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**TERMS AND CONDITIONS  
OF CONTRACT**

**DATED: JUNE 22, 2012**

**ISSUED BY**

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

**TO**

**KNAPP CHARTER ACADEMY  
(A SCHOOL OF EXCELLENCE)**

**CONFIRMING THE STATUS OF  
KNAPP CHARTER ACADEMY**

**AS A**

**SCHOOL OF EXCELLENCE**

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## **Contract to Charter A School Of Excellence**

Pursuant to Part 6e of the Revised School Code ("Code"), being Sections 380.551 to 380.561 of the Michigan Compiled Laws, the Grand Valley State University Board of Trustees ("University Board") authorizes Knapp Charter Academy (the "Academy") to operate a School of Excellence, as defined below. The Parties agree that the issuance of this Contract is subject to the following Terms and Conditions:

### **ARTICLE I**

#### **DEFINITIONS**

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

- a) **Academy** means the Michigan non-profit corporation authorized by this Contract.
- b) **Academy Board** means the Board of Directors of the Academy authorized by this Contract. **Academy Board member** or **Academy Director** means an individual who is a member of the Academy Board, whether in the past, present or future.
- c) **Applicable Law** means all state and federal law applicable to School of Excellence.
- d) **Applicant** means the person or entity that submitted the School of Excellence application to the University for the establishment of the Academy.
- e) **Application** means the School of Excellence application and other documentation submitted to the University for the establishment of a School of Excellence.
- f) **Authorizing Resolution** means the resolution(s) adopted by the University Board that, among other things, approves the issuing of a Contract to the Academy to operate a School of Excellence.
- g) **Charter School** means public school academy.
- h) **Code** means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- i) **Contract** means, in addition to the definition set forth in the Code, the Terms and Conditions and the Schedules.
- j) **Cyber School** means a cyber school as defined in Part 6e of the Code.

- k) **Educational Service Provider or "ESP"** means an educational management organization as defined under section 553c of the Code, MCL 380.553c, 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.
- l) **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.
- m) **Management Agreement or ESP Agreement** means an agreement as defined under section 553c of the Code, MCL 380.553c, that has been entered into between an ESP and the Academy Board for the operation and/or management of the Academy, which has been submitted to the 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.
- n) **Master Calendar of Reporting Requirements (MCRR)** means the compliance certification duties required of the Academy by the University Board. The University Board may amend the MCRR each fiscal year or at such other times as deemed appropriate by the University President. These changes shall be automatically incorporated into the Contract and shall be exempt from the Contract amendment procedures under Article IX of these Terms and Conditions.
- o) **Method of Selection Resolution** means the resolution adopted by the University Board providing for the method of selection, length of term, number of Academy Board members, qualification of Board Academy members and other pertinent provisions related to the Academy Board.
- p) **Resolution** means any resolution adopted by the Grand Valley State University Board of Trustees.

- q) **Schedules** mean the schedules incorporated into and part of the Terms and Conditions.
- r) **Terms and Conditions** means this document.
- s) **University** means Grand Valley State University established pursuant to Article VIII, Sections 4 and 6 of the Michigan Constitution of 1963 and MCL 390.841 *et seq.*
- t) **University Board** means the Grand Valley State University Board of Trustees.
- u) **University Charter Schools Hearing Panel or Hearing Panel** means such person(s) as designated by the University President.
- v) **University Charter Schools Office or CSO** means the office the University Board, by issuance of this Contract, hereby designates as the point of contact for School of Excellence applicants and Schools of Excellence authorized by the University Board. The University Charter Schools Office is also responsible for managing, implementing, and overseeing the University Board's responsibilities with respect to the Contract.
- w) **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.
- x) **University President** means the President of Grand Valley State University or his or her designee.

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

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

Section 1.4. **Application.** The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. In the event that there is an inconsistency or dispute between materials in the Application and the Contract, the language or provisions in the Contract shall control.

Section 1.5. **Conflicting Contract Provisions.** In the event that there is a conflict between language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection Resolution shall control over any other conflicting language in the Contract; (ii) the Authorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection Resolution and the Authorizing Resolution; and (iv) the Restated Articles of Incorporation shall control over any other

conflicting language in the Contract with the exception of language in the Method of Selection Resolution, Authorizing Resolution and these Terms and Conditions.

## ARTICLE II

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

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

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

(b) Authorizing Resolutions. The University Board has adopted the Authorizing Resolution, which is incorporated into this Contract as part of Schedule 1.

Section 2.2. Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Contract and MCRR incorporated into this Contract as Schedule 5. Additionally, the Academy shall be responsible for the following:

- a) The Academy shall provide the Charter Schools Office with copies of reports and assessments concerning the educational outcomes achieved by pupils attending the Academy and shall provide necessary approvals for the Charter Schools Office to access electronic information received or stored by the State of Michigan including, but not limited to, the Department of Education or other agency authorized by the State to collect school data.
- b) In the event that the University President determines that the Academy's educational outcomes should be reviewed to help determine if the Academy is meeting the educational goals set forth in the Schedules, the University President, at his or her discretion, may require an objective evaluation of student performances by an educational consultant, acceptable to both the Academy and the University President. The Academy shall pay for the expense of the evaluation. In addition, at any time, the University President may require an evaluation of student performance to be selected by and at the expense of the University. The Academy shall cooperate with the evaluation, including any student testing required.
- c) The Academy shall submit audited financial statements, including auditor's management letters and any exceptions noted by the auditors, to the University

Charter Schools Office. The financial statements and auditor's management letters shall be submitted to the University Charter Schools Office within ninety (90) days after the end of the Academy's fiscal year.

- d) The Academy shall provide the University Charter Schools Office with a copy of the proposed annual budget for the upcoming fiscal year of the Academy no later than July 1st. The Academy Board is responsible for establishing, approving and amending the annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.*, and for providing all amendments and revisions to the University Charter Schools Office following Academy Board approval.
- e) The Academy shall provide to the University Charter Schools Office minutes of all Academy Board meetings no later than fourteen (14) days after such meeting.
- f) Within ten (10) days of receipt, the Academy shall notify the University Charter Schools Office of correspondence received from the Department of Education or State Board of Education that requires a written or formal response.
- g) Within ten (10) days of receipt, the Academy shall report to the University Charter Schools Office and the University Counsel Office any litigation or formal proceedings alleging violation of Applicable Law or contractual agreement against the Academy, its officers, employees, agents, and/or contractors.
- h) The Academy shall permit review of the Academy's records and inspection of its premises at any time by representatives of the University. Normally, such inspections shall occur during the Academy's hours of operation and after advance notice to the Academy.

Section 2.3. University Board Administrative Fee. During the term of this Contract, the Academy shall pay the University Board an administrative fee of 3% of the state school aid payments received by the Academy. 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 the 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 to 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 Restated Articles of Incorporation of the Academy, as set forth in Schedule 2, shall be the Articles of Incorporation of the Academy. The Academy Board represents to the University Board that Schedule 2 includes all amendments to the Academy's Articles of Incorporation as of the date set forth above.

Section 5.2. Bylaws. Unless amended pursuant to Section 9.3 of Article IX herein, the Revised Bylaws of the Academy, as set forth in Schedule 3, shall be the Bylaws of the Academy. The Academy Board represents to the University Board that Schedule 3 includes all amendments to the Academy's Bylaws as of the date set forth above.

## ARTICLE VI

### OPERATING REQUIREMENTS

Section 6.1. Governance Structure. The Academy shall be organized and administered under the direction of the Academy Board and pursuant to the governance structure as set forth in its Bylaws. The Academy's Board of Directors shall meet at least six times per fiscal year, unless another schedule is mutually agreed upon by the University President and the Academy.

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

Section 6.3. Educational Goals and Programs. The Academy shall pursue the educational goals and programs identified and contained in the Schedules. 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, not issue a new contract at the end of the Contract or revoke the Contract.

Section 6.6. Staff Responsibilities. Subject to Section 2.5 of Article II of the Terms and Conditions, the University Board authorizes the Academy to employ or contract with an Educational 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 year no later than July 1<sup>st</sup>. A copy of the School Calendar/School Day Schedule shall be automatically incorporated into the Schedules, without the need for an amendment under Article IX of the Terms and Conditions.

Section 6.9. Age/Grade Range of Pupils Enrolled. The Academy is authorized to operate a Kindergarten through Eighth Grade (K-8) School of Excellence. In addition to grade levels currently operated, the Academy shall work toward operating all of grades 9 to 12 within six (6) years after issuance of this Contract, unless the Academy has entered into a matriculation agreement with another public school that provides grades 9 to 12. The Academy may add additional programs in the future, pursuant to Section 9.1 of Article IX of the Terms and Conditions.

Section 6.10. Annual Financial Audit. The Academy shall conduct an annual financial audit prepared and reviewed by an independent certified public accountant in accordance with generally accepted governmental auditing principles. 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 the Schedules. For purposes of this Contract, the Academy shall be in violation of the site requirements set forth in this Contract if the Academy operates at a site or sites without first obtaining the written authorization of the University Board. Following Academy Board and University Board approval, proposed changes to the address and description of any site or sites shall be incorporated into this Contract by amendment. 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 measureable 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 6E OF THE CODE AND OTHER LAWS**

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

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

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

Section 8.4. Freedom of Information Act. The records of the Academy shall be records subject to the provisions of the Michigan Freedom of Information Act ("FOIA"), Act No. 442 of the Public Acts of 1976, as amended, being Sections 15.231 to 15.246 of the Michigan Compiled Laws. The Academy Board shall designate a freedom of information coordinator to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.

Section 8.5. Public Employees Relation Act. The Academy shall comply with Act No. 336 of the Public Acts of 1947, being Sections 423.201 to 423.217 of the Michigan Compiled Laws. Organizational efforts and collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 8.6. Prevailing Wage on State Contracts. The Academy shall comply with the Prevailing Wage on State Contracts statute, Act No. 166 of the Public Acts of 1965, 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 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 Schools of Excellence. Nothing in this Contract shall be deemed to apply any other state law to the Academy.

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

## ARTICLE IX

### AMENDMENT

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

Section 9.2. Process for Amending Academy Articles of Incorporation. The Academy Board, or any authorized designee of the Academy Board, may propose changes to the Academy's Restated Articles of Incorporation. The Academy shall be authorized to make such changes to its Articles upon 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 Revised Bylaws, and any subsequent or proposed changes to the Academy's Revised Bylaws, shall not violate or conflict with the Contract. If at any time the University identifies a provision in the Academy Board's Revised Bylaws that violates or conflicts with Applicable Law or this Contract, that provision of the Academy Board's Revised Bylaws shall be automatically void and the Academy Board shall amend the identified provision to be consistent with Applicable Law and the Contract. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt by the University Charter Schools Office of a duly authorized Academy Board Bylaw change made in accordance with this Section 9.3.

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 Academy staff and/or students at risk; (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property; (iii) has lost its right to occupancy of the physical facilities described in Section 6.11, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities or (iv) has willfully or intentionally violated this Contract or Applicable Law, the University President may immediately suspend the Contract. If the conditions or circumstances involve an alleged violation of Sections 10.5(e) or (f), the University President is authorized to suspend the Contract immediately pending completion of the procedures set forth in Section 10.6. Unless otherwise specified in the suspension notice, the Academy shall cease operations on the date on which the suspension notice is issued. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel, if applicable. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.
- b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the University President to suspend the Contract, may be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury.
- c) Immediate Revocation Proceeding. If the Academy Board, after receiving a Suspension Notice from the University President continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a Revocation Hearing in accordance with the procedures set forth in Section 10.6(e) of the Terms and Conditions. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the University Charter Schools Office and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with Section 10.6(f) through (i).

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

- a) Failure of the Academy to 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 discovers grossly negligent, fraudulent or criminal conduct by the Applicant, the Academy's directors, officers, employees or agents in relation to their performance under this Contract;
- f) The Applicant, the Academy's directors, officers or employees have provided false or misleading information or documentation to the University in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law;

- g) The Academy fails to work toward operating all of grades 9 to 12 within 6 years after issuance of this Contract, and has not entered into a matriculation agreement with another public school that provides grades 9 to 12;
- h) The Academy violates the site restrictions set forth in the Contract or the Academy operates at a site or sites without the prior written authorization of the University Board; or
- i) The University Board, its trustees, officers, employees, agents or representatives are not included as third party beneficiaries under any educational management agreement entered into by the Academy for purposes of indemnifying such parties in accordance with Section 11.11 of the Terms and Conditions.

Section 10.6. University Board Procedures for Revoking Contract. 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 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 6e 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 SCHOOLS OF EXCELLENCE

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

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

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

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

- a) Property insurance covering all of the Academy's real and personal property, whether owned or leased;
- b) General/Public Liability with a minimum of one million dollars (\$1,000,000) per occurrence and two million dollars (\$2,000,000) aggregate (Occurrence Form);
- c) Auto Liability (Owned and Non-Owned) with a minimum of one million dollars (\$1,000,000) (Occurrence Form);
- d) Workers' Compensation 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 School of Excellence application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Grand Valley State University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy or the 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 553c. 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 553c of the Code, MCL 380.553c, 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. 371 of the Public Acts of 1968, being MCL 15.321 to 15.330 of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed a prohibited conflict of interest for purposes of this Contract:

(a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or 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).

## 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:

Academy Board President  
1759 Leffingwell NE  
Grand Rapids, MI 49525

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

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

Section 12.4. Entire Contract. This Contract sets forth the entire agreement between the University Board and the Academy with respect to the subject matter of this Contract. All prior application materials, contracts, representations, statements, negotiations, understandings, and undertakings, are superseded by this Contract.

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

Section 12.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute a consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.7. Indemnification. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the terms and conditions of this Contract, the Academy agrees to indemnify and hold the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives harmless from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's receipt, consideration or approval of the Application, the University Board's approval of the Method of Selection Resolution or the Authorizing Resolution, legal challenges to the validity of Part 6e of the Code or actions taken by the University Board as an authorizing body under Part 6e of the Code, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance of the University Board, the University and its Board of Trustees members, officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the failure of the Academy to perform its obligations under this Contract. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.8. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.9. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.10. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board and no other person or entity, including without limitation, the 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) and (c) set forth below, this Contract shall commence on June 22, 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 11.7, 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 Part 6e of the Code.

[INTENTIONALLY LEFT BLANK]

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

GRAND VALLEY STATE UNIVERSITY  
BOARD OF TRUSTEES

By: 

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 this Contract.

KNAPP CHARTER ACADEMY

By: 

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 FEBRUARY 10, 2012:

Knapp Charter Academy Contract Conversion Authorizing and Method of Selection Resolution

The following resolution is proposed:

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

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

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

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

WHEREAS, the Board of Directors of Knapp Charter Academy ("Academy") passed a resolution requesting that Grand Valley State University terminate its existing charter contract prior to the expiration date to allow for conversion from their 6A charter contract to 6E charter contract; and

WHEREAS, Section 10.5 of the charter contract between the University Board and the Academies allow the University Board to waive the requirement of the Academies to provide at least a ten (10) month notice of intent to terminate the charter contract; and

WHEREAS, MCL 380.553(4) of the Revised School Code ("Code") provides that an authorizing body shall "adopt a resolution establishing the method of selection, length of term, and number of members of the board of directors of each School of Excellence subject to its jurisdiction,"; and

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

NOW, THEREFORE, BE IT RESOLVED:

**AUTHORIZING AND METHOD OF SELECTION RESOLUTION  
FOR KNAPP CHARTER ACADEMY, A SCHOOL OF EXCELLENCE:**

1. The University Board accepts the request of the Board of Directors of Knapp Charter Academy to terminate its 6a charter contract so that each Academy can convert to a School of Excellence under 6e of the Michigan Revised School Code.
2. The University Board waives the ten (10) month notice of intent to terminate and agrees to terminate the charter contract with an effective date to be determined by the University Charter Schools Office and authorizes the Charter Schools Office Director to take the actions necessary to conclude contractual responsibilities and obligations.
3. That the request for Knapp Charter Academy submitted under Part 6e of the Code, MCL 380.551 et seq. ("Part 6e"), meets the University Board's requirements and the requirements of applicable law and is therefore approved.
4. Pursuant to the Method of Selection Resolution adopted by the University Board, the following number (#) persons are appointed as the initial board of directors for the Academies for the Schools of Excellence:

Zoe A. Wilson	3 year term expiring June 30, 2015
Cheryl G. Elmer	2 year term expiring June 30, 2014
Michael E. Golder	2 year term expiring June 30, 2014
Keith E. Lang	1 year term expiring June 30, 2013
Elaine E. Meredith	1 year term expiring June 30, 2013
5. The University Board approves and authorizes the issuance of School of Excellence contracts to the Academies and authorizes the University President or designee to execute contracts to charter Schools of Excellence and related documents issued by the University Board to each Academy, provided that, before execution of the contract, the University President or his designee affirms that all terms of the contract have been agreed upon and the Academy is able to comply with all terms and conditions of the contract.
6. Method of Selection and Appointment of a School of Excellence Board Member:
  - a. Initial School of Excellence Board Member Nominations and Appointments: As part of the School of Excellence application, the applicant shall propose to the University Charter Schools Office Director ("CSO Director"), the names

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

- b. Subsequent School of Excellence Board Member Nominations and Appointments: Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board member positions. As part of the appointment process, the Academy Board may submit to the CSO Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The CSO Director may or may not recommend the proposed nominee submitted by the Academy Board. If the CSO Director does not recommend a nominee submitted by the Academy Board, the CSO Director shall select a nominee and forward that recommendation to the University Board for appointment. The University Board shall have the sole and exclusive right to appoint members to the Academy Board.
- c. Exigent Appointments: When the CSO Director determines an "exigent condition" exists which requires him/her to make an appointment to an Academy Board, the CSO Director, with University President approval, may immediately appoint a person to serve as an Academy Board member for the time specified, but not longer than the next meeting held by the University Board when a regular appointment may be made by the University Board. The CSO Director shall make the appointment in writing and notify the Academy Board of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the University Board determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

- 7. Qualifications of Academy Board Members: To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United

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

8. Oath /Acceptance of Office/Voting Rights: Following appointment by the University Board, Academy Board appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.
9. Length of Term; Removal: An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the University Board for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.

