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<tr>
<td>Lease Year 5</td>
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<tr>
<td>7/1/16 – 6/30/17</td>
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<tr>
<th>Second Renewal Term</th>
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<tr>
<td>Lease Year 6</td>
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<tr>
<td>7/1/17 – 6/30/18</td>
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<td>Lease Year 7</td>
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<tr>
<td>7/1/18 – 6/30/19</td>
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</tbody>
</table>

*Rent for the “Preparation Period” and “Pre-Funding Period,” in the total amount of $70,000.00, shall be amortized and paid over a 6-month period from November 2012 – April 2013 on the same dates as regular monthly installments of rent are due (total rent due for such period will equal $36,666.67/month).

Monthly installments of rent shall be due and payable in advance on the first day of each calendar month. Rent for any partial month of occupancy shall be prorated. Rent payments shall be made to Lessor at its address shown above or any other place designated in writing by Lessor. The first monthly rent installment, representing the November 2012 installment, will be paid within three (3) business days of confirming receipt of the Lessee’s first payment under the State School Aid Act.

Notwithstanding the foregoing, in the event that Lessor’s debt service payment for the Building is substantially increased due to a resulting increase in the LIBOR rate of interest, Lessor shall give Lessee written notice of such fact, together with reasonable written evidence confirming same, not later than the date which is one hundred and twenty (120) days prior to the beginning of the subsequent Lease Year, and in such event, the parties will agree to negotiate in good faith a new monthly rental amount for the subsequent Lease Years.

4. **Utilities.** Lessor shall be responsible for the payment of all of the utility services for the Premises, including water and sewer, gas, electricity, and other services delivered to the Premises, but not including Lessee's telephone, internet or cable television.
5. **Signs.** Lessor reserves the exclusive right to the exterior of the building, and Lessee shall not construct, place, or paint any sign or awning or other improvement or apparatus on the exterior of the building without the prior written consent of Lessor, which will not be unreasonably withheld. Any signs placed in the windows of the Premises shall be in keeping with the character and decor of the building as a whole. Lessee shall have the right to one half of the monument sign to the east of the Building and to place a sign on the Building.

6. **Acceptance of Occupancy.** Lessee shall commence occupancy of the Premises on the commencement date and begin payment of rent as called for by this Lease. Lessee has inspected the Premises and common areas, finds them in good order and repair, acceptable for Lessee's intended use of the Premises, and accepts the Premises and common areas as is.

7. **Renewal.** Provided that Lessee is not in default under this Lease, Lessee shall have the option and right, in its sole discretion, to renew the term of this Lease for up to two (2) additional periods of two (2) years each (each, a “Renewal Term,” collectively, the “Renewal Terms”). Lessee shall exercise such option(s), if at all, by delivering written notice of its intention to exercise each such option to Lessor not later than the date which is one hundred and twenty (120) days prior to the otherwise effective expiration date of the initial term or Renewal Term then in effect. The Renewal Terms shall be on the same terms and conditions as the Initial Term, except that Rent shall be determined in accordance with Section 3 above. The initial term and the Renewal Terms, if exercised, shall be referred to collectively herein as the “term.”

8. **Vacation of Premises.** Except for school holidays and customary school breaks, Lessee shall not vacate or abandon the Premises at any time during the term of this Lease, and if Lessee abandons or vacates the Premises or is dispossessed by process of law or otherwise, any personal property belonging to Lessee left on the Premises shall be deemed abandoned, at the option of Lessor. Lessor may also take possession of any personal property left by Lessee on the Premises and charge Lessee a monthly fee for the storage of that personal property. Any fee charged by Lessor for this purpose shall be deemed to be additional rent under this Lease and payable immediately.