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

10. Resignations: A member of the Academy Board may resign from office by submitting a written resignation or by notifying the CSO Director. The resignation is effective upon receipt by the CSO Director unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the CSO Director shall confirm a resignation in writing. The resignation shall be effective upon the date the CSO Director sends confirmation to the resigning Academy Board member.
11. 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

12. Filling a Vacancy: The Academy Board may nominate and the CSO Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointment" procedures in this resolution.
13. Number of Academy Board Member Positions: The number of Academy Board member positions shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
14. 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:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

15. 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:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

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 20th day of February 2012.



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

**SCHEDULE 2**

**ARTICLES OF INCORPORATION**


MICHIGAN DEPARTMENT OF LABOR & ECONOMIC GROWTH BUREAU OF COMMERCIAL SERVICES		
Date Received		(FOR BUREAU USE ONLY)

Danielle A. Phillips  3850 Broadmoor Ave. SE Suite 201  Grand Rapids      MI                      49512		
--	--	--

EFFECTIVE DATE: \_\_\_\_\_

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

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

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

The present name of the corporation is: Knapp Charter Academy.

The corporation identification number (CID) assigned by the Bureau is: 748520.

The date of filing the original Articles of Incorporation was: June 4, 1997. Restated Articles were filed on June 1, 2000.

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

**ARTICLE I**

The name of the corporation is: Knapp Charter Academy.

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

**ARTICLE II**

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

1. Specifically, the corporation is organized for the purpose of operating as a public school academy in the State of Michigan pursuant to Part 6a of the Code, being Sections 380.501 to 380.507 of the Michigan Compiled Laws.
2. The corporation, including all activities incident to its purposes, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

### **ARTICLE III**

1. The corporation is organized on a non-stock basis.
2. The value of assets which the corporation possesses is:
  - a. Real Property: \$0.
  - b. Personal Property: \$0 as of April 1, 2012.
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 schools of excellence.
  - e. Other funds lawfully received.
4. The corporation is organized on a Directorship basis.

### **ARTICLE IV**

The address of the registered office is 1700 Tammarron Ave. SE, Grand Rapids, MI 49546. The mailing address of the registered office is the same. The name of the resident agent at the registered office is Candace Sorensen.

### **ARTICLE V**

The corporation is a governmental entity.

## ARTICLE VI

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

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

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

- a. **Initial Academy Board Member Nominations and Appointments:** As part of the public school academy application, the public school academy applicant shall propose to the Director of the University Charter Schools Office ("Director"), the names of proposed individuals to serve on the initial board of directors of the proposed public school academy. When the Director recommends an initial contract for approval to the Board of Trustees, he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
- b. **Subsequent Academy Board Member Nominations and Appointments:** Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.
- c. **Exigent Appointments:** When the Director determines an "exigent condition" exists which requires him/her to make an appointment to a public school academy's board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy's board of directors of the appointment. Exigent

conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member's service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

2. **Qualifications of Academy Board Members:** To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.
3. **Oath /Acceptance of Office / Voting Rights:** Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.
4. **Length of Term; Removal:** An appointed Academy Board member is an "at will" board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member's term.  
  
If the Board of Trustees determines that an Academy Board member's service in office is no longer required, then the Board of Trustees may remove an Academy board member with or without cause and shall specify the date when the Academy Board member's service ends. An Academy Board member may be removed from office by a two-thirds (2/3) vote of the Academy's Board for cause.
5. **Resignations:** A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.
6. **Vacancy:** An Academy Board position shall be considered vacant when an Academy Board member:

- a. Resigns

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

7. **Filling a Vacancy:** The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.
8. **Number of Academy Board Member Positions:** The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
9. **Quorum:** In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

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:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

## ARTICLE VII

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

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

Michigan of 1963, as amended.

#### **ARTICLE VIII**

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

#### **ARTICLE IX**

These Restated 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 X**

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

#### **ARTICLE XI**

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

- (i) A breach of the director's duty of loyalty to the corporation;
- (ii) Acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law;
- (iii) A violation of Section 551(1) of the Michigan Nonprofit Corporation Act;
- (iv) A transaction from which the director derived an improper personal benefit;
- (v) An act or omission that is grossly negligent.

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

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

#### **ARTICLE XII**

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

- (i) The volunteer was acting or reasonably believed he or she was acting within the scope of his or her authority;
- (ii) The volunteer was acting in good faith;
- (iii) The volunteer's conduct did not amount to gross negligence or willful and wanton misconduct;
- (iv) The volunteer's conduct was not an intentional tort; and

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

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

### ARTICLE XIII

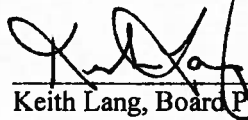
The officers of the Academy Board shall be a President, Vice-President, Secretary and a Treasurer, each of whom shall be selected by the Board of Directors. The Academy Board may select one or more Assistants to the officers, and may also appoint such other officers and agents as they may deem necessary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

### ADOPTION OF ARTICLES

These Restated Articles of Incorporation were duly adopted by the Academy Board on this 15 day of May, 2012, in an open and public meeting. These Restated Articles of Incorporation restate, integrate, and do further amend the provisions of the Articles of Incorporation. The necessary number of votes were cast in favor of these Restated Articles of Incorporation. They shall become effective upon filing.

Signed this 15 day of May, 2012

By

  
\_\_\_\_\_  
Keith Lang, Board President  
Knapp Charter Academy

## **SCHEDULE 3**

### **BYLAWS**

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**AMENDED BYLAWS**  
**OF**  
**KNAPP CHARTER ACADEMY**

**ARTICLE I**  
**KNAPP CHARTER ACADEMY**

This organization shall be called Knapp Charter Academy (the “Academy” or the “corporation”).

**ARTICLE II**  
**FORM OF ACADEMY**

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

**ARTICLE III**  
**OFFICES**

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

Section 2. Registered Office. The registered office of the Academy shall be 1759 Leffingwell Avenue, NE, Grand Rapids, Michigan 49525. It 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.

**ARTICLE IV**  
**BOARD OF DIRECTORS**

Section 1. General Powers. The business, property and affairs of the Academy shall be managed by the Academy Board of Directors (“Academy Board”). The Academy Board may exercise any and all of the powers granted to it under the Michigan Nonprofit Corporation Act or pursuant to Part 6A of the Revised School Code (“Code”). The Academy Board may delegate said powers to the officers and committees of the Academy Board as it deems appropriate or necessary, as long as such delegation is consistent with the Articles, these Bylaws, the Contract and Applicable Law.

Section 2. Method of Selection and Appointment. Nomination and appointment to the Academy Board shall be handled in the following manner:

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 Grand Valley State University Board of Trustees (“Board of Trustees”), he/she shall include recommendations for initial Academy Board members. These recommendations may, but are not required to, include individuals proposed by the public school academy applicant. To be considered for appointment, the nominees must have completed the required board member candidate application materials, including at least (i) the Academy Board Member Questionnaire prescribed by the University Charter Schools Office; and (ii) the Criminal Background Check Report prescribed by the University Charter Schools Office.
- b. Subsequent Academy Board Member Nominations and Appointments: Except as provided in paragraph (2) below, the Academy Board may nominate individuals for subsequent Academy Board of Director positions. As part of the appointment process, the Academy Board may submit to the Director: (i) the name of the nominee; (ii) the board member candidate application materials identified in paragraph (a) above; and (iii) a copy of the Academy Board nominating resolution. The Director may or may not recommend the proposed nominee submitted by the Academy Board. If the Director does not recommend a nominee submitted by the Academy Board, the Director shall select a nominee and forward that recommendation to the Board of Trustees for appointment. The Board of Trustees shall have the sole and exclusive right to appoint members to the Academy Board.
- c. Exigent Appointments: When the Director determines an “exigent condition” exists which requires him/her to make an appointment to a public school academy’s board of directors, the Director, with University President approval, may immediately appoint a person to serve as a public school academy board member for the time specified, but not longer than the next meeting held by the Board of Trustees when a regular appointment may be made by the Board of Trustees. The Director shall make the appointment in writing and notify the public school academy’s board of directors of the appointment. Exigent conditions include, but are not limited to when an Academy Board seat is vacant, when a Academy Board cannot reach a quorum, when the Board of Trustees determines that an Academy Board member’s service is no longer required, when an Academy Board member is removed, when an Academy Board fails to fill a vacancy, or other reasons which would prohibit the Academy Board from taking action without such an appointment.

2. Qualifications of Academy Board Members: To be qualified to serve on the Academy Board, a person shall: (a) be a citizen of the United States; (b) reside in the State of Michigan; (c) submit all materials requested by the GVSU Charter Schools Office including, but not limited to, a GVSU Academy Board Member Questionnaire and a release for criminal history background check; (d) not be an employee of the Academy; (e) not be a director, officer, or employee of a company or other entity that contracts with the Academy; and (f) not be an employee or representative of GVSU or be a member of the Board of Trustees.
3. Oath /Acceptance of Office / Voting Rights: Following appointment by the Board of Trustees, Academy Board Appointees may begin their legal duties, including the right to vote, after they have signed an Acceptance of Public Office form and taken the Oath or Affirmation of Public Office administered by a member of the Academy Board, other public official or notary public.
4. Length of Term; Removal: An appointed Academy Board member is an “at will” board member who shall serve at the pleasure of the Board of Trustees for a term of office not to exceed three (3) years. Regardless of the length of term, terms shall end on June 30 of the final year of service, unless shorter due to other provisions of this resolution. A person appointed to serve as an Academy Board member may be reappointed to serve additional terms. When an Academy Board member is appointed to complete the term of service of another Academy Board member, their service ends at the end of the previous Academy Board member’s term.

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

5. Resignations: A member of the Academy Board may resign from office by submitting a written resignation or by notifying the Director. The resignation is effective upon receipt by the Director, unless a later date is specified in the resignation. A written notice of resignation is not required. If no such written notification is provided, then the Director shall confirm a resignation in writing. The resignation shall be effective upon the date the Director sends confirmation to the resigning Academy Board member.
6. Vacancy: An Academy Board position shall be considered vacant when an Academy Board member:
  - a. Resigns
  - b. Dies
  - c. Is removed from Office
  - d. Is convicted of a felony
  - e. Ceases to be qualified
  - f. Is incapacitated

7. Filling a Vacancy: The Academy Board may nominate and the Director shall recommend or temporarily appoint persons to fill a vacancy as outlined in the "Subsequent Appointments" and "Exigent Appointments" procedures in this resolution.
8. Number of Academy Board Member Positions: The number of member positions of the Academy Board of Directors shall be five (5), seven (7) or nine (9), as determined from time to time by the Academy Board.
9. Quorum: In order to legally transact business the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A "quorum" shall be defined as follows:

# of Academy Board positions	# required for Quorum
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

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:

# of Academy Board positions	# for Quorum	# required to act
Five (5)	Three (3)	Three (3)
Seven (7)	Four (4)	Four (4)
Nine (9)	Five (5)	Five (5)

Section 3. Compensation. By resolution of the Academy Board, Directors may be paid their expenses, if any, of attendance at each meeting of the Academy Board, subject to the statutes regarding Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being Sections 15.321 to 15.330 of the Michigan Compiled Laws and the Standards of Conduct for Public Officers and Employees, Act No. 196 of the Public Acts of 1973, being Sections 15.341 to 15.348 of the Michigan Compiled Laws, and the statute concerning Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws.

## ARTICLE V

### MEETINGS

Section 1. Regular Meetings. The Academy Board shall hold a regular meeting during the month of May each year. The meeting shall be held at such time and place as the Academy Board of Directors shall from time to time determine. The Academy Board may also provide, by resolution, the time and place, within the state of Michigan, for the holding of additional regular meetings. The Academy shall provide notice of all regular meetings as

required by the Open Meetings Act.

Any meeting of the Board may be adjourned or recessed for a specific time and to another place by the President or a majority of the Board.

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

Section 3. Notice; Waiver. The Academy Board must comply with the notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each Director stating the time and place of the meeting, delivered personally or mailed or sent by facsimile to each Director at the Director's business address. 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 4. Open Meetings Act. All meetings of the Academy Board, shall at all times be in compliance with the Open Meetings Act.

Section 5. Public Comment. Each meeting of the Board shall meet the legal requirements for public comment. The Board's policy regarding public comment shall be followed, except that at any meeting the President or the majority of the Board may change the place on the agenda for public comment or reset the time limits for public comment to accommodate the number of persons wishing to speak.

Section 6. Presumption of Assent. A Director of the Academy Board who is present at a meeting of the Academy Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

Section 7. Recording or Broadcasting Meetings. Media personnel or other persons may tape, record, broadcast or cover a meeting of the Board, provided the Board's reasonable rules are followed. The President of the Board shall designate an area for media personnel and for microphones, cameras and other equipment, which shall be placed in a manner that shall not disrupt the Board's business, as determined by the President.

## ARTICLE VI

### COMMITTEES

Section 1. Committees. The Academy Board, by resolution, may designate one or more committees, each committee to consist of one or more Directors selected by the Academy Board. As provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Academy Board, except (i) filling of vacancies in the officers of the Academy Board or committees created pursuant to this Section; (ii) amending the Articles of Incorporation or Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act. All committee meetings shall at all times be in compliance with the Open Meetings Act. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports the Academy Board of its activities as the Academy Board may request.

## ARTICLE VII

### OFFICERS OF THE BOARD

Section 1. Number. The officers of the Academy shall be a President, Vice-President, Secretary, Treasurer, and such Assistant officers as may be selected by the Academy Board.

Section 2. Election and Term of Office. The Academy Board shall elect the initial officers at its first duly noticed meeting. Thereafter, the Academy Board shall elect the officers annually as terms expire at the annual meeting of the Academy Board. 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 officers resigns or is removed in the manner provided in Article IV, Section 2.

Section 3. Removal. If the Grand Valley State University 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.

Section 4. Vacancies. A vacancy in any office shall be filled in accordance with Article IV, Section 2.

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

President of the Board as may be prescribed by the Board from time to time.

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

Section 7. Secretary. The Secretary of the Academy shall be a member of the Academy Board. The Secretary shall: (a) keep the minutes of the Academy Board meetings in one or more books provided for that purpose; (b) see that all notices, including those notices required under the Open Meetings Act, are duly given in accordance with the provisions of these Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all authorized documents; (d) keep a register of the post office address of each Director; and (e) perform all duties incident to the office of Secretary and other duties assigned by the President or by the Academy Board.

Section 8. Treasurer. The Treasurer of the Academy shall be a member of the Academy Board. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation in such banks, trust companies or other depositories as shall be selected by the Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent of the corporation are properly carried out; and (f) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

Section 9. Assistants and Acting Officers. The Assistants to the officers, if any, selected by the Academy Board, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or Treasurer or by the Academy Board. The Academy 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 Academy Board may by resolution otherwise determine.

Section 10. Salaries. Officers shall not receive a salary unless the salary has been specifically approved by the Academy Board, subject to the statute concerning Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being sections 15.181 to 15.185 of the Michigan Compiled Laws. Officers of the corporation who are Directors of the corporation may not be compensated for their services. They may, however, receive traveling and other expenses.

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

## ARTICLE VIII

### CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 1. Contracts. The Academy Board may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Academy Board authorizes the execution of a contract or of any other instrument in the name of and on behalf of the corporation, without specifying the executing officers, the President or Vice-President, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto. No contract entered into, by or on behalf of the Academy Board, shall in any way bind the University or impose any liability on the University, its trustees, officers, employees or agents.

Section 2. Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Academy Board. Such authority may be general or confined to specific instances. No loan or advance to, or overdraft of funds by an officer or member of the Academy Board otherwise than in the ordinary and usual course of the business of the corporation, and on the ordinary and usual course of the business or security, shall be made or permitted. No loan entered into, by or on behalf of the Academy Board, shall in any way be considered a debt or obligation of Grand Valley State University or impose any liability on Grand Valley State University, its trustees, officers, employees or agents.

Section 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 Academy Board.

Section 4. Deposits. All funds of the corporation not otherwise employed shall be deposited within three (3) business days after the receipt of the funds by the corporation in such banks, trust companies or other depositories as the Academy Board may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 1221 of the Revised School Code, being Section 380.1221 of the Michigan Compiled Laws.

Section 5. Voting of Securities Owned by this Corporation. Subject always to the specific directions of the Academy Board, any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the President of this corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this corporation or by proxy appointed by the Secretary or Treasurer. Such proxy or consent in respect to any shares or other securities issued by any other corporation and owned by this corporation shall be executed in the name of this corporation by the President, the Secretary

or the Treasurer of this corporation without necessity of any authorization by the Academy Board, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation.

Section 6. Contracts Between Corporation and Related Persons. As required by Applicable Law, any Director, officer or employee of the Academy, who enters into a contract with the Academy, that meets the definition of contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being sections 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirement set forth in Section 3 of the statute.

## **ARTICLE IX**

### **INDEMNIFICATION**

Each person who is or was a member of the Academy Board, or a trustee, director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, shall be indemnified by the 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 fullest extent provided under the laws of the State of Michigan as they may be in effect from time to time.

## **ARTICLE X**

### **FISCAL YEAR, BUDGET AND UNIFORM BUDGETING AND ACCOUNTING**

Section 1. Fiscal Year, Budget and Uniform Budgeting 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 shall prepare and publish an annual budget in accordance with the Uniform Budgeting and Accounting Act, being Act 2 of the public laws of Michigan of 1968, as amended.

## ARTICLE XI

### SEAL

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


## ARTICLE XII

### AMENDMENTS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by obtaining the affirmative vote of a majority of the Academy Board at any regular or special meeting of the Academy Board, if a notice setting forth the terms of the proposal have been given in accordance with the notice requirements for special meetings. Upon approval, the Academy Board shall forward the amendment to the University Charter Schools Office. The amendment shall be automatically incorporated into Schedule 3 of the Contract upon receipt of the amendment by the University Charter Schools Office. The Academy Board is encouraged to submit proposed Bylaw changes to the Charter Schools Office, for review and comment, prior to adoption. If at any time the University identifies a provision in the Academy Board's Bylaws that violates or conflicts with applicable law or the Contract, it shall notify the Academy Board in writing and the Academy Board shall remedy the identified provision to be in concert with applicable law and the Contract.

### CERTIFICATION

The Board certifies that these Amended Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 20 day of May, 2008.

  
Secretary

**SCHEDULE 4**

**FISCAL AGENT AGREEMENT**

## **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 Knapp Charter 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.

Acknowledgement 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. Fielek, Director  
Bureau of State and Authority Finance  
Michigan Department of Treasury

Date: March 30, 2012

**SCHEDULE 5**

**MASTER CALENDAR OF REPORTING REQUIREMENTS**

**Public School Academy / School of Excellence  
Master Calendar of Reporting Requirements  
July 1, 2012 – June 30, 2013**

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
July 2	Board Adopted 2012-2013 School Calendar/School Day Schedule.	CSO
July 2	Board Adopted Annual Operating Budget for the General Fund and School Service Fund for 2012-2013.	CSO
July 2	Copy of Notice of Public Hearing for Annual Operating Budget for 2012-2013.	CSO
July 2	Copy of Parent Satisfaction Survey and Results from 2011-2012, if applicable.	CSO
July 5	Anti-Bullying Policy, in accordance with Matt's Safe School Law	CSO
July 25	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).	CSO
August 1	Annual Organizational Meeting Minutes for 2012-2013.	CSO
August 1	Board Resolution appointing Chief Administrative Officer for 2012-2013.	CSO
August 1	Board Resolution appointing Freedom of Information Act Coordinator for 2012-2013.	CSO
August 1	Board Designated Legal Counsel for 2012-2013.	CSO
August 1	Board adopted Annual Calendar of Regularly Scheduled Meetings for 2012-2013.	CSO
August 31	4 <sup>th</sup> Quarter Financial Statements – quarter ending 06/30.	CSO
September 4	Organizational Chart for 2012-2013.	CSO
September 4	Board approved Student Handbook 2012-2013.	CSO
September 4	Board approved Employee Handbook 2012-2013.	CSO
September 4	Copy of School Improvement Plan covering 2012-2013 academic year.	CSO
October 1	Completed PSA and ESP/MC Insurance Questionnaires. Required forms available at <a href="http://www.gvsucso.org">www.gvsucso.org</a> .	CSO
October 1	Annual Nonprofit Corporation Information Update for 2012.	CSO
October 12	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.	CSO
October 12	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.	CSO
October 12	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.	CSO

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
October 12	DS-4898 PSA Preliminary Pupil Membership Count for September 2012 Enrollment and Attendance for 1 <sup>st</sup> & 2 <sup>nd</sup> Year PSAs only. (See MDE website, <a href="http://www.michigan.gov/mde">www.michigan.gov/mde</a> for MDE due date).	CSO
October 12	Annual Education Report for the 2011-2012 academic year to be submitted and presented at a public meeting.	CSO
October 29	1 <sup>st</sup> Quarter Financial Statements – quarter ending 09/30.	CSO
December 3	Academy's Technology Plan covering 2012-2013 or annual updates thereto.	CSO
January 7	Modifications to ISD's Plan for the Delivery of Special Education Services covering 2012-13 signed by a representative of the Academy.	CSO
January 31	2 <sup>nd</sup> Quarter Financial Statements – quarter ending 12/31.	CSO
January 31	Michigan Highly Qualified Teacher Verification Report. Required Form Available at <a href="http://www.gvsucso.org">www.gvsucso.org</a> .	CSO
April 19	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).	CSO
April 26	3 <sup>rd</sup> Quarter Financial Statements – quarter ending 03/31.	CSO
May 14	Notice of Open Enrollment & Lottery Process or Open Enrollment & Lottery Process Board Policy for 2013-2014.	CSO
June 3	Certificate of Boiler Inspection covering years 2012-2013	CSO
June 28	Board Approved Amended Budget for 2012-2013 fiscal year (or statement that budget has been reviewed and no amendment was needed).	CSO
June 28	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> .	CSO
June 28	Board adopted Letter of Engagement for year ending June 30, 2013 independent financial audit.	CSO
June 28	Food service license expiring 04/30/2014.	CSO

## 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.*

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
Date notice is posted	Academy Board Meeting Record of Postings – cancellations, changes, special meetings, emergency etc. Must include time and date of actual posting.	CSO
14 business days after Board meeting	Draft Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
14 business days after Board approval	Approved Academy Board Meeting Minutes and Resolutions of regular, special & emergency board meetings.	CSO
30 business days after board approval	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	No submission needed.
14 business days after Board approval	Oath of Office and written acceptance for each Board Member.	CSO
10 business days after Board approval	Board adopted <i>Amended</i> Budget and General Appropriations Resolution.	CSO
10 days of receipt	Correspondence received from the Michigan Department /State Board of Education requiring a formal response.	CSO
10 days of receipt	Correspondence received from the Health Department requiring a formal response.	CSO
10 days of receipt	Written notice of litigation or formal proceedings involving the Academy.	CSO
30 days prior to board execution	Board proposed draft Educational Management Company Agreements or Amendments thereto.	CSO
5 business days of receipt	Request and Responses to Freedom of Information Requests.	CSO

## 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.*

REPORT DESCRIPTION	SUBMIT TO:
Articles of Incorporation. Must have GVSU Board approval before modifying.	CSO
Board of Director Bylaws.	CSO
Educational Service Provider Agreements/Amendments	CSO
Academy's Educational Goals.	CSO
Office of Fire Safety (OFS-40) – original occupancy permit and permits for renovations/additions, etc.	CSO
Lease, Deed of Premises or Rental Agreement and subsequent amendments (includes modular units).	CSO
Curriculum including any additions/deletions.	CSO
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.	CSO
Communicable Disease Curriculum (including minutes of board approval).	CSO
Job Descriptions for all employee groups	CSO
REQUIRED BOARD POLICIES	
<b>Board adopted Purchasing Policy</b> (date of approval). Reference: MCL 380.1267, MCL 380.1274	CSO
<b>Use of Medications Policy</b> (date of approval). Reference: MCL 380.1178, 380.1178a, 380.1179	CSO
<b>Harassment of Staff or Applicant Policy</b> (date of approval). <b>Harassment of Students Policy</b> (date of approval) Reference: MCL 380.1300a	CSO
<b>Search and Seizure Policy</b> (date of approval). Reference: MCL 380.1306	CSO
<b>Emergency Removal, Suspension and Expulsion of Students Policy</b> (date of approval). Reference: MCL 380.1309; MCL 380.1312(8)&(9); MCL 37.1402	CSO
<b>Parent/Guardian Review of Instructional Materials &amp; Observation of Instructional Activity Policy</b> Reference: MCL 380.1137	CSO
<b>Board Member Reimbursement of Expenses Policy</b> (date of approval). Reference: MCL 380.1254; MCL 388.1764b	CSO
<b>Equal Access for Non-School Sponsored Student Clubs and Activities Policy</b> (date of approval). Reference: MCL 380.1299	CSO
<b>Electronic or Wireless Communication Devices Policy</b> (date of approval).	CSO
<b>Preparedness for Toxic Hazard and Asbestos Hazard Policy</b> (date of approval). Reference: MCL 324.8316, 380.1256	CSO

<b>Nondiscrimination and Access to Equal Educational Opportunity Policy</b> (date of approval) Including, but not limited to, Michigan Constitution, Article I, §26, Elliott-Larsen Civil Rights Act, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and the Age Discrimination Act of 1975.	CSO
<b>Academy Deposit Policy</b> (date of approval). PA 105 of 1855, being MCL 21.146, Section 11.10 of the Charter Contract	CSO
<b>Parental Involvement Policy</b> (date of approval). Reference: MCL 380.1294	CSO
<b>Wellness Policy</b> (date of approval). Reference: 42 USC §§ 1751, 1758, 1766; 42 USC § 1773	CSO

## 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.*

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
September 28	Student Count Day for State Aid F.T.E.	No submission required.
September 30	SE-4096 Special Education Actual Cost Report (Contact ISD for due date).	ISD
October 3	Eye Protection Certificate (#4527 Certification of Eye Protective Devices Electronic Grant System [MEGS] if applicable.	CEPI
October 3	Certification of Constitutionally Protected Prayer	MDE
October 7	SE-4094 Transportation Expenditure Report (Contact ISD for due date).	ISD
October 1 – October 31 (as scheduled)	Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission needed.
Oct/Nov	School Infrastructure Database (SID); School-Wide Title I Participation	CEPI
Oct/Nov	Deadline for MEIS/Single Record Student Database (“SRSD”) electronic file (Contact the local ISD for due date.)	CEPI
November 1	Deadline for Immunization Records Report – IP100. (Contact Health Dept. for due date).	Local Health Dept.
November 14	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.	CEPI
Nov/Dec	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).	ISD
December 1 - December 31 (as scheduled)	Teacher Certification/Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission required.
Nov/Dec	Registry of Educational Personnel (REP) Submission	CEPI
December 30	Municipal Finance Qualifying Statement, if applicable (online submission).	MI Dept of Treasury
Feb 1	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.	Local Health Dept.
Feb 6	Supplemental Student Count for State Aid F.T.E.	No submission required.
March	FS-4731-C – Count of Membership Pupils eligible for free/reduced breakfast, lunch or milk (official date TBD).	MDE

DUE DATE	REPORT DESCRIPTION	SUBMIT TO:
March	MEIS/Single Record Student Database (“SRSD”) electronic file (Contact local ISD for due date.)	ISD, CEPI
May 1 – May 31 (as scheduled)	Teacher Certification/ Criminal Background Check/Unprofessional Conduct. This is an onsite review scheduled and conducted by Quality Performance Resource Group. No submission required.	No submission required.
June	MEIS/ Single Record Student Database (“SRSD”) electronic file (Contact local ISD for due date.)	ISD, CEPI
June	Registry of Educational Personnel (REP)	CEPI
June	School Infrastructure Database (SID)	CEPI

**SCHEDULE 6**

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

## **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.

## MANAGEMENT AGREEMENT

This Management Agreement is made and entered into as of the 21st day of August, 1997, by and between **Educational Development Corporation, Inc.**, a Michigan corporation ("EDC"), and **Knapp Charter Academy**, a body corporate and public school academy (the "Academy").

### RECITALS

The Academy is a charter school, organized as a public school academy under the revised Michigan School Code (the "Code"). The Academy has been granted a contract (the "Contract") by the Grand Valley State University Board of Trustees ("GVSU") to organize and operate a public school academy, with GVSU as the authorizing body.

EDC was instrumental in the creation of the Academy, having incorporated the Academy, recruited its initial Board of Directors (the "Board"), prepared the application with GVSU for the Contract (the "Application"), and prepared the curriculum and related documents submitted with the Application and essential for the operation of the Academy.

The Academy and EDC desire to create an enduring educational partnership, whereby the Academy and EDC will work together to bring educational excellence and innovation to the Grand Rapids metropolitan area, based on EDC's school design, comprehensive educational program and management principles.

In order to facilitate the commencement of school for the 1997-1998 school year and the continuation of school indefinitely thereafter, and to implement an innovative educational program at the school, the parties desire to establish this arrangement for the management and operation of the Academy.

Therefore, for good and valuable consideration, the receipt of which is hereby acknowledged, it is mutually agreed as follows:

### ARTICLE I

#### CONTRACTING RELATIONSHIP

**A. Authority.** The Academy represents that it is authorized by law to contract with a private entity and for that entity to provide educational management services. The Academy further represents that it has been granted the Contract by GVSU to organize and operate a public school academy. The Academy is therefore authorized by the code and GVSU to supervise and control such academy, and is invested with all powers necessary or desirable for carrying out the educational program contemplated in this Agreement.

**B. Contract.** The Academy hereby contracts with EDC, to the extent permitted by law, for the provision of all labor, materials, equipment and supervision necessary for the provision of educational services to students, and the management, operation and maintenance of

the Academy in accordance with the educational goals, curriculum, methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade range of pupils to be enrolled, educational goals, and method to be used to monitor compliance with performance of targeted educational outcomes, all as adopted by the Board of the Academy and included in the Contract between the Academy and GVSU.

**C. Designation of Agents.** The Board designates the employees of EDC 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, the Family Rights and Privacy Act ("FERPA").

**D. Status of the Parties.** EDC is a for-profit Michigan corporation, and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code, and is not a division or part of EDC. The parties to this Agreement intend that the relationship created by this Agreement is that of an independent contractor and not employer - employee. Except as expressly provided in this Agreement, no agent or employee of EDC shall be deemed to be the agent or employee of the Academy. EDC shall be solely responsible for its acts and the acts of its agents, employees and subcontractors. The relationship between EDC and the Academy is based solely on the terms of this Agreement, and the terms of any other written agreements between EDC and the Academy.

## **ARTICLE II**

### **TERM**

**A. Term.** This Agreement shall be effective as of July 1, 1997 and unless otherwise renewed or terminated pursuant to this Agreement shall continue until termination or expiration of the Contract, inclusive of any Contract renewal periods. The first academic year of this Agreement shall be from September 1, 1997 to June 30, 1998, and each academic year thereafter shall commence on July 1 and end on June 30 of the following year.

## **ARTICLE III**

### **FUNCTIONS OF EDC**

**A. Responsibility.** EDC shall be responsible and accountable to the Board for the administration, operation and performance of the Academy in accordance with the Contract. EDC's responsibility is expressly limited by: (i) the budget EDC and the Academy agree upon pursuant to the terms of this Agreement, and (ii) the availability of state funding to pay for said services. Neither EDC nor the Academy shall be required to expend Academy funds on services in excess of the amount set forth in the Academy budget.

**B. Educational Program.** EDC agrees to implement the educational goals and programs for the Application incorporated in the Contract (the "Educational Program"). In the event EDC determines that it is necessary to modify the Educational Program, EDC shall inform

the Board of the proposed changes and obtain Board approval, and if required under the Contract, approval of GVSU. The parties hereto acknowledge that an essential principle of the Educational Program is its flexibility, adaptability and capacity to change in the interest of continuous improvement and efficiency, and that the Academy and EDC are interested in results and not in inflexible prescriptions. At the end of each academic semester, and otherwise as requested, EDC will provide the Board with updated reports on progress towards implementing each of the Academy's educational goals in the Educational Program.

**C. Specific Functions.** EDC shall be responsible for the management, operation, administration, accounting and education at the Academy. Such functions include, but are not limited to:

1. Implementation and administration of the Educational Program, including the selection and acquisition of instructional materials, equipment and supplies, and the administration of any and all extra-curricular and co-curricular activities and programs.

2. Management of all personnel functions, including professional development for the School Administrator and all instructional personnel and the personnel functions outlined in Article VI.

3. Operation of the school building, which the Board shall lease or otherwise provide to EDC, and the installation of technology integral to the school design.

4. All aspects of the business administration of the Academy.

5. All aspects of the accounting operation, including general ledger management and financial reporting.

6. Food service, if any is provided, for the Academy.

7. Any other function necessary or expedient for the administration of the Academy.

**D. Purchases.** Purchases made by EDC on behalf of the Academy with Academy monies including, but not limited to, instructional materials, supplies and equipment (other than equipment or other assets leased by the Academy), will be the property of the Academy.

**E. Subcontracts.** EDC reserves the right to subcontract any and all aspects of all services it agrees to provide to the Academy, including, but not limited to transportation and/or food service. However, EDC shall not subcontract the management, oversight or operation of the teaching and instructional program, except as specifically permitted in this Agreement or with approval of the Board.

**F. Place of Performance.** EDC reserves the right to perform functions other than instruction, such as purchasing, professional development, and administrative functions, off-site, unless prohibited by state or local law.

**G. Student Recruitment.** EDC and the Board shall be jointly responsible for the recruitment of students subject to agreement on general recruitment and admission policies. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with the Code and other applicable law.

**H. Due Process Hearings.** EDC shall provide student due process hearings in conformity with the requirements of state and federal law regarding discipline, special education, confidentiality and access to records, to an extent consistent with the Academy's own obligations. The Academy shall retain the right to provide due process as required by law.

**I. Legal Requirements.** EDC shall provide educational programs that meet federal, state, and local requirements, and the requirements imposed under the Code and the Contract, unless such requirements are or have been waived, but the Academy shall interpret state and local regulations liberally to give EDC flexibility and freedom to implement its educational and management programs.

**J. Rules & Procedures.** EDC shall recommend reasonable rules, regulations and procedures applicable to the Academy and is authorized and directed to enforce such rules, regulations and procedures adopted by the Academy.

**K. School Year and School Day.** The school year and the school day shall be as provided in the Contract submitted to and approved by GVSU.