9. **Use.** The Premises are to be used and occupied by Lessee for the operation of a public school academy for Grades K through 8 for no other purpose without the prior written consent of Lessor. No activity shall be conducted on the Premises that does not comply with local laws, ordinances, and regulations. Lessor and Lessee shall coordinate fire drills and tornado drills. The School Leaders of Lessor and Lessee shall meet to develop rules and regulations regarding building use, including but not limited to fire drills, tornado drills, scheduling of play lot and field use, coordination of snow days and the like.

10. **Expenses.** Lessor shall pay all costs and expenses incurred in operating and managing the Building except the maintenance and repair of the interior portion of the Premises.

11. **Repairs and Maintenance.** Lessor shall be responsible for the exterior of the Building in which the Premises are situated, including walls, roof, subsurface walls, and floor.
and including painting, structural maintenance, repair, and replacement, and for the replacement of the furnace, hot water heater and HVAC units, and keep same in good repair and appearance during the term of the Lease. However, any such maintenance, repairs, or replacement for the Building or Premises that are caused by the negligence or intentional acts of Lessee shall be the responsibility of Lessee to maintain, repair, or replace. Lessee shall be responsible for the thermostats in the individual rooms for which Lessee has exclusive use. With the exception of Lessor's obligations for maintenance, repairs, and replacement, Lessee shall be obligated to repair and maintain the interior portions of the Premises at Lessee's expense. The Premises shall be kept in good and safe condition, including the windows, the electrical fixtures, the plumbing fixtures, and any other system or equipment within the Premises. Lessor shall be responsible for janitorial services for the entire Building, including the leased portions and the shared portions; provided, however, Lessee agrees to reimburse Lessor for 80% of the identifiable direct costs within 30 days after the delivery to Lessee of a written invoice. Such janitorial services shall include stocking the bathrooms with paper towels, soap, toilet paper, and the like. Lessor shall also maintain in good condition the sidewalk and driveway adjacent to the Premises, shall regularly sweep those areas and pick up any trash or debris in the area, and during the winter months shall keep the sidewalk adjacent to the Premises clear of snow and ice. Lessor shall have the parking lots adjacent to the Building plowed regularly.

12. **Surrender of Premises.** Lessee shall surrender the Premises to Lessor at the expiration of this Lease broom clean and in the same condition as at the Commencement Date, excepting normal wear and tear.

13. **Entry and Inspection.** Lessee shall permit Lessor or Lessor's agents to enter on the Premises at reasonable times and on reasonable notice for the purpose of inspection and repair of the Premises, shall permit Lessor at any time within 60 days before the expiration of the Lease to place on the Premises standard "for lease" signs, and permit persons desiring to lease the Premises to inspect the Premises during that period.

14. **Taxes and Assessments.** Lessor shall pay all real and personal property taxes and assessments levied and made against the Building and the Premises. All taxes levied on the personal property owned or leased by Lessee shall be the sole responsibility of Lessee.

15. **Alterations.** Lessee may remodel and make improvements to the premises. However, any remodeling or improvements that will significantly alter the Premises or require an investment by Lessee in excess of $5,000 shall require the prior written approval of Lessor. The work shall be done without injury to any structural portion of the Building and without disturbing other tenants in their use of the Building. Any improvements constructed pursuant to this paragraph shall become the property of Lessor on the termination of this Lease.

16. **Assignment and Subletting.** Lessee may not assign, sublet, or otherwise transfer or convey its interest, or any portion of its interest, in the Premises to any entity not affiliated with Lessee without the prior written consent of Lessor. Lessor shall have total discretion regarding its approval of proposed assignments or subleases.

17. **Trade Fixtures.** All trade fixtures and moveable equipment installed by Lessee in connection with the business conducted by it on the Premises shall remain the property of
Lessee and shall be removed by it at the expiration of this Lease. Lessee shall repair any damage caused by such removal and restore the Premises to their original condition, excepting normal wear and tear.

18. **Insurance.** Lessor shall, at its expense, insure the Building for its full replacement cost against casualty, loss or damage under a policy or policies of fire and extended coverage insurance, including additional perils. Lessee shall obtain and maintain in full force general liability insurance, with both Lessee and Lessor as named insured parties, covering any and all claims for injuries to persons occurring in, on, or about the Premises, in an amount and issued by a company reasonably approved by Lessor. The insurance shall also contain a waiver of subrogation clause exempting Lessor from any liability for any insured loss. Lessee shall deliver to Lessor customary insurance certifications evidencing that the insurance is in effect at all times during the term of the Lease. The policy must further provide for notice by the insurance company to Lessor of any termination or cancellation of the policy at least 30 days in advance of that event.

19. **Lessee's Liability.** All Lessee's personal property, including trade fixtures, on the Premises shall be kept at Lessee's sole risk. Lessor shall not be responsible or liable to Lessee for any loss of business or other loss or damage that may be occasioned by or through the acts or omissions of persons occupying adjoining premises or any part of the premises adjacent to or connected with the leased Premises or any part of the Building of which the leased Premises are a part or for any loss or damage resulting to Lessee or its business or property from water, gas, sewer, or steam pipes that burst, overflow, stop, or leak; from heating, cooling, or plumbing fixtures; or from electric wires or gas odors within the leased Premises from any cause, except as may result from and be directly caused by the gross negligence or recklessness of Lessor. The provisions of this section shall not be interpreted to prevent Lessee from recovering any losses under the coverage provided by Lessor's fire and extended coverage insurance policy, if any losses of Lessee are covered by that policy.

20. **Destruction of Premises.** If the Premises are partially damaged or destroyed through no fault of Lessee, Lessor shall, at its own expense, promptly repair and restore the Premises. Rent shall abate in whole or in part during the period of restoration according to the amount of destruction, if the destruction was not caused by Lessee. If the Premises are totally destroyed through no fault of Lessee or if the Premises cannot be repaired and restored within 90 days after the event of destruction, either party shall have the right to terminate this Lease, effective as of the date of the event, by giving the other party written notice of termination within 10 calendar days after the occurrence of the event. If the notice is given within that time period, this Lease shall terminate, and rent shall be adjusted between the parties to the date of the occurrence of the event. If the notice is not given within the required period, this Lease shall continue and Lessor shall repair the Premises.

21. **Mutual Releases.** Lessor and Lessee, and all parties claiming under them, mutually release and discharge each other from all claims and liabilities arising from or caused by any hazards covered by insurance on the leased Premises or covered by insurance in connection with property on or activities conducted on the Premises regardless of the cause of the damage or loss. Lessor and Lessee shall each cause appropriate clauses to be included in their respective insurance policies covering the Premises waiving subrogation against the other party consistent with the mutual release in this paragraph.
22. **Condemnation.** If the Premises or any part of them are taken for any public or quasipublic purpose pursuant to any power of eminent domain, or by private sale in lieu of eminent domain, this Lease shall terminate at the option of either Lessor or Lessee, effective as of the date the public authority takes possession. All damages for the condemnation of the Premises or Building that is awarded for the taking shall be payable to and be the sole property of Lessor, except for damage to or the taking of Lessee's trade fixtures, equipment and/or personal property and Lessee's relocation award, if any.

23. **Indemnity.** To the extent permitted by law, Lessee agrees to indemnify and defend Lessor against and hold Lessor harmless from any liability, loss, damage, cost, or expense (including attorney fees) based on any claim, demand, suit, or action by any person or entity with respect to any personal injury (including death) or property damages, from any cause with respect to Lessor's use of the Premises, except for liability resulting from the intentional acts or gross negligence of Lessor or its employees, agents, invitees, or business visitors and except for liability resulting from the acts or negligence of persons occupying adjoining property.

To the extent permitted by law, Lessor agrees to indemnify and defend Lessee against and hold Lessee harmless from any liability, loss, damage, cost, or expense (including attorney fees) based on any claim, demand, suit, or action by any person or entity with respect to any personal injury (including death) or property damages, from any cause with respect to Lessor's use of the Building, except for liability resulting from the intentional acts or gross negligence of Lessor or its employees, agents, invitees, or business visitors.