**L. Pupil Performance Standards and Evaluation.** EDC shall implement pupil performance evaluations which permit evaluation of the education progress of each Academy student. EDC shall be responsible and accountable to the Board for the performance of students who attend the Academy. EDC will utilize assessment strategies acquired by the terms of the Contract. The Board and EDC will cooperate in good faith to identify measures of and goals for Academy students and school performance, including but not limited to parent satisfaction.

**M. Services to Disabled Students and Special Education.** EDC shall provide special education services to students who attend the Academy in conformity with the requirements of state and federal law. EDC may subcontract as necessary and appropriate for the provision of services to students whose special needs cannot be met within the Academy's program, subject to approval of the Academy Board. Such services shall be provided in a manner that complies with local, state and federal laws and applicable regulations and policies.

**N. Contract between the Academy and GVSU.** EDC will not act in a manner which will cause the Academy to be in breach of its Contract with GVSU.

**O. Unusual Events.** EDC agrees to timely notify the Board and/or school administrator of any anticipated or known: (i) material health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could adversely affect the Academy in complying with its responsibilities hereunder.

**P. Student and Financial Records.** All student and financial information related to the Academy shall be available for inspection at the Academy upon reasonable request consistent with applicable federal and state laws.

## **ARTICLE IV**

### **OBLIGATIONS OF THE BOARD**

**A. Good Faith Obligation.** The Board shall be responsible for its fiscal and academic policy. The Board shall exercise good faith in considering the recommendations of EDC, including but not limited to, EDC's recommendations concerning policies, rules, regulations and budgets. The Board's failure to adopt EDC's reasonable recommendations with respect to policies, rules and regulations to enable EDC to implement the school design as set forth in the Contract may, at EDC's option, be deemed a material breach of this Agreement by the Academy. The Board shall retain the authority to make reasonable regulations relative to anything necessary for the proper establishment, maintenance, management, and carrying on of the Academy, including regulations relative to the conduct of pupils while in attendance at the Academy or enroute to and from the Academy. The Board shall further retain the obligation, as provided in Section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials, and equipment.

**B. Assistance to EDC.** The Academy shall cooperate with EDC in furnishing all information and submitting all forms and reports required in association with this Agreement, including timely notice of all Board meetings. The Academy shall timely furnish EDC all documents and records necessary for EDC to properly perform its responsibilities under this Agreement.

**C. Unusual Events.** The Academy agrees to timely notify EDC of any anticipated or known: (i) material health or safety issues, (ii) labor, employee or funding problems, or (iii) problems of any other type that could adversely affect EDC in complying with its responsibilities hereunder.

**D. EDC Office Space.** For the term of this Agreement, suitable office space shall be provided at the Academy without cost for EDC personnel and subcontractors. The office space shall be used by EDC only for EDC activities related to the Academy. The Academy shall also provide EDC, upon EDC's request, with an additional room to be used for activities related to the Academy.

**E. Retained Authority.** The Board shall retain the authority to make reasonable regulations relative to anything necessary for the proper establishment, maintenance, management, and carrying on of the Academy, including regulations relative to the conduct of pupils while in attendance at the Academy or en route to and from the Academy. The Academy Board shall further retain the obligation, as provided in section 1274 of the Code, to adopt written policies governing the procurement of supplies, materials and equipment.

**F. Building Facility.** It is the Academy Board's obligation to secure a building that complies with all requirements of the Contract. The Board may either purchase or lease a school facility.

**G. Educational Consultant.** The Board may retain at its own expense an educational consultant to review the operations of the Academy and the performance of EDC under this agreement. EDC shall cooperate with such consultant in the performance of his or her responsibilities to the Board. Notwithstanding anything contained elsewhere in this agreement, without Board authorization, EDC shall have no authority to select, evaluate, assign, supervise or control any consultant retained by the Board.

## **ARTICLE V FINANCIAL ARRANGEMENTS**

**A. Revenues.** Except as hereinafter provided, all monies received by the Academy Board shall be deposited within three (3) business days with a financial institution acceptable to the Board and EDC. The Academy and EDC shall be named signatories on the account. EDC, as disbursement agent for the Board, is authorized to disburse funds from the account on behalf of the Academy for the purposes and uses authorized pursuant to the terms of this Agreement. Except as specifically excluded by the terms of this Agreement, the term "Revenues" shall include all funds received by or on behalf of the Academy, including but not limited to;

- 1) State Aid Funds.
  - 2) Special education funding provided by Federal or State Governments to the Academy that is directly allocable to special education students in the Academy.
  - 3) Gifted and Talented funding provided by Federal and State Governments that is directly allocable to Gifted and Talented students in the Academy.
  - 4) At-Risk Funding provided by Federal and State Governments to the Academy that is directly allocable to At-Risk students in the Academy.
  - 5) Funding provided by Federal and State Governments to the Academy that is directly allocable to students in the Academy with limited English proficiency.
  - 6) Federal and State grant sources, including Title I, which is directly allocable to the Academy.
  - 7) Grants and donations received by the Academy (except to the extent Educational Development Corporation is not required or involved in soliciting, administering, or managing such grants and/or donations).
  - 8) Fees charged to students for extra services as and to the extent permitted by law.
- (All of the above are hereinafter collectively referred to as the "Revenues").

The Revenues shall be expended by EDC in accordance with the approved Budget and as otherwise authorized by the Board. The expenditure of Revenues received from governmental entities shall be consistent with all applicable regulations and policies, and in the case of private donations, the directives of the donor where applicable.

**B. Budget**

1. Projected Budget. EDC shall provide the Board with an annual projected Budget (the "Budget"). For the Academy's first academic year, the Budget shall be submitted prior to the beginning of the academic year. Thereafter, the Budget shall be submitted to the Board prior to April 15<sup>th</sup> of the next academic year.

2. Budget Detail. The Budget shall contain reasonable detail as requested by the Board. The Budget shall include all projected expenses and costs reasonably associated with operating the Academy and the EDC school program including, but not limited to, the projected cost of: all services and education programs provided to the Academy, leasehold and other lease obligations incurred by the Academy, maintenance and repairs to Academy facilities and capital improvements except as otherwise agreed upon, supplies and furnishings necessary to operate the Academy, all taxes of any kind that are assessed or imposed, insurance premiums, utilities, professional fees, and other costs and expenses connected to operating the Academy.

3. Board Surplus. The Budget shall provide that the Board shall have a surplus for use by the Board in an amount equal to two (2) percent of Revenues after deducting the percentage paid to GVSU pursuant to it's Contract (the "Board Surplus").

4. Approval. The Budget shall be prepared by EDC and submitted to the Board for approval. The Budget may be amended from time to time as deemed necessary by EDC and the Board.

5. Expenditures. EDC shall not expend the Revenues in such a way as to deviate materially from the provisions of the Budget without Board approval (except where the deviation is less than the amount budgeted).

**C. Fee.** EDC shall be entitled to retain as compensation for it's services rendered pursuant to this Agreement the difference, if any, between the amount of the Academy's Revenues and the amount of Revenues actually expended by or on behalf of the Academy during its fiscal year after deducting the Board Surplus (the "Fee"). It is anticipated that EDC will be paid it's Fee monthly over approximately nine months starting with October and ending with June of each academic year. The exact date of each monthly payment and the amount of each monthly may vary depending on the timing and the amount of funds received each month by the Academy.

**D. Availability of Funds.** EDC shall only be required to perform its responsibilities upon this Agreement to the extent that the Academy has received and made available to EDC sufficient Revenues to make payments in accordance with the terms of the Budget.

**E. Other Public School Academies.** The Academy acknowledges that EDC may enter into similar management Agreements with other public school academies. EDC shall maintain separate accounts for expenses incurred by and behalf of the Academy and other Public School Academies, and shall only charge the Academy for expenses incurred by or on behalf of the Academy. If EDC incurs authorized reimbursable expenses on behalf of the Academy and other public school academies which are incapable of precise allocation, then EDC shall allocate such expenses among all such academies, including the Academy, on a prorated basis based upon the number of students enrolled at such academies, or upon such other equitable basis as is acceptable to the parties.

**F. Financial Reporting.** EDC shall provide the Board with:

- 1) The projected annual Budget as required by the terms with this Agreement.
- 2) Detailed statements of all Revenues received, and detailed statements of all direct expenditures for services and or expenses rendered or incurred to or on behalf of the Academy, whether incurred on-site or off-site, upon request.
- 3) Reports on Academy operations, finances, and student performance shall be provided upon request, but not less frequently than four (4) times per year.
- 4) Other information on a periodic basis to enable the Board to monitor EDC's performance and the efficiency of its operation of the Academy, and to reconcile the Fee paid to EDC.

**G. Access to Records.** EDC shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial records prepared by or in possession of EDC, and shall retain all of the said records for a period of five (5) years from the close of the fiscal year to which such books, accounts, and records relate. EDC and the Academy shall maintain the proper confidentiality of personnel, students, and other records as required by law.

**H. Review of Operational Budget.** The Academy Board shall be responsible for reviewing and approving the annual Budget of the Academy as presented by EDC.

**I. Annual Audit.** The Academy Board shall select, retain, and pay for an annual audit in accordance with the Academy's authorizing documents and the School Aid Act.

**J. Start-up Financing.** EDC may provide start-up funds for the Academy, including funds for the development of a curriculum, technology system and school operations plan; recruiting, selecting and pre-service training of staff members; and cleaning, fixing and equipping of the academy building as required by this Agreement. EDC advances shall be budgeted and EDC shall be reimbursed from the Revenues as and when funds are available.

**K. Other Financing.** The Board may apply to EDC for financing from time to time. Any such financing shall be subject to written agreement between the parties as to terms, and may cover the cost of funds for the development and on-going operations of any and all aspects of the Academy's program. The Academy shall reimburse EDC for any such financing from state school aid payment and/or other revenue sources.

## **ARTICLE VI**

### **PERSONNEL & TRAINING**

**A. Personnel Responsibility.** EDC, subject to Board approval, shall select qualified personnel to perform services at the Academy. EDC shall determine if the staff shall be employees of the Academy or of EDC. The parties anticipate that virtually all of the staff shall be employees of EDC, but such determination may change from time to time with Board approval. Compensation of all employees will be paid in accordance with the budget referenced in Article V. For purposes of this agreement, compensation shall include salary, fringe benefits, and state and federal tax withholdings. EDC shall have the responsibility and authority to determine staffing levels, and to select, evaluate, assign, discipline, transfer and terminate personnel consistent with state and federal law. If EDC executes contracts with administrative or teaching staff that have a term of longer than one (1) year, the Board reserves the right to have the School Administrator or teacher placed elsewhere by EDC if the Board is reasonably dissatisfied with their respective performance at the end of the academic year.

**B. School Administrator.** The accountability of EDC to the Academy is an essential foundation of this Agreement. Since the responsibility of the Academy school administrator is critical to the Academy's success, EDC shall have the authority, consistent with state law, to select and supervise each school administrator and to hold the school administrator accountable for the success of the Academy. EDC shall consult with the Board with respect to the hiring of the School Administrator, and EDC shall remove the School Administrator from the Academy if the Board is reasonably dissatisfied with his or her performance. The duties of the school administrator, and the terms of the school administrator's employment contract, shall be determined by EDC subject to approval by the Board. The school administrator shall be accountable for the performance of the Academy, and shall work with EDC in conjunction with the operation and management of the Academy. Since the selection and performance of the school administrator is essential to the success of the Academy, the Board's failure to adopt/ratify EDC's recommendations with respect to the school administrator shall constitute a material breach of this Agreement.

**C. Teachers.** EDC shall determine the number of teachers, and the applicable grade levels and subjects, required for the operation of the Academy. EDC shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy. The curriculum taught by such teachers shall be the curriculum prescribed by EDC for the Academy. Such teachers may, in the discretion of EDC, work at the Academy on a full or

part time basis. If assigned to the Academy on a part time basis, such teachers may also work at other schools managed or operated by EDC. Each teacher assigned or retained to the Academy shall hold a valid teaching certificate issued by the state board of education under the Code, to the extent required under the Code.

**D. Support Staff.** EDC shall determine the number and the functions of support staff required for the operation of the Academy. EDC shall provide the Academy with qualified staff to efficiently operate the Academy's school in accordance with the Contract. The support staff may, in the discretion of EDC, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, the support staff may also work at other schools managed or operated by EDC.

**E. Employer of Personnel.** EDC, subject to Board approval, shall select the personnel who perform services at the Academy. EDC shall determine if they shall be employees of the Academy or of EDC. The parties anticipate that virtually all of the staff will be employees of EDC, but such determination may change from time to time with Board approval. Compensation of all employees shall be paid in accordance with Article V(A)(2). For purposes of this Agreement, compensation shall include salary, fringe benefits, and state and federal tax withholdings.

**F. Training.** EDC shall provide training in its methods, curriculum, program, and technology to all teaching personnel on a regular basis. Non-instructional personnel shall receive such training as EDC determines reasonable and necessary under the circumstances.

## **ARTICLE VII**

### **TERMINATION OF AGREEMENT**

#### **A. Termination.**

**1. By EDC.** EDC may terminate this Agreement prior to the end of the terms specified in Article II in the event the Board fails to remedy a material breach within 30 days after notice from EDC. A material breach includes, but is not limited to, EDC's failure to receive for any reason compensation or reimbursement as required by the terms of this Agreement, or the Academy's loss or suspension of its Contract.

**2. By Academy.** The Academy may terminate this Agreement prior to the end of the terms specified in Article II in the event that EDC shall fail to remedy a material breach within 30 days after notice from the Board. Material breach includes, but is not limited to: (i) failure to account for its expenditures or to pay Academy operating costs (provided funds are available to do so), (ii) failure to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board which are not in violation of the Contract, this Agreement, or law, or (iii) receipt by the Board of unsatisfactory reports from EDC or from an educational consultant

retained by the Board about matters concerning EDC's performance or the performance of the staff which are not adequately corrected or explained.

**3. By Either Party.** Either party may terminate this Agreement for any reason upon giving not less than 90 days notice to the other party.

**B. Termination/Expiration.**

**1. Effective Date of Termination.** In the event this Agreement is terminated by either party prior to the end of the term specified in Article II, absent a material breach or unusual and compelling circumstances, the termination will not become effective until the end of the academic year following the notice of termination.

**2. Removal of personal property.** Upon termination or expiration of this Agreement, equipment and other assets acquired with Academy Revenue and owned by the Academy shall remain the exclusive property of the Academy. Equipment leased by the Academy shall remain subject to the interest of the Lessor/Owner.

**3. Future Advances/Out-of-Pocket Expenses.** Upon termination or expiration of this Agreement, for any reason, all future advances or out-of-pocket expenses paid by EDC shall be immediately repaid by the Academy unless otherwise agreed in writing by EDC.

**C. Transition.** In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, EDC shall provide the Academy reasonable assistance for up to 90 days to assist in the transition back to a regular school program.

## **ARTICLE VIII**

### **INDEMNIFICATION**

**A. Indemnification.** Each party to this Agreement does hereby indemnify and hold harmless the other, and GVSU, and their respective boards of directors, partners, officers, employees, agents, representatives, and attorneys from and against any and all claims, actions, damages, expenses, losses or awards which arise out of (i) the negligence of the other party, (ii) any action taken or not taken by the other party, or (iii) any noncompliance or breach by the other party of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Agreement. As used in this subsection, "party" shall include the party's trustees, directors, officers, employees, agents, representatives and attorneys. Such indemnification may be achieved by the joint purchase of general liability and property insurance policies, or by such other means as the parties may mutually agree.

## **ARTICLE IX**

### **INSURANCE**

**A. Insurance Coverage.** Each party shall maintain general liability insurance in the amount of One Million Dollars (\$1,000,000.00) per occurrence, with the other party listed as an additional insured. In addition, the Academy shall maintain an umbrella liability policy of two million dollars (\$2,000,000.00) with EDC listed as an additional insured. The building and related capital facilities remain the responsibility of the Board and the Board shall cover its property with insurance. Each party shall, upon request, present evidence to the other that it maintains the requisite insurance in compliance with the provisions of this paragraph. Each party shall comply with any information or reporting requirements required by the other party's insurer(s), to the extent reasonably practicable.

**B. Workers' Compensation Insurance.** Each party shall maintain workers' compensation insurance as required by law, covering their respective employees.

## **ARTICLE X**

### **WARRANTIES AND REPRESENTATIONS**

**A. Academy Warranties and Representations.** The Academy represents that it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement. The Board warrants that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

**B. EDC Warranties and Representations.** EDC warrants and represents that it is a corporation in good standing and is authorized to conduct business in the State of Michigan. EDC will comply with all registration and licensing requirements relating to conducting business under this Agreement. The Academy agrees to assist EDC in applying for such licenses and permits and in obtaining such approvals and consents.

**C. Mutual Warranties.** The Academy and EDC mutually warrant to the other that there are no pending actions, claims, suits or proceedings, to its knowledge, threatened or reasonably anticipated against or affecting it, which if adversely determined, would have a material adverse effect on its ability to perform its obligations under this Agreement.

## ARTICLE XI

### MISCELLANEOUS

**A. Sole Agreement.** This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and EDC.

**B. Force Majeure.** Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, flood, accident, labor strike, or other acts beyond its reasonable control; provided either party may terminate this Agreement under Article 6 if sufficient grounds exist as required by said Article 6.

**C. State Governing Law/Waiver of Jury Trial.** The rights of all parties hereto shall be subject to the jurisdiction of and be construed according to the laws of the State of Michigan. EDC and the Academy hereby waive the right to a jury trial in any action, proceeding or counterclaim brought by either EDC or the Academy against the other.