24. **Default and Reentry.** If Lessee neglects or fails to perform its obligation to pay rent when due; if Lessee neglects or fails to perform any other covenants in this Lease to be observed and performed on its part for 10 days after written notice by Lessor of the default; if Lessor makes any assignment for the benefit of creditors or a receiver is appointed for Lessee or its property; or if any proceedings are instituted by or against Lessee in bankruptcy (including reorganization) or under any insolvency laws, Lessor may provide written notice of the default to Lessee. Lessee shall have seven days after written notice by Lessor to cure any such default, which seven (7) day period shall be automatically extended if Lessee has commenced a cure for the default and diligently pursues the cure to its completion. If Lessee fails to cure, Lessor may reenter the Premises and seek to relet the Premises on any terms that Lessor, in its sole discretion, deems advisable. In the alternative, Lessor may terminate the Lease and seek to relet the Premises on any terms that Lessor, in its sole discretion, deems advisable. Notwithstanding any termination of the Lease by Lessor or reentry by Lessor without a termination, Lessee shall continue to be liable to Lessor for rent owed under this Lease, any rent deficiency that results from a reletting of the Premises during the term of this Lease, and the reasonable cost of reletting the Premises.

Notwithstanding any reletting without termination, Lessor may at any time elect to terminate this Lease for Lessee's failure to cure any default beyond any applicable notice and cure period by Lessee by giving written notice of the termination to Lessee.

In addition to Lessor's other rights and remedies as set forth in this Lease and without waiving any of those rights, if Lessor deems any repairs necessary that Lessee is required to make or if Lessee is in default in the performance of any of its obligations under this Lease
beyond any applicable notice and cure period, Lessor may, on failure of Lessee to meet the obligation, make or cause repairs to be made and defaults to be cured, and Lessee agrees that it will immediately on demand pay Lessor’s reasonable costs for curing as additional rent under this Lease.

Notwithstanding anything contained in this Lease to the contrary, Lessor agrees to use reasonable efforts to mitigate its damages.

25. **Subordination.** This Lease and Lessee's rights shall at all times be subordinate to the lien of any mortgage now or later placed on the land and building of which the Premises are a part, and Lessee agrees to provide any mortgagee with a customary tenant’s estoppel letter at the request of any mortgagee with respect to the status of this Lease or any collateral assignment of this Lease or the rents under it that Lessor may make to any mortgagee as additional security for the indebtedness secured by the mortgage. If Lessee is requested to sign any subordination agreement on behalf of Lessor's mortgagee, Lessee agrees to sign a reasonable and customary subordination agreement that includes language providing that Lessee's interest and rights under this Lease will not be disturbed so long as Lessee is not in default under the Lease. Lessee agrees not to look to any mortgagee, as mortgagee in possession or successor in title to the Premises, for accountability for any security deposit required by Lessor or any successor lessor unless the sum has actually been received by the mortgagee as security for Lessee's performance of this Lease. Nothing in this paragraph shall be deemed to indicate that Lessee is under any obligation with respect to a security deposit or that Lessor holds any security deposit, and this section shall apply only if a security deposit is actually given to Lessor. If a mortgagee required that proceeds of casualty insurance or condemnation be applied to reduce the mortgage debt rather than to restore damaged or taken property, this Lease shall terminate, and neither party shall have any further obligation to the other.

26. **Notices.** Any notice required under this Lease shall be in writing and sent by registered or certified mail, return receipt requested, to the addresses of the parties set forth in this Lease or to another address that a party substitutes by written notice; and notice shall be effective as of the date of first attempted delivery.

27. **Lessee's Possession and Enjoyment.** Lessee, on payment the rent at the time and in the manner stated above and on performance of all the foregoing covenants, shall and may peacefully and quietly have, hold, and enjoy the Premises for the term of this Lease.