**D. Agreement in Entirety.** This Agreement (including Attachments) constitutes the entire agreement of the parties.

**E. Official Notices.** All notices and other communications required by the terms of this Agreement shall be in writing and sent to the parties hereto at the facsimile number or address set forth below. Notice may be given by (i) by facsimile with written evidence of confirmed receipt by the receiving party of the entire notice, (ii) certified or registered mail, postage prepaid, return receipt requested, or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal or personal delivery if given by facsimile or personal delivery, or upon the date of postmark if sent by certified or registered mail. The address of the parties hereto for the purposes aforesaid shall be:

THE ACADEMY:

Knapp Charter Academy  
Attn: (School Administrator)  
1759 Leffingwell NE  
Grand Rapids, Michigan 49525  
Telephone: (616) \_\_\_\_\_  
Facsimile: (616) \_\_\_\_\_

with a copy to:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

EDC:

Educational Development Corporation  
Attn: John R. Grant  
989 Spaulding Avenue, S.E.  
Grand Rapids, Michigan 49546  
Telephone: (616) 957-9060  
Facsimile: (616) 957-9002

**F. Assignment.** EDC may assign this Agreement with the consent of the Academy Board.

**G. Amendment.** This Agreement shall not be altered, amended, modified or supplemented except by memorandum approved by the Board and signed by both the President of the Academy and authorized officer of EDC.

**H. Waiver.** No waiver of any provision of this Agreement shall be deemed or shall constitute a waiver of any other provision. Nor shall such waiver constitute a continuing waiver unless otherwise expressly stated.

**I. Cost and Expenses.** If any party commences an action against another party as a result of a breach or alleged breach of this Agreement, the prevailing party shall be entitled to have and recover from the losing party reasonable attorneys' fees and costs of suit.

**J. Delegation of Authority.** Nothing in this Agreement shall be construed as delegating to EDC powers or authority of the Board which are not subject to delegation by the Board under Michigan law.

**K. Compliance with Law.** The parties to this Agreement agree to comply with all applicable laws and regulations.

IN WITNESS WHEREOF, the undersigned have executed this Agreement as of the date and year first above written.

Date: Aug. 21, 1997

EDUCATIONAL DEVELOPMENT  
CORPORATION

By: 

Peter Ruppert

Its: President

Date: Aug. 21, 1997

KNAPP CHARTER ACADEMY

By: 

Its: Bd. President

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**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:

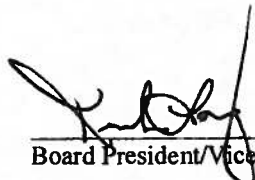
Standard #1: On the average of all MEAP tests administered or successor state test administered, the public school academy will meet or exceed the performance of its select peer district. A select peer district is the school district Grand Valley State University identifies as a reasonable comparison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

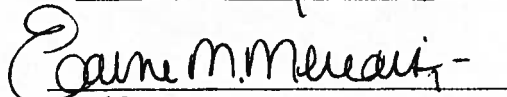
Standard #4: The Fall to Spring growth rate of each grade and subject for all groups of pupils for which the administered nationally norm-referenced test is designed will fall at the fiftieth percentile or higher.

Date: 5/15/12

  
Board President/Vice President Signature

#### Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Knapp Board of Directors at a properly noticed open meeting held on the 15 day of May, 2012, at which a quorum was present.

  
Board Secretary

**SCHEDULE 7-2**

**CURRICULUM**

## **Schedule 7-2 Curriculum**

The instructional program at Fortis Academy will be driven by the learning goals established for all students through its curriculum. These learning goals encompass academic standards in the core areas of learning including English language arts, mathematics, science, and social studies, as well as other areas of learning such as the arts, music, and physical education. Because individual responsibility, integrity, personal character, and effort are important contributors to success in school and life, and because character traits such as perseverance are highly correlated with college success, character development and the teaching of virtues will be an explicit and integrated component of the curriculum. When coupled with high-quality instruction and solid curricular tools to support instruction, the curriculum will promote academic success for students, equipping them with the knowledge, understanding, and skills needed to meet or exceed the Michigan Content Standards and the Common Core State Standards.

The school's instructional program includes clear, coherent, and sequential standards, labeled Educational Objectives, for all grade levels and in all content areas. Core content area summary information is included below.

### ***English Language Arts***

Literacy, including reading and writing, is a critical component of college readiness. "Low literacy levels often prevent high school students from mastering other subjects" and struggling readers are often excluded from academically challenging courses.<sup>1</sup> Developing reading proficiency and strong literacy skills in elementary and middle grades is essential to ensuring that students are on a college-readiness trajectory. The English language arts (ELA) curriculum is designed to produce highly literate students who are proficient readers and strong writers. The curriculum enables students to read, comprehend, write, and respond thoughtfully to what they encounter in the classroom and the world around them through its reading, writing, speaking, listening, and viewing components.

In early grades, the curriculum emphasizes the five components of reading instruction as outlined by the National Reading Panel, including phonemic awareness, phonics, fluency, vocabulary, and text comprehension. The curriculum also helps students develop the intellectual processes needed to remember, understand, analyze, evaluate, apply, and extend the ideas they encounter while reading. Student learning is enhanced through reading a variety of fiction and nonfiction texts, including a wide range of expository/informational and literary genres. Through writing, students learn the technical skills and processes necessary to produce different types of texts, with appropriate conventions, but also learn to write creatively and critically. And through speaking, listening, and viewing, students become collaborative and reflective in their learning processes. Students who master the ELA curriculum are prepared to read for deep meaning and understanding, write and speak effectively to communicate ideas and information while using appropriate language conventions, listen actively and critically as they encounter new information and ideas, and generate new ideas based on what they encounter both inside and outside the classroom.

Beyond this, the curriculum in grades K-2 focuses on and supports the process of learning to read. Decoding, word recognition, and building vocabulary are important as students begin to develop understanding and fluency. In grades 3-5, the curriculum supports a transition from

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<sup>1</sup> ACT, Inc., *Reading Between the Lines: What the ACT Reveals About College Readiness in Reading* (Iowa City, IA, 2006).

learning how to read to reading in order to learn; learning shifts to understanding that texts have specific purposes and reading with those purposes in mind. Students are introduced to informational text in addition to a variety of literary texts. Reliance on the basal reader decreases and additional resources like novels, newspapers, magazines, and web-based resources are used to support reading instruction. In grades 6-8, the curriculum focuses on extending reading and comprehension skills, developing deep evaluation and analysis skills and the ability to make connections within and between texts.

The language arts curriculum supports learning in language conventions, mechanics, spelling, and writing. In the earliest grades, students learn how to write words and sentences using appropriate mechanics and grammar and begin to use the writing process to convey information and narrative through written text. In middle grades, the curriculum develops in students a deeper understanding of writing through a focus on prewriting strategies, organizational formats, drafting, revising, proofreading, and publishing. The curriculum ensures that students learn to write for different purposes; writing includes narratives, stories, poems, interpretive responses, essays, and descriptive pieces. In later grades, the curriculum continues to extend students' writing skills through narrative, expository, persuasive, and technical writing, and technology enhances students' ability to write, revise, edit, and publish their work. Grammar, punctuation, spelling, and writing conventions are taught as part of language arts for students in all grades.

### **Mathematics**

If students are to be well-equipped for college and beyond, students must be prepared through their K-8 education to take Algebra II and other advanced mathematics courses in high school. "A strong grounding in high school mathematics through Algebra II or higher correlates powerfully with access to college, graduation from college, and earning in the top quartile of income from employment."<sup>2</sup> The development of a deep understanding of mathematical concepts makes such success possible. The school's mathematics curriculum is designed to ensure that all students complete Algebra I by eighth grade, thus placing students on a college- and career-readiness trajectory. Students who successfully complete Algebra I prior to entering high school are much more likely to complete Algebra II and other more advanced mathematics prior to graduating high school, which means they will be "more than twice as likely to graduate from college" than students who don't complete it.<sup>3</sup>

The National Council for Teachers of Mathematics has recognized the importance of the study of algebra in developing mathematical fluency and has also noted the importance of the study of other mathematics components such as number sense and number operations, measurement, geometry, data analysis and probability, and problem solving. The curriculum focuses on each of these components beginning in kindergarten. Number Sense is developed through a variety of concrete models, allowing students to use the area of the brain used for the comprehension of mathematical knowledge. Students are prepared to be fluent in computation using formal algorithms and also learn essential measurement and data analysis skills. Students also learn to make connections and apply mathematical knowledge through problem solving and inquiry.

In grades K-2, algebraic awareness, number sense, and computational fluency are the main focus of students' learning. Students develop the skills necessary to progress into higher level mathematics; through open-ended problem solving, they increase their critical thinking skills and ability to see connections across mathematics as well as other subjects. In grades 3-5, learning

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<sup>2</sup> National Mathematics Advisory Panel, *Foundations for Success: The Final Report of the National Mathematics Advisory Panel* (Washington, D.C.: U.S. Department of Education, 2008).

<sup>3</sup> *Ibid.*

shifts from computation to fractional awareness. The part-to-whole relationships that are developed in these early grades lead to a deeper understanding of fractions, percents, and decimals and computation. Algebraic skills move from pattern recognition and development to the creation of equations and the use of variables. As students move into grades 6-8, the focus shifts to the study of algebra and functions. Number sense remains a critical focus area through the study of integers, rational and irrational numbers, exponents, and absolute values. Conceptual ideas are integrated through lab activities that provide exploratory opportunities for students to explicitly connect abstract ideas to concrete examples.

The mathematics curriculum also ensures that students become effective as mathematical communicators by engaging them in thinking, reading, and writing about mathematics to help them understand the foundational concepts necessary for success in more complex mathematical coursework.

### **Science**

As the Association for the Advancement of Science and the National Council on Science explain, developing college-ready and scientifically literate students involves teaching a mixture of content knowledge, the practices and skills of scientists, and information on the nature of science. The curriculum, which includes study in Life Science, Physical Science, and Earth and Space Science, is designed to develop content knowledge about the results of scientific discoveries regarding the natural world. The teaching of practices and skills of scientists requires that students participate in the scientific process of inquiry and discovery through conducting investigations, using instruments, and applying mathematical skills that model the process used by scientists to learn about the universe. The curriculum provides students with the opportunity to participate in the scientific process, in addition to read, write, discuss and experiment with science through high level thinking and problem solving. It also ensures that students use the scientific processes and skills through lab work and investigations.

The content of the science curriculum in grades K-2 focuses scientific learning primarily through the study of events and phenomena in nature that can be observed with the five senses. Investigations at this level are modeled, simple, and structured, allowing students to write journals on their discoveries, create simple pictographs of data, and draw conclusions from observations under the direction of the teacher. The incorporation of non-fiction readers on each topic provides students the opportunity to develop grade level appropriate science vocabulary.

Building on these foundational skills, including the integration of skills from English language arts and Math, the curriculum for grades 3-5 directs students to begin exploring cause and effect connections between events (e.g., the sun rises every day and it gets warmer during the day, ergo, the sun provides heat to earth). Investigations for students in grades 3-5 are still often modeled, but they are more complex and involve more detailed measurements, use a variety of tools such as balances and microscopes, and require students to control for multiple variables. Students engage in the practices of scientists as they chart data, complete lab reports, and create graphs in order to communicate results of investigations orally and in writing while defending their conclusions.

The curriculum for students in grades 6-8 includes further exploration of cause and effect relationships while also connecting knowledge of concepts to real world examples and solidifying congruence between students' understanding of phenomena to that of the scientific community. Investigations are more student-directed, from the guiding question through the scientific procedures to the organizing, analyzing and reporting of data. Within each unit of instruction in grades 6-8, students will employ the skills of scientists as they make connections

with respect to the content of the unit using the methods of science. The scientific method is consistently integrated into content units throughout the year, and students will conduct science investigations through both closed lab investigations and through open investigations in response to the questions being raised during content studies.

### ***Social Studies***

The Social Studies curriculum ensures that students are not only prepared for high school and college, but also prepared for the rest of their lives as global citizens. According to ACT, developing students' understanding in the disciplines of history, culture, economics, and civics ensures that they are ready for college. In addition to supporting learning in these areas, the Social Studies curriculum also allows students to develop and utilize critical thinking skills by making connections, inferences, and arguments around the content and skills they are learning in these disciplines. This focus on content, skills, and critical thinking produces students who are knowledgeable in Social Studies and prepared to participate in society as informed citizens.

The curriculum emphasizes the Social Studies disciplines that will best prepare students to be intelligent members of society. Students who master the Social Studies curriculum understand how geography and economics interact in a global society. Through exposure to primary and secondary sources, students develop knowledge of our shared national and world history and are able to make connections between the past and present and between cultures and government systems that are familiar and those that are not.

Specifically, the Social Studies curriculum in grades K-2 focuses on students being able to describe basic historical events, people, and conflicts and to develop an understanding of their own culture and local community. In these early grades, students begin to become exposed to the history and cultures of places around the world to expand their knowledge beyond what is in close proximity to them. By grades 3-5, the curriculum helps students describe historical happenings in more detail while allowing them to comment on how these happenings had an impact on other historical occurrences in American and world cultures. By grades 6-8, students are regularly practicing how to make connections between historical events in the United States and the world and current events, as well as developing their knowledge of the relationship between geography, history, economics, and culture.

The Social Studies curriculum also supports learning geography, economics, and civics. In the primary grades, students become familiar with basic geographical representations, economic concepts and resources, and functions of government by studying local examples of their community and school. In the intermediate grades, the curriculum gives students opportunities to extend this basic knowledge to gather more complex information, describe concepts in more detail, and deepen their understanding of the relationship between geography, economics, and civics. Third through fifth grade students extend their learning by studying these relationships through national examples. In the middle school grades, the curriculum helps the students use their knowledge of geography, economics, and civics to make generalizations about countries around the world, to compare these countries to the United States, and to describe how these disciplines work together in a global society.

### ***Character Development***

Because teaching virtues is integral to the development of children and to preparedness for high school and college, the curriculum includes explicit, integrated character development. This component of the curriculum, which we call Moral Focus, identifies the skills, behaviors, character traits, and virtues that students need to apply their academic learning as citizens and

to be successful learners in high school and college. A comprehensive character development approach, drawing from both the *Smart & Good Schools Initiative*<sup>4</sup> and the Greek Cardinal Virtues, is focused through the study of Moral Character, Performance Character, and Social Character.

Moral Character guides students towards becoming their best self. Through the curriculum, students learn that character is defined by the virtues that they incorporate as a consistent part of their behavior. They also learn that they, as individuals, bear the responsibility for developing these virtues. The curriculum consists of a school wide focus around nine monthly virtues, which were derived from the Greek Cardinal Virtues. Students develop these virtues through explicit teaching and integrated practice until they become settled habits. Each monthly virtue is comprised of three focus virtues that build from kindergarten to eighth grade. This allows students to acquire a deep understanding of each virtue. Each monthly focus virtue within the curriculum is clearly defined within the curriculum and includes expected student behavior as it relates to that virtue.

Performance Character helps students grow in their ability to do their best work. Through the study of performance character, students learn that effort creates ability and that achievement must be earned. Students learn to strive for excellence in all that they do, work hard to overcome obstacles, find joy in a job well done, and develop the work and study habits needed to succeed in school and life. Students develop the skills to take ownership of their learning, and they acquire the tools needed to be able to define, prioritize, and complete tasks independently and utilize their time efficiently. In addition to these academic strategies, students learn to set goals for improvement and to monitor their progress in meeting those goals.

Social Character focuses on the skills students need to interact best with others. The social character aspect of the character development curriculum enhances students' ability to listen and be understood by others. Students learn to identify and manage their emotions in order to regulate their behavior and make wise choices. They consider possible outcomes, alternatives, and consequences to their choices with the understanding that they alone are responsible for their actions. Students also acquire the tools needed to have effective and lasting interpersonal relationships with others.

Students learn to internalize these concepts through the intentional and consistent focus on the application of character development concepts throughout all aspects of school life. The character development curriculum is not another subject to be taught during the school day. It defines the character traits and behaviors that need to be consistently and intentionally modeled for and exhibited by students at all times throughout the day; complete integration is thus essential for students to learn the importance of developing and maintaining a strong personal character and the qualities necessary for success as both a student and a citizen. Through consistent modeling and integration of the virtues and behaviors identified in the character development curriculum, staff and students create a learning environment built on a foundation

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<sup>4</sup> See Matthew Davidson and Thomas Lickona, *Smart & Good High Schools: Integrating Excellence and Ethics for Success in School, Work, and Beyond* (Cortland, NY: Center for the 4<sup>th</sup> and 5<sup>th</sup> Rs, 2005). Respect and Responsibility / Washington D.C.: Character Education Partnership.

of respect and care where everyone works hard to achieve academic goals and improve school culture.

**SCHEDULE 7-3**

**STAFF RESPONSIBILITIES**

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

### **Schedule 7-3**

#### **Description of Staff Responsibilities**

##### **Responsibilities for Staff Members:**

Following is a brief discussion of the main positions and their responsibilities. Some positions, such as custodian, may be contracted labor.

##### **Principal**

Employed by: National Heritage Academies

Reports to: Director of School Quality

The Principal is responsible for the following:

- Hire and evaluate school staff
- Develop and evaluate educational program to ensure conformance to state, federal, school Board, and National Heritage Academies' standards
- Develop and coordinate educational programs through meetings with staff, review of teachers' activities, and issuance of directives
- Confer with teachers, students, and parents concerning educational and behavioral problems in school
- Establish and maintain relationships with colleges, community organizations, and other schools to coordinate educational services
- Facilitate parent education and involvement
- Requisition and allocate supplies, equipment, and instructional material as needed
- Direct preparation of class schedules, cumulative records, and attendance reports
- Monitor safety and security of students, staff, visitors, and school facility
- Monitor school budget and manage expenses
- Direct building maintenance and custodial services
- Develop and administer educational programs for students with mental or physical disabilities

##### **Qualifications:**

- Must meet state requirements for elementary principals.
- Master's degree (M.A.) or equivalent; or four to ten years related experience and/or training; or equivalent combination of education and experience.
- Demonstrated successful leadership as a school principal.
- Demonstrated successful teaching experience.
- Exhibited leadership in working with professional staff, students, and the community.