28. **Holding Over.** If Lessee does not vacate the Premises at the end of the term specified in this Lease, such holding over shall constitute a month-to-month tenancy at 150 percent of the then existing rental rate.

29. **Arbitration.** Notwithstanding anything contained herein to the contrary, Lessor and Lessee shall each have the right to mediate any dispute arising hereunder with respect to any default in accordance with the commercial rules of the American Arbitration Association then in effect in Oakland County, Michigan. The determination of the arbitrator, which may include an order for specific performance or self-help, shall be final and binding, and a judgment may be entered thereon in any court of appropriate jurisdiction.
30. **Right to First Refusal.** If, during the term hereof, Lessor receives an offer to purchase Lessor’s interest in the Property, and Lessor desires to accept any such offer, Lessor shall, before accepting such offer, send Lessee a complete copy of such offer and shall notify Lessee of Lessor’s intention to accept such offer. Lessee shall then have the right, within twenty-one (21) calendar days after such notice is given, to advise Lessor in writing that Lessee will purchase the Property upon the terms and conditions set forth in such offer and, in such event, Lessor shall sell the Property to Lessee upon the terms and conditions contained in the offer. If Lessee does not so notify Lessor within such twenty-one (21) calendar day period, Lessor may then sell the Property subject to Lessee’s leasehold interest under this Lease provided that such sale is upon the same material terms and conditions set forth in the offer sent to Lessee and thereafter Lessee’s right of first refusal shall terminate.

31. ** Entire Agreement.** This Lease contains the entire agreement of the parties with respect to its subject matter, and this Lease may not be amended or modified except by a written instrument executed by the parties to this Lease.

32. **Waiver.** The failure of the Lessor to enforce any covenant or condition of this Lease shall not be deemed a waiver of its right to enforce each and every covenant and condition of this Lease. No provision of this Lease shall be deemed to have been waived unless the waiver is in writing.

33. **Fees and Expenses.** Any fees, costs, or expenses incurred by a prevailing party enforcing the other party's obligations under this Lease, including reasonable attorney fees, shall be due and payable immediately under the Lease.

34. ** Binding Effect.** This Lease shall be binding on and inure to the benefit of the parties to this Lease and their respective successors and permitted assigns.

35. **Time of the Essence.** Time shall be deemed to be of the essence in the performance of this Lease.

36. **Broker Fees.** Lessor and Lessee each represent and warrant to the other that it has not contracted with a broker, finder or similar person in connection with this Lease, and each party shall defend, indemnify and hold the other harmless from and against all liability, cost and expense, including reasonable attorneys’ fees, incurred as a consequence of any claim asserted by a person alleging to have contracted or dealt with one of the parties hereto in connection with this Lease.

37. **Counterparts and Copies.** This Lease may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall together constitute one and the same document. A facsimile or other printable electronic copy of this document bearing a party’s signature may be relied upon to the same extent as though such copy was an original.

38. **Effective Date.** This Lease shall be effective June 6, 2012
39. **Security Deposit.** Lessee shall pay Lessor a security deposit in the amount of $25,000.00 (the “Deposit”). Lessee shall fund the Deposit by paying Lessor an additional $3,125.00 per month on the same dates as regular monthly installments of rent are due over a period of eight (8) months from November 2012, through June 2013. The Deposit shall secure the performance of Lessee's obligations under this Lease. Any part of the Deposit not used by Lessor as permitted by this paragraph shall be returned to Lessee, without interest, within fifteen (15) days after the Lease ends.

[Remainder of Page Intentionally Left Blank]
IN WITNESS WHEREOF, Lessor and Lessee have duly executed this Lease as of the
day and year first above written.

LESSEE:

Faxon Language Immersion Academy

By: [Signature]
Jamina Tepley, President

LESSOR:

THE CITY SCHOOL OF DETROIT, INC.,
d/b/a THE INTERNATIONAL SCHOOL, a
Michigan nonprofit corporation

By: [Signature]
Jack Faxon, President