##### **Dean**

Employed by: National Heritage Academies

Reports to: Principal

The role of the Dean was designed to share and distribute leadership more effectively within the school structure. The primary responsibility of the Dean is to observe, coach, and provide feedback weekly with one-on-one conversations with all assigned teachers. Responsibilities of a Dean will also include the following:

- Oversee and monitor that Moral Focus curriculum is integrated into lesson design and delivery
- Deliver professional development

- Provide training for effective classroom management (including creating and implementing social contracts)
- Train and support a consistent student discipline program
- Monitor Special Education students in various settings and provide feedback
- Monitor lesson plans to prescribed template weekly
- Facilitate wing and grade level meetings as assigned

**Qualifications:**

- Valid teaching certificate/license with appropriate endorsements.
- Two to three years of teaching experience, preferably at a school managed by National Heritage Academies.
- Ability to establish and maintain effective working relationships with students, peers, parents and community.
- Responsible in completing tasks and problem solving.
- Demonstrates organization skills.
- Encourages excitement in teachers.
- Demonstrates vision for continuous improvement in school academics and learning.

**Teacher**

Employed by: National Heritage Academies

Reports to: Dean

Teachers are responsible to implement the curriculum, coordinate with educational assistants, maintain current achievement level information, assign additional studies to students not meeting or exceeding achievement, keep accurate student records, and establish classroom procedures. Teachers are also responsible to order supplementary education materials, request parent volunteers and report all education-related activities to the Principal.

**Responsibilities:**

- Strategically plan the year's learning objectives
- Model enthusiasm for learning
- Teach the curriculum provided for the grade level
- Provide thoughtfully-prepared, high-quality lessons each day
- Develop materials as needed for all academic subjects to ensure excellent opportunities for students to master material
- Assess student learning and check frequently for mastery of material
- Provide parents with regular feedback regarding their student's progress through verbal contact, written contact, progress reports, report cards, and parent/teacher conferences
- Promote character development by establishing an atmosphere of integrity, high expectations, and sensitivity
- Maintain a neat, orderly, functional, cheerful-looking classroom
- Work effectively with his/her grade level team (where applicable) and the rest of the staff team
- Supervise recess periods, lunch periods, and other activities when a parent volunteer is not available
- Follow the Student Discipline Policy and all other discipline policies
- Grow professionally through further academic studies

- Understand and support all aspects of the Employee Handbook and Benefit Plan Descriptions
- Use AtSchool® to record grades, report attendance, complete report cards, and access online educational materials
- Assist the Principal in other duties as requested

**Qualifications:**

- Bachelor's Degree and appropriate Teaching Certificate/Licensure
- Demonstrated ability to communicate and work effectively with parents
- Demonstrated ability to adapt to individuals specific needs
- Demonstrated ability to adapt to differences and changes in characteristics of students, programs, leadership, staff and community
- Demonstrated ability to utilize varied teaching methodologies to accommodate students' unique learning styles
- Demonstrated ability to evaluate tests and measurements of achievement
- Demonstrated ability to work effectively as a team member

**Special Education Teacher**

Employed by: National Heritage Academies

Reports to: Dean

The Special Education Teacher at the school is a versatile individual who specializes in working with students with disabilities and their families to maximize their potential.

**Responsibilities:**

- Provide direct and indirect instruction
- Provide long and short term planning that addresses individual needs of students
- Evaluate students' progress
- Teach a multi-model approach
- Provide an inviting, exciting, innovative, learning environment
- Establish and maintain classroom management procedures
- Report directly to the Dean of Student Services
- Prepare written reports accurately and submit in a timely manner
- Effectively communicate with regular education teachers, parents and administrators to facilitate the IEPC procedure
- Effectively consult with parents, students, teachers and administration
- Provide professional liaison between school and home when necessary
- Remain current on rules set forth in special education law
- Maintain privacy of student records and information

**Qualifications:**

- Michigan Elementary Teaching Certificate
- Michigan Special Education Certification
- Demonstrated ability to communicate and work effectively with parents
- Demonstrated ability to adapt to individuals specific needs
- Demonstrated ability to adapt to differences and changes in characteristics of students, programs, leadership, staff and community
- Demonstrated ability to utilize varied teaching methodologies to accommodate

- students' unique learning styles
- Demonstrated ability to evaluate tests and measurements of achievement
- Demonstrated ability to work effectively as a team member

### **Registrar**

Employed by: National Heritage Academies

Reports to: Principal

The Registrar will maintain the school office and provide assistance to students, parents, and staff.

#### **Responsibilities:**

- Maintain and update record-keeping at the school
- Answer phones
- Maintain student counts
- Maintain student database
- Maintain student master schedule
- Provide assistance to staff and students
- Perform as a receptionist for the school

#### **Qualifications:**

- Ability to word process and utilize a database accurately
- Demonstrated ability to communicate and work effectively with staff and parents
- Ability to adapt to constantly changing needs
- Demonstrated ability to adapt to differences and changes in characteristics of students, programs, leadership, staff, and community

### **Library Technology Specialist**

Employed by: National Heritage Academies

Reports to: Principal

The Library Technology Specialist's role is to provide the leadership and expertise necessary to ensure that the library and technology programs are an integral part of the instructional program of the school. The Library Technology Specialist will assume the responsibility of leader, trainer, manager, teacher, and information specialist.

#### **Responsibilities:**

- Work with administrators and school personnel to develop long range goals and objectives for the school library and technology programs
- Serve as the primary contact for the IT Department in the school
- Initiate and maintain contact with Principal, teachers, and students to implement library and technology programs
- Communicate the philosophy and goals of the school library and technology programs to the students, teachers, administration and community
- Plan, teach, evaluate and reinforce instruction designed to make students and staff effective users of information
- Make resources available to students and teachers through a systematically developed and organized collection of library media materials and technology
- Arrange for flexible scheduling of library and technology

- Assist teachers to promote reading and guide students in the individual choice of books for recreational and research reading
- Participate in school leadership and strategic planning at the building level
- Provide staff development opportunities for school personnel in the selection, use, evaluation and availability of media
- Provide indirect supervision of the library technology aide and volunteer staff in the library and technology center(s)

**Qualifications:**

- Bachelor's Degree along with appropriate certification/licensure for teaching in a library/media center setting

**Instructional Aide**

Employed by: National Heritage Academies

Reports to: Teacher

The Instructional Aide at the school will provide assistance and support under the direct supervision of a certified or licensed teacher, as needed. The Instructional Aide's responsibilities include but are not limited to:

**Responsibilities:**

- Assist with oversight and technical operations of computer laboratories
- Assist with physical care tasks and health-related activities as appropriate
- Assist students with behavioral/management needs
- Assist with setting up laboratory equipment, conducting experiments, and performing limited reviews of student laboratory reports
- Assist with technical preparation and production of media programs
- Read to and play audio-visual materials for children
- Assist with proctoring examinations and other related tasks
- Assist with correcting test papers, recording grades, maintaining files, and preparing statistical reports
- Manage records, materials, and equipment
- Supervise students

**SCHEDULE 7-4**

**METHODS OF ACCOUNTABILITY AND PUPIL ASSESSMENT**

#### SCHEDULE 7-4

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.

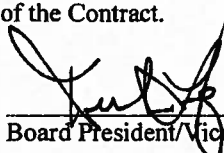
Included in the Comprehensive Performance Review shall be the requirements of Article VI Section 6.5 of the authorizing agreement, which states:

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.

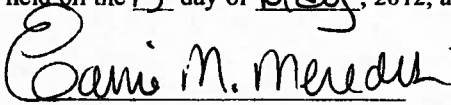
The University Board may use such reports, assessments and test results in making its decision to revoke, terminate, or not issue a new contract at the end of the Contract.

Date: 5/15/12

  
Board President/Vice President Signature

Secretary's Certification:

I certify that the foregoing resolution was duly adopted by the Knap Board of Directors at a properly noticed open meeting held on the 15 day of May, 2012, at which a quorum was present.

  
Board Secretary

**SCHEDULE 7-5**

**ACADEMY'S ADMISSION POLICIES AND CRITERIA**

## **Admission and Enrollment Policy**

Admission to the Academy shall be open to all age-appropriate children for grade levels offered in accordance with the Academy's charter contract without charge for tuition and without discrimination on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin or any other basis that would be illegal for an existing school district. Admission shall comply with all applicable federal and state laws. Admission shall be limited to those students who are residents of the state, except a foreign exchange student.

The Academy will remove barriers to the enrollment and retention in school of children and youth experiencing homelessness by developing and implementing practices and procedures consistent with the McKinney-Vento Homeless Education Assistance Act and applicable state law. The school will ensure that all identified homeless children and unaccompanied youth receive a free and appropriate education and are given meaningful opportunities to succeed in the school.

It is the policy of the Board that its educational service provider develop and implement practices and procedures that control the admission and enrollment of students, including public notice, lottery and random selection drawing to be used when the number of applicants exceed the number of available spaces for grades offered. Detailed application, lottery and admission practices and procedures shall be available to parents and the general public at the school office. The Board will annually approve offered seats and maximum class size of the Academy.

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### References:

US Constitution, Fourteenth Amendment

Title IX of Education Amendments Act (20 USC 1681 et. seq.)

The Civil Rights Act of 1964

The McKinney-Vento Homeless Education Assistance Act (42 USC §11434a[2])

Rehabilitation Act of 1973 (29 USC 791 et. seq.)

Equal Educational Opportunity Act of 1974 (20 USC 1703 et. seq.)

The Americans with Disabilities Act of 1990 (42 USC 12101 et. seq.)

Michigan Constitution

MCL 37.1101 et. seq.; 37.1402; 37.2402; 380.503 et. seq.; 380.504 et. seq.; 380.1146; 380.1704

National Heritage Academies Admissions and Enrollment Practices & Procedures

National Heritage Academies Homeless Child Practices & Procedures

## **NHA PRACTICES AND PROCEDURES: ADMISSIONS AND ENROLLMENT (MI)**

The school will comply with all applicable federal and state laws related to admissions and enrollment.

### **Non-Discrimination**

The school will not discriminate on the basis of intellectual or athletic abilities, measures of achievement or aptitude, disability, status as a handicapped person, homeless status, English proficiency, religion, creed, race, sex, color, national origin or any other basis that would be illegal for an existing public school.

### **Open Enrollment Period and Notice**

The “**Open Enrollment Period**” for the first year of operation will be determined prior to June 30 by the NHA Admissions Department and included in the notice of Open Enrollment. In all subsequent years, the Open Enrollment Period is from the first day of school of the current school year until 5:00 p.m. on the last day of business in February of the current school year. Notice of the Open Enrollment Period and application process will be designed to inform the persons most likely to be interested in the school.

National Heritage Academies (NHA) and/or the school will provide notice of open enrollment by (a) printing a legal notice of the enrollment period in a local newspaper of general circulation; (b) mailing a written notice of the Open Enrollment Period and an application to all families who inquire about school enrollment; and (c) posting a written notice of the Open Enrollment Period at the school. In addition, notice may also be provided by airing a public service announcement on local television.

As part of the enrollment process, the school staff will communicate to meet with families, parents and students prior to the first day of school.

### **Application Procedures**

Interested parties may obtain applications at:

- The school’s website accessed through [www.nhaschools.com](http://www.nhaschools.com)
- The offices of the school
- The service center of NHA at 3850 Broadmoor SE, Suite 201, Grand Rapids, MI 49512 or by calling 866-NHA-ENROLL from 8:00 a.m. to 5:00 p.m. EST.

Applications will be mailed or faxed to anyone requesting an application by telephone.

Applications for the current school year will be accepted until the end of the current school year and available seats will be filled. Applications for the subsequent school year are received during and after the Open Enrollment Period. If applications received during the Open Enrollment Period exceed offered seats in any grade level (“over-subscribed grades”), a random selection process will take place for all grade levels including under-subscribed grade levels. If applications received are fewer than offered seats in each and every grade level (“under-subscribed grades”), all eligible applicants will be accepted and a random selection process will not be conducted.

All applications received after the Open Enrollment Period will not be eligible to participate in the random selection process, and will be added to the end of the accepted list if offered seats are still available after the random selection process, or to the resulting waiting list created at the time of the random selection process.

Accepted applicants must confirm their intent to attend the school within four weeks of acceptance by returning certain initial forms, including an Admissions Form and an Official Release of Records Form. The school will send letters to parents reminding them of this obligation in order to enroll their child. The school will send all applicants a postcard to inform parents that if the student does not attend the first day of school or call in to request an excused absence by the date and time indicated, the student will forfeit his/her registered status in the school and will not be enrolled. The school may attempt to call all applicants who have not responded to inquire whether the applicant is still planning to attend.

Once students are enrolled and remain enrolled, they will remain eligible to be re-enrolled at the school for successive years without having to reenter the random selection process. However, they will be requested to complete a re-enrollment form by the end of the Open Enrollment Period showing intent to re-enroll for the subsequent school year. All applicants on a waiting list must resubmit an application for the following school year during the next Open Enrollment Period.

### **Standby Opportunity Plan**

The Standby Opportunity Plan (SOP) is a procedure by which the school may decide to revise its waiting list on the first day of school. If the school follows this procedure, the school will send all applicants on the waiting list a registration card prior to the first day of school. To be included in the SOP, the applicant must return the card to the school by 1:00 p.m. on the first day of school, providing phone numbers where the applicant can be reached the first day of school between the times listed on the card. In the event of an offered seat becoming available, the school will attempt to reach the parent participating in the SOP and offer the seat. If the school cannot reach the parent at the phone numbers and during the times provided on the card, the school will contact the next person on the waiting list who is participating in the SOP. If a student participates in the SOP and a seat is not available for them, they may receive a higher waiting list priority than those students who did not participate.

### **Random Selection Process**

The random selection process shall be open to the public, and the school will notify all applicants of the time and place. A neutral third party person will be present during the random selection process. This person will not be related to any student, staff member, anyone applying to the school, or an NHA employee. Names will be randomly selected until all offered seats have been filled. Any remaining names will be randomly selected to establish waiting list priority used to fill offered seats prior to and during the school year for which the student applied. After all eligible names have been randomly selected, the school will add the names of applicants who submitted applications after the Open Enrollment Period in the order in which they were received. The random selection process will be video recorded. In the event of any discrepancy, the video recording will be the official record of placement of students.

### **Class Size and Offered Seats**

Class size and offered seats will be recommended by NHA and submitted to the school board of directors for approval. In order to make provision for student attrition (reenrolling students who indicate that they are coming back but do not return on the first day of school) and erosion (new students who have been accepted for offered seats but are absent without excuse on the first day of school), the school may over-subscribe grades. The number of students to be over-subscribed will be determined based on historical and forecasted attrition and erosion. In addition, the number of classrooms may fluctuate in the event the number of students enrolled warrants the increase or decrease in number of classrooms. In no event will over-subscription, or fluctuations in the number of classrooms result in a violation of any provision or limit contained within the school's charter or applicable law.

### **Enrollment Preferences**

Enrollment preference is first given to currently enrolled students. Next preference is given to the following ordered categories of applicants:

- Siblings of currently enrolled students
- Siblings of students selected in the random selection process
- All remaining applicants

If permitted by law, other enrollment preferences may be granted. If a student is selected for a grade level that still has offered seats available and the student has a sibling applying for a grade that no longer has offered seats available, the student will be accepted for his/her grade level and the student's sibling will be placed on the waiting list for his/her grade level with sibling preference. Therefore, while sibling preference applies, siblings are not guaranteed a seat.

### **Procedural Steps**

**Step 1: Setup**

A list with the name of each student who submitted an application during the Open Enrollment Period will be created. The list will include the student's name, birth date, grade level to which the student is applying, street address, and names and grade levels of any siblings who are also applying for admission to the school.

**Step 2: Admission of Applicants Applying for Under and Over-Subscribed Grades**

A neutral third-party person will perform a random selection of the names of each applicant. Any under-subscribed grades will be considered before the over-subscribed grades in descending order. After all under-subscribed grades have been identified, the order of the over-subscribed grades will be randomly selected. Once the grade order has been established, randomly selected students will be placed in available seats or on the waiting list in the applying grade if an offered seat is not available. If the selected student is accepted and has siblings who are also applying for admission, the siblings will be accepted if there are offered seats available or placed on the waiting list with sibling preference if offered seats are not available. If the selected student is placed on the waiting list and has siblings who are also applying, the siblings' names will not be selected at this time or granted sibling preference, but will wait until their grade level is selected.

**Step 3: Waiting List Priority**

Students will continue to be randomly selected until all names are selected. After a grade level's seats are full, all remaining names will be placed on the waiting list in the order in which they are selected. Applications received after the Open Enrollment Period will be added to the end of the waiting list for the appropriate grade in the order in which they were received.

When a seat becomes available in a particular grade due to attrition, erosion, or other event, if that particular grade has a waiting list, that available seat will be filled by the first student on the waiting list for that particular grade. If a waiting list does not exist for that particular grade, but exists for another grade, the school may (subject to applicable enrollment limits and board approved offered seats) fill the available seat using the first student on the waiting list in a different grade, the grade deemed most beneficial to student and school considering class size, teacher capacity, and other school operational factors.

**Appeals**

Any parent or guardian who wishes to contest or appeal any aspect of the random selection process may do so in writing to the school's board of directors sent to the school's address. Following receipt of the parent's written appeal, a representative of the board of directors will contact the parent to discuss the nature of the concern or objection. Final decisions will be made by the board of directors or its designee.

Last revised: February 13, 2012

# **NATIONAL HERITAGE ACADEMIES HOMELESS CHILD PRACTICES & PROCEDURES**

## **1. PURPOSE**

To remove barriers to the enrollment and retention in school of children and youth experiencing homelessness in compliance with the McKinney-Vento Homeless Education Assistance Act (42 USC §11434a[2]) ("McKinney-Vento Act").

## **2. PRACTICE**

The school will adhere to the provisions of the McKinney-Vento Act and applicable state requirements to ensure that all identified Homeless Children and Unaccompanied Youth receive a free and appropriate education and meaningful opportunities to succeed in the school.

### ***Definitions***

“Homeless Child” - a child who does not have a fixed, regular, and adequate nighttime residence or whose primary nighttime location is in a public or private shelter designated to provide temporary living accommodations, or a place not designed for, or ordinarily used as regular sleeping accommodations for human beings. This definition includes a child who is:

- sharing the housing of other persons due to loss of housing, economic hardship or similar reason (sometimes referred to as double-up);
- living in motels, hotels, trailer parks, or camping grounds due to the lack of alternative adequate accommodations;
- living in a car, park, public space, abandoned building, substandard housing, bus or train stations or similar settings;
- abandoned in hospitals;
- awaiting foster care placement (eligibility for services for children already placed in foster care should be discussed between the Liaison and the social service provider);
- a migratory child who qualifies as homeless because he or she is living in circumstances described above; or
- an Unaccompanied Youth.

“School of Origin” - the school the child attended when permanently housed or the school in which the child was last enrolled.

“Unaccompanied Youth” - a youth not in the physical custody of a parent or guardian.

## **3. APPLICABILITY**

This document applies to all National Heritage Academies (NHA) schools.

## **4. RESPONSIBILITY**

**4.1** The school principal will designate a local homeless Liaison (“Liaison”).

**4.2** The Liaison will serve as one of the primary contacts between homeless families and school staff, district personnel, shelter workers, state coordinators for Homeless Children, public and private service providers in the community, housing and placement agencies, and other service providers.

**4.3** The Liaison will:

- Identify and enroll Homeless Children;
- Ensure that Homeless Children and their families receive eligible educational services;
- Make referrals to health, mental health, dental, and other services;
- Inform parents/guardians of educational and related opportunities available to their children;
- Provide parents/guardians with meaningful opportunities to participate in their child's education;
- Inform parents/ guardians and Homeless Children of all transportation services, and assist them in accessing these services;
- Clearly communicate all required information in a form, manner, and language that is understandable;
- Ensure proper mediation of enrollment disputes according to the McKinney-Vento Act and complaint procedures;
- Disseminate public notice of the educational rights of Homeless Children;
- Conduct annual training for school personnel on possible indicators of homelessness, sensitivity in identifying Homeless Children, and procedures for reporting to the Liaison; and.
- Record *AtSchool* information (See Exhibit 6.1);

## 5. PROCEDURES

### 5.1 Identification

The burden is on the school to show that the child is not a Homeless Child. The Liaison, in collaboration with school personnel and community organizations, will identify Homeless Children, both in and out of school. Community organizations may include family and youth shelters, soup kitchens, motels, campgrounds, drop-in centers, welfare departments and other social service agencies, street outreach teams, faith-based organizations, truancy and attendance officers, local homeless coalitions, and legal services.

The Liaison must use the Student Residency Questionnaire (“SRQ”) (Exhibit 6.2; for Louisiana, see Exhibit 6.3) upon enrollment and clearly describe current living arrangements of the child to determine whether the child meets the definition of a Homeless Child. Upon the receipt of an SRQ indicating potential homelessness, the Liaison will implement these practices and procedures document and ensure adherence with federal, state and NHA requirements.

NOTE: For New York schools only: Upon determination of appropriate school selection, the parent (or Liaison if no parent is available) will complete the New York STAC-202 form (Exhibit 6.4), following the instructions contained therein. Upon receipt of the STAC-202 form, the Liaison will forward the form to the New York Commissioner, Intervention Services at the NHA Service Center, and keep a copy in the school's records.

### 5.2 School Selection

Homeless Children have the right to remain at their School of Origin or to attend any school that houses students who live in the attendance area in which they are actually living.

If the parent/guardian agrees, Homeless Children will remain at their School of Origin to the extent feasible. Homeless Children may remain at their School of Origin the entire time they are in transition and until the end of any academic year in which they become permanently housed. The same applies if they lose their housing between academic years.

*Feasibility* is a child-centered determination, based on the needs and interests of the particular child and the parent/guardian or child's wishes. Services that are required to be provided,

including transportation and services under federal and other programs, shall not be considered in determining feasibility. Feasibility considerations may include:

- Safety of the child;
- Continuity of instruction;
- Likely area of family or child's future housing;
- Time remaining in the academic year;
- Anticipated length of stay in temporary living situation;
- School placement of siblings; or
- Whether the child has special needs that would render the commute harmful.

### 5.3 **Enrollment**

The school selected for enrollment must immediately enroll any Homeless Child. Unaccompanied Youth may either enroll themselves or be enrolled by a parent, non-parent caretaker, older sibling, or the Liaison. Enrollment may not be denied or delayed due to the lack of any document normally required for enrollment, any unpaid school fees, lack of uniforms or clothing that conforms to the school's dress code or any factor related to the child's living situation.

The school will coordinate the transfer of school records with other schools and contact the child's previous school to obtain school records. Initial placement of a child whose records are not immediately available will be made based on the child's age and information gathered from the child, parent, and previous schools or teachers. If no immunization records are available, the school office will refer students to the Liaison to assist with obtaining these records from state registries and/or community based clinics.

The school will excuse any tardiness or absence related to a Homeless Child's living situation when applying any school policy regarding tardiness or absences.

### 5.4 **Services**

The school must provide Homeless Children services comparable to services offered to other students in the school, including:

- Transportation;
- Title I;
- Educational services for which the student meets eligibility criteria, including special education and related services and programs for English language learners;
- School nutrition programs (the school will provide free meals to the Homeless Child as all Homeless Children are automatically eligible for free meals);
- Vocational and technical education programs;
- Gifted and talented programs; and
- Before- and after-school programs

#### Transportation

At a parent/guardian's request, the school will provide transportation to and from the School of Origin. The Liaison will coordinate these arrangements, which may include arrangements with the social service district. The school must provide the transportation for the entire time the child has a right to attend that school, as defined above, including during pending disputes. The length of the commute will only be considered in determining the *feasibility* of placement in the School of Origin based on potential harm to the child. Prior to selection of a school, the Liaison will inform the parent/guardian or Unaccompanied Youth of this right to transportation. Transportation disputes will not result in a Homeless Child missing school. If such a dispute arises, the school will arrange transportation and immediately bring the matter to the attention

of the state authorities following the appropriate complaint procedures as detailed in this document.

### Title I

Homeless Children are automatically eligible for Title I services. The school will reserve the necessary funds to provide services comparable to those provided to Title I students attending non-participating schools, including education related support services and removing barriers that prevent attendance. The Liaison and the Title I director at the NHA Service Center will develop the formula (based upon the per-pupil Title I expenditures) to use for determining the necessary funds to reserve.

The Title I director and the Liaison will ensure coordination between the Title I plan and the McKinney-Vento Act, including the academic assessment, reporting and accountability systems required by federal law and the U.S. Department of Education.

### Educational Services

The school shall give evaluations of Homeless Children suspected of having a disability priority and coordinate the evaluation with the student's prior and subsequent schools, as necessary, to ensure timely completion of a full evaluation. When necessary, the school will expeditiously designate a surrogate parent for Homeless Children suspected of having a disability. The school will immediately implement the child's Individualized Education Program (IEP), if available, and promptly conduct any necessary IEP meetings or re-evaluations. If complete records are not available, IEP teams will use good judgment in choosing the best course of action, balancing procedural requirements and the provision of services in an attempt to avoid any disruption in services.

## **5.5 Complaint and Dispute Resolution**

The following steps and procedures should take place in resolving disputes regarding enrollment, school placement, or services.

### Complaint

- A complaint is an oral or written and signed statement alleging the violation of a federal or state law, rule, or, regulation. The complaint must allege a violation that occurred not more than one (1) year prior to the date that the complaint is received, unless a longer period is reasonable because the violation is considered systemic or ongoing.
- Parents, teachers, administrators, or other concerned individuals or organizations may file a complaint ("Complainant"). Faculty and staff with knowledge of a complaint must refer the Complainant to the Liaison.
- The Complainant may submit the complaint in writing to the Liaison, using the attached Complaint Resolution Initiation Form (Exhibit 6.5). The Complainant may choose to initiate the complaint orally.

### Role of School

- Immediately enroll the child in the school preferred by the person(s) bringing the complaint.
- Provide all educational services for which the child is eligible, pending resolution of the dispute.

### Role of Liaison

- After receipt of the complaint, the Liaison must provide a written explanation of the school placement decision and/or provided services to the Complainant and discuss the complaint with the Complainant. The Liaison must provide a written proposed resolution or a plan of action to the Complainant within five (5) days of receipt of the complaint, or within seven (7) business days of notification of dispute (Georgia only).
- If the Liaison does not resolve the dispute, the Complainant may forward it to the school principal. The Liaison must provide a written resolution to the parties within five (5) days of the discussion with the principal, or within ten (10) business days of the second dispute (Georgia only). The Complainant has a right to obtain assistance from advocates or attorneys in addressing a complaint.
- The Liaison will carry out the dispute resolution in an expeditious manner and will provide the Complainant these written procedures, including the appeal procedures outlined below.
- In the event the school is unable to resolve the complaint, the Complainant may pursue the applicable appeal procedure(s).

#### Appeal Procedures – Colorado

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting a mediator from the Colorado Mediator Resource Network (services at no charge to the Complainant) or may direct the Complainant to the Colorado Department of Education (CDE).

Address the complaint to the following address:

- State Coordinator for the Education of Homeless Children and Youth, Colorado Department of Education, State Office Building, 201 East Colfax Avenue, Denver, Colorado 80203-1799.

Use the Colorado Dispute Report Form (Exhibit 6.6) during the appeal process.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

If the State Coordinator is unable to resolve the complaint within 15 business days, the Complainant may file a written complaint to the State Coordinator who, with a team, will review the complaint with the mandates of the Title X law. Within 15 days of receipt of the complaint, the Coordinator will issue a written decision to the parties via mail.

#### Appeal Procedures – Georgia

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Georgia Department of Education state homeless coordinator. The Liaison may assist the Complainant in contacting the Department.

Address the complaint to the following address:

- Program Consultant, Homeless Education Program, Georgia Department of Education, 1866 Twin Towers East, 205 Jesse Hill, Jr. Drive, SE, Atlanta, Georgia 30334.

#### Appeal Procedures – Indiana

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Indiana Department of Education (IDOE). Complaints made under this process must be in writing and signed by the Complainant.

If the complaint involves enrollment or school placement of homeless children, address the complaint to the following address:

- State Board Liaison; Indiana Department of Education; Room 299, State House; Indianapolis, Indiana 46204.

If the complaint involves comparable services offered to homeless children, address the complaint to the following address:

- Director of the Division of Educational Options; Indiana Department of Education; Room 299, State House; Indianapolis, Indiana 46204.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The IDOE will issue a letter of acknowledgement to the Complainant and the Liaison containing the IDOE's commitment to issue a resolution in the form of a *Letter of Findings*.

An IDOE complaint investigator will review all relevant information and issue the *Letter of Findings* to the Complainant.

If the complaint involves enrollment or school placement, a hearing shall be held with each interested party given at least 10 days notice of the hearing. Any interested party may appear at the hearing in person or by counsel, present evidence, cross-examine witnesses, and present in writing or orally summary statements of position. The Indiana State Board of Education or a hearing examiner may conduct the hearing at any place in Indiana.

The determination of the IDOE or Indiana State Board of Education as a result of the proceedings described above is final and binding on the parties to the proceedings.

#### Appeal Procedures – Louisiana

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting the local (EBR) Liaison for assistance with the appeal process. In the event the dispute is not resolved at the (EBR) Liaison level, the Complainant may contact the State Coordinator to hear an appeal of the Local (EBR) Liaison's decision.

Address the complaint to the following address:

- State Coordinator – Homeless Education, Louisiana Department of Education, Office of School & Community Support, P.O. Box 94064, Baton Rouge, Louisiana 70804.

The DOE will acknowledge receipt of the complaint in writing to the Complainant and provide written resolution of the complaint within 60 days of the date the DOE receives the complaint. The decision will include the Complainant's right to request the Secretary of the U.S. Department of Education to review the final decision of the DOE, at the Secretary's discretion.

#### Appeal Procedures – Michigan

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Michigan Department of Education. Complaints made under this process must be in writing and signed by the Complainant.

Address the complaint to the following address:

- State Homeless Coordinator, Office of Field Services, Michigan Department of Education, P.O. Box 30008, Lansing, MI 48909.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The State Homeless Coordinator will gather needed information from statements of the parties involved and will forward the information to the Director of the Office of Field Services along with a recommendation of resolution or for further investigation.

Within 30 days after receiving a complaint, the Director of the Office of Field Services will recommend a resolution and will inform interested parties in writing of the decision.

If a Complainant or one of the parties involved in the complaint disagrees with the decision, that party may, within 10 working days, appeal to the Deputy Superintendent. This appeal must be in writing and state why the party disagrees with the decision of the Director of the Office of Field Services.

Within 30 days after receiving an appeal, the Deputy Superintendent will render a final administrative decision and notify the Complainant and the school in writing.

If the party disagrees with the decision of the Deputy Superintendent, the party may request a review of the decision by the United States Secretary of Education in accordance with 34 CFR Part 299.11.

#### Appeal Procedures – North Carolina

If the dispute is not resolved at the school level, the Complainant may direct the complaint, orally or written, to the North Carolina Department of Public Instruction.

Address the complaint to the following address:

- State Homeless Coordinator, Homeless Education & Rural Education Achievement Program Consultant, Compensatory Education, NC Department of Public Instruction, 6351 Mail Service Center, Raleigh, NC 27699-6351.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The Liaison will provide the State Homeless Coordinator with any information that the State Homeless Coordinator requests regarding the issues presented in the appeal.

The State Homeless Coordinator will provide the school and the Complainant the opportunity to respond to any decision made and to provide any additional evidence the Complainant deems relevant.

Within 10 school days following receipt of the appeal, the State Coordinator shall issue a final written decision to the school and the Complainant .

#### Appeal Procedures – New York

If the dispute is not resolved at the school level, the Liaison will assist the Complainant in contacting the Commissioner, completing the New York Form Petition (Exhibit 6.7), and providing copies of the form and supporting documentation at no cost to the Complainant.

The Liaison will provide the Complainant an acknowledgement of receipt of the Form Petition and will transmit the Form Petition and related documents on behalf of the Complainant to the Office of Counsel, New York State Education Department, State Education Building, Albany, New York 12234 within five days of receipt.

If a stay request is made on the Form Petition and the Commissioner grants a stay order, the Homeless Child may continue attending the school until the Commissioner issues an appeal decision. If the Commissioner denies the stay request, the Homeless Child can be asked by the principal to leave the school immediately.

If the Commissioner sustains the appeal of the Complainant, the Homeless Child can continue attending the school. However, if the Commissioner dismisses the appeal, the Homeless Child can be asked by the principal to leave the school immediately.

#### Appeal Procedures – Ohio

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the Ohio Department of Education. Complaints made under this process must be in writing and signed by the Complainant.

Address the complaint to the following address:

- Homeless Education Coordinator, Ohio Department of Education, 25 S. Front Street, Mail Stop 404, Columbus, Ohio 43215.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

The Homeless Education Coordinator will recommend a decision to the Complainant and the Liaison. If unresolved, the Complainant may file a final appeal to the State Superintendent of Public Instruction for review and disposition.

#### Appeal Procedures – Wisconsin

If the dispute is not resolved at the school level, the Complainant may direct the complaint to the State Superintendent of Public Instruction, in accordance with the Wisconsin Department of Public Instruction Complaint Resolution and Appeals Process, Chapter PI 1.

Address the complaint to the following address:

- State Superintendent of Public Instruction, P.O. Box 7841, Madison, WI, 53707-7841.

The complaint should include:

- the name, address, and telephone number of the person filing the appeal;
- the relationship or connection of the person to the child in question;
- the name and age of the child involved;
- the name of the school and school personnel involved in the complaint;
- the federal requirement alleged to have been violated;
- a description of the situation that prompted the complaint;
- a description of the attempts that were made to solve the issue; and
- the relief the person is seeking.

## **6. EXHIBITS**

6.1 [AtSchool Homeless Procedures](#)

6.2 [Student Residency Questionnaire](#)

6.3 [Louisiana Residency Questionnaire](#)

6.4 [New York STAC-202 Form](#)

6.5 [Complaint Resolution Initiation Form](#)

6.6 [Colorado Dispute Report Form](#)

6.7 [New York Form Petition](#)

**SCHEDULE 7-6**

**SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE**

# Knapp Charter Academy

## 2012-13 School Year

August						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

\* July 23-26 NHA-U, Grand Rapids, MI  
 \* July 27, Principal Meeting  
 \* July 29th-Aug 3rd NTO, Grand Rapids, MI

27th-30th Staff PD

September						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

3rd Labor Day; 4th First Day of School

October						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

3rd Count Day

November						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	

16th End 1st Trimstr; 19th-20th Evening PT Conf  
 21st Aftnoon Staff PD; 22nd-23rd Tgiving Brk  
 26th School Resumes

December						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

24th-Jan 4th Winter Break

January						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

1st New Years Day  
 7th School Resumes

February						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28		

13th Count Day  
 18th-19th Evening PT Conf; 20th-21st Staff PD  
 22nd Mid Winter Break; 25th School Resumes

March						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

15th End of 2nd Trimester  
 29th-April 5th Spring Break

April						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

8th School Resumes

May						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

24th Staff PD  
 27th Memorial Day

June						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30						

7th Last Day of School; End of 3rd Trimester  
 10th-11th Staff PD

July						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

4th Independence Day



Students Do Not Report/ Staff Report All Day  
 Students Report Half Day/ Staff Report All Day  
 Students/ Staff Do Not Report

Board Approved: 3/20/12

Last Update: 2/29/2012

176 School Days

8:05-3:20 School Hours

8:05-11:20 (half)

8:05 START TIME

		Monday					Tuesday					Wednesday					Thursday					Friday				
Period		Art	Music	PE	Lib	Sp	Art	Music	PE	Lib	Sp	Art	Music	PE	Lib	Sp	Art	Music	PE	Lib	Sp	Art	Music	PE	Lib	Sp
8:15-8:45	8:15-9:00	1C	1A	1B	K1	2A	K1	K5	K2	7A	3A	K2	K1	K5	2A	4A	K5	K2	K1	8A		x	x	x	x	x
8:50 -9:50	9:05-9:50	4A	4B	4C	K2	2B	2B	2A	2C	5A	3B	1A	1B	1C	5B	4B	2A	2B	2C	5C	5A	2C	2B	2A	4A	5C
		4A	4B	4C	K2	2B	2B	2A	2C	5A	3B	1A	1B	1C	5B	4B	2A	2B	2C	5C	5A	2C	2B	2A	4A	5C
9:55 - 10:40	9:55-10:40	6	6	6	K5	2C	6	6	6	7B	3C	6	6	6	2B	4C	6	6	6	8B	5B	1B	1A	1C	4B	6V
10:45 - 11:35	10:45-11:35	5	5	5	6V	6R	5	5	5	2C	6V	5	5	5	6R	6K	5NB	5BD	x	6K	6R	1B	1C	1A	4C	6K
11:35 - 12:05		Lunch 6th - 8th Grade																								
11:25 - 12:10		Lunch 3rd - 5th Grade																								
11:55 - 12:40		Lunch 1st and 2nd Grade																								
12:10 -1:10	12:15-1:00	Art	Music	PE	Lib	Span	Art	Music	PE	Lib	Span	Art	Music	PE	Lib	Span	Art	Music	PE	Lib	Span	Art	Music	PE	Lib	Span
		3A	3B	3C			4B	4A	4C	7C		4C	4B	4A	X		3B	3A	3C			3C	3B	3A		
		3A	3C	3B			4B	4C	4A	7C		4C	4A	4B	3B		3B	3C	3A	8C		3C	3A	3B	Y5	
1:15 -1:40	1:05-1:45	K3	K4	Y5	1C	1A	Y5	K3	K4	3A		K4	Y5	K3	1B	1C		1C		1A	1B			1A	K3	
1:45 - 2:25		7		7		7	7	7BD	7	8	7	7	7BD	7	8	7	7	7BD	7	8	7	7		7	K4	7
2:30 - 3:15		8		8		8	8	8BD	8	7	8	8	8BD	8	7	8	8	8BD	8	7	8	8	X	8	3C	8

	Mondays					Tuesdays					Wednesdays					Thursdays					Fridays					
	A	M	LT	PE	S	A	M	LT	PE	S	A	M	LT	PE	S	A	M	LT	PE	S	A	M	LT	PE	S	
8:05 -9:00	8	X	7	8	8	8	7	7	8	8	8	7	7	8	8	8	7	7	8	8	8	8	X	7	8	8
9:05 - 9:50	7	X	8	7	7	7	8	8	7	7	7	8	8	7	7	7	7	8	8	7	7	7	K5	8	7	7
9:55 - 10:40	K5	K2	5B	K1	5A	6	6	K2	6	5B	6	6	5A	6	5C	6	6	K1	6	X	6	K2	K1	5C	K5	6B
10:45 - 11:30	5	5	6B	X	6A	5	5	K5	X	6B	5	5	6A	X	6C	5	5	6C	X	6A	6	K1	X	X	K2	6C

11:35-12:05	6-8 Lunch																									
11:20-12:00	1-2 Lunch																									
12:00-12:40	3-5 Lunch																									

	A	M	LT	PE	S	A	M	LT	PE	S	A	M	LT	PE	S	A	M	LT	PE	S	A	M	LT	PE	S
12:10 - 1:10	1A	1B	1C	X	X	1B	1A	1C	X	2A	1C	1A	1B	Y5s	ELL Pull-out and testing	X	X	X	K4	1A	X	X	X	K3	X
	1A	1C	1B	2nd	X	1B	1C	1A	2nd	X	1C	1B	1A	2nd		K3	K4	Y5s	2nd	1B	K4	Y5s	K3	2nd	X
1:10 - 2:10	Y5s	K3	K4	1st	3A	3A	3B	3C	1st	2B	2A	2B	2C	1st		2B	2A	2C	1st	X	2C	2B	2A	1st	4A
	X	X	X	4th	3B	3A	3C	3B	4th	2C	2A	2C	2B	4th		2B	2C	2A	3rd	1C	2C	2A	2B	3rd	4B
2:10 - 3:10	4A	4B	4C	3rd	X	4B	4A	4C	3rd	X	4C	4B	4A	3rd		3B	3A	3C	4th	X	3C	3B	3A	4th	X
	4A	4C	4B	5th	3C	4B	4C	4A	5th	X	4C	4A	4B	5th		3B	3C	3A	5th	X	3C	3A	3B	5th	4C

Y5s= Mrs. Galloway  
K1= Mrs. DeMann  
K2= Mrs. Durham  
K3= Mrs. Demann  
K4= Mrs. Durham  
K5= Mrs. Haney  
1a= Mrs. Kavaluskis  
1b= Miss Keller  
1c= Mrs. Dabkowski  
2a= Mrs. Van Dyke  
2b= Miss Quisenberry  
2c= Miss DeHamer  
3a= Mrs. Lago  
3b= Mrs. Gould  
3c= Mrs. Jachim

4a= Miss Lehan  
4b= Mrs. Lake  
4c= Miss Bullen  
5a= Mr. Grima  
5b= Miss Luthanen  
5c= Mrs. Zwagerman  
6a= Mrs. Rubio  
6b= Mrs. VanStensel  
6c= Mrs. Farhni/Mrs. Kett  
7a= Mrs. Steketee  
7b= Mr. Bosch  
7c= Mrs. Reilly  
8a= Mrs. VanderMeulen  
8b= Mrs. Sanders  
8c= Mrs. Dykstra

**Fit 4 Life**  
M, T, & W  
12:40 - 2nd  
1:10 - 1st  
1:40 - 4th  
2:10 - 3rd  
2:40 - 5th

**Fit 4 Life**  
Th & F  
12:40 - 2nd  
1:10 - 1st  
1:40 - 3rd  
2:10 - 4th  
2:40 - 5th

7th Grade: A= Reilly, B= Bosch, and C= Steketee

8th Grade: A= VanderMeulen, B= Sanders, and C= Dykstra

second hour @ 9:05

first hour @8:05

**FIRST TRI**

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Spanish	B	A	B	C	A
Art	A	C	A	B	C
PE	C	B	C	A	B

Notes:  
A: 2 Spanish, 2 Art, 1 PE  
B: 2 Spanish, 1 Art, 2 PE  
C: 1 Spanish, 2 Art, 2 PE

**SECOND TRI**

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Spanish	C	A	B	C	A
Art	B	C	A	B	C
PE	A	B	C	A	B

Notes:  
A: 2 Spanish, 1 Art, 2 PE  
B: 1 Spanish, 2 Art, 2 PE  
C: 2 Spanish, 2 Art, 1 PE

**THIRD TRI**

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
Spanish	C	A	B	C	B
Art	B	C	A	B	A
PE	A	B	C	A	C

Notes:  
A: 1 Spanish, 2 Art, 2 PE  
B: 2 Spanish, 2 Art, 1 PE  
C: 2 Spanish, 2 Art, 2 PE

Band/ Technology/ LA Extensions/ Math Extension/ Study Skills/ Leadership/ or \_\_\_\_\_

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
8:05 - 9:00 7th Grade	HR Full Class	Band & Non-Band Specials to 1 of 3	Band & Non-Band Specials to 1 of 3	Band & Non-Band Specials to 1 of 3	HR Full Class

Notes:  
All non-band students divided  
into three groups for Tech.  
Groups: First, Second and Third.

7th and 8th grade teachers  
(if the number is less than 50 - .5  
go to tech and .5 go to the 2nd option)

	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY
9:05 - 9:50 8th Grade	HR Full Class	Band & Non-Band Specials to 1 of 3	Band & Non-Band Specials to 1 of 3	Band & Non-Band Specials to 1 of 3	HR Full Class

Library/Tech	MONDAY	FRIDAY		Library/Tech	MONDAY	FRIDAY
8:05 - 9:00 7th Grade	7a	7b	TRI#1	9:05 - 9:50 8th Grade	8a	8b
8:05 - 9:00 7th Grade	7a	7c	TRI#2	9:05 - 9:50 8th Grade	8a	7c
8:05 - 9:00 7th Grade	7b	7c	TRI#3	9:05 - 9:50 8th Grade	8b	7c

**SCHEDULE 7-7**

**AGE/GRADE RANGE OF PUPILS ENROLLED**

**Schedule 7-7**  
**Age or Grade Range of Pupils**

The Academy may enroll age-appropriate students in Kindergarten through Eighth Grade.

**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**

Knapp is a single story modified prototype "F" building. The school's superstructure is post frame construction. The façade is composed of a 4' split face masonry wainscot with vinyl siding. The roof is protected by asphalt shingles. The school has a full gymnasium, playground, parking lot and recreation field. The school has classroom space to serve grades K-8 along with a Reception Office Conference Space, Music Room, Art Room, and Special Resources rooms.

## LEASE

THIS LEASE ("**Lease**") by and between National Heritage Academies, Inc., a Michigan corporation, of 3850 Broadmoor SE, Ste. 201, Grand Rapids, Michigan 49512 ("**Landlord**"), and Knapp Charter Academy, a school of excellence chartered under the laws of the State of Michigan, having an address of 1759 Leffingwell Avenue, NE, Grand Rapids, Michigan 49525 ("**Tenant**") is effective the 1st day of July 2012, (the "**Effective Date**"). For purposes of this Lease, Landlord and Tenant shall be referred to collectively as the "**Parties**."

## RECITALS

A. Landlord (defined in Section 22.5), as tenant, and Charter Development, LLC, as landlord (together with its successors, assigns and successors in interest, the "**Master Landlord**") are party to that certain Master Lease Agreement effective January 1, 1999, as amended (the "**Master Lease**").

B. Landlord and Master Landlord amended the Master Lease to subject the Premises thereto and Landlord has the authority under the Master Lease to sublease the Premises to Tenant.

C. Tenant desires to sublease the Premises from Landlord, and Landlord desires to so sublease the Premises to Tenant, on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants set forth above and herein, Landlord and Tenant agree as follows:

## ARTICLE 1

### The Premises and Other Agreements.

1.1 Premises. Landlord hereby leases to Tenant, on the terms and conditions hereinafter set forth, the real estate located in the Township of Grand Rapids, Kent County, Michigan with an address of 1759 Leffingwell Avenue, NE, Grand Rapids, Michigan 49525 and more particularly described on Exhibit "A" attached hereto (the "**Land**"), and all improvements located on the Land (the Land and such improvements as they may exist from time to time, hereinafter referred to as the "**Premises**").

1.2 Master Lease. This Lease is subordinate and subject to the Master Lease. Landlord represents and warrants to Tenant that the terms of this Lease are not inconsistent with the terms of the Master Lease, and Tenant's compliance with the terms of this Lease will not constitute a breach of the terms of the Master Lease. Landlord hereby indemnifies Tenant against all liability, judgments, damages, claims, costs and expenses, including, without limitation, reasonable attorneys' fees arising out of or relating to Landlord's breach of the covenants, representations or warranties under the Master Lease.

### 1.3 Services Agreement.

A. In accordance with the terms and conditions of that certain “**Services Agreement**” of even or similar date herewith, by and between Landlord and Tenant, Landlord has contractually agreed to manage and operate the Premises and the school located on the Premises, and in connection with the same, Landlord is obligated to fulfill certain obligations assigned to Tenant under the terms of this Lease (the “**Services Obligations**”). In the event that Landlord fails to timely perform or fulfill one or more of the Services Obligations and said failure (a) is not otherwise excused, or subject to notice and an unexpired cure period, by the terms of the Services Agreement, and (b) is not due to the fault of Tenant, then said failure, in and of itself, shall not be deemed to be a Default by Tenant under the terms of this Lease. The foregoing sentence shall be of no further force and effect in the event of expiration or termination of the Services Agreement for any reason.

B. In the event the Services Agreement is terminated by Landlord or Tenant, as party thereto, (a) due to the default of the other party thereto, then upon the giving of notice as required by this Section, the non-defaulting party for purposes of the Services Agreement may, at its option, terminate this Lease without penalty, with the effective date of lease termination being the same as the date on which the Services Agreement terminates, (b) pursuant to any of the termination rights or options provided therein other than those arising in the event of a default or breach by the other party to the Services Agreement, then in any such event and upon the giving of notice as required by this Section, Tenant or Landlord may, at its option, terminate this Lease without penalty, with the effective date of lease termination being the same as the date on which the Services Agreement terminates. To exercise any of the termination rights or options provided in the previous sentence, the party so exercising shall notify the other party hereto of their exercise of any such lease termination right no later than thirty (30) days after the date on which the notice terminating the Services Agreement is sent.

## ARTICLE 2

### **Term.**

2.1 Initial Term and Renewals. The “**Initial Term**” of this Lease shall commence on July 1, 2012 and shall terminate effective June 30, 2013 (the “**Initial Term Expiration**”), unless sooner terminated as hereinafter set forth. Provided that (a) Tenant is not then in Default under this Lease, the Services Agreement, or the “**Charter**” (as defined in Section 13.1.E. below), and (b) this Lease, the Services Agreement and the Charter are still in full force and effect, then, unless a Notice of Non-Renewal is sent as provided below, on the Initial Term Expiration (and each anniversary thereof, during the Term of this Lease), this Lease shall be automatically renewed for successive one (1) year terms, upon the same terms and conditions as contained herein. The “**Term**” of this Lease shall mean the Initial Term and every renewal term entered into by Landlord and Tenant. The term “**Upcoming Expiration Date**” shall mean the Initial Term Expiration, or if the Initial Term Expiration has occurred, then the upcoming anniversary of the Initial Term Expiration. If either party, in its sole discretion, does not wish for this Lease to automatically renew, then at least one hundred eighty (180) days prior to the Upcoming

Expiration Date, such party must notify the other party in writing that it does not wish the Term to be renewed (a “**Notice of Non-Renewal**”). Upon the timely delivery of a Notice of Non-Renewal, this Lease shall terminate on the Upcoming Expiration Date. If either party defaults under Article 13 of the Lease, the Term shall automatically end at the expiration of the then current one year Term and the Notice of Non-Renewal requirement shall be waived.

### ARTICLE 3

#### **Rent.**

3.1 Annual Rent. Tenant hereby leases said Premises for the Term above stated and agrees to pay Landlord annual rent of Six Hundred Forty-Three Thousand Eight Hundred Forty and No/100 Dollars (\$643,840.00), (“**Annual Rent**”) in twelve (12) equal monthly installments of Fifty-Three Thousand Six Hundred Fifty-Three and 33/100 Dollars (\$53,653.33) (each, a “**Monthly Installment**”) each payable to Landlord (or to such other “Person” (defined in Section 22.9) or agent as Landlord may specify by written notice to Tenant) in advance on the first day of each calendar month during the Term. The term “**Lease Year**” is defined to mean any twelve month period from July 1 to June 30 of the following year, during the Term. If the Term ends before the end of a Lease Year, Annual Rent shall be prorated on a daily basis and paid in advance by Tenant on the first day of the last calendar month during the Term. Annual Rent may be adjusted upon determination of final costs for acquisition and construction of the Premises.

3.2 Additional Rent. Any amounts due from Tenant to Landlord hereunder, other than Annual Rent, shall constitute “**Additional Rent.**” Additional Rent shall, unless expressly provided to the contrary in this Lease, be payable from Tenant to Landlord on the same terms that Annual Rent is payable, with the next payment of the Monthly Installment coming due hereunder. Annual Rent and Additional Rent may be referred to collectively herein as “**Rent**”.

3.3 Payments. All Rent shall be paid to Landlord at Landlord’s address as set forth in the introductory paragraph hereof, or at such other address as Landlord may designate in writing. This Lease is a triple net lease and Rent shall be paid without setoff, counterclaim, recoupment, abatement, suspension, or deduction, except as expressly provided for herein. This Lease shall not terminate, nor shall Tenant have any right to terminate this Lease during the Term (except as otherwise expressly provided herein), nor shall Tenant be entitled to any abatement, deduction, deferment or reduction of Annual Rent hereunder (except as otherwise expressly provided herein), nor shall the obligations of Tenant under this Lease be affected by any interference with Tenant’s use of the Premises unless caused by Landlord or Master Landlord. It is the intention of the Parties hereto that the obligation of Tenant to pay Rent hereunder shall be separate and that the Rent shall continue to be payable in all events and that the obligations of Tenant hereunder shall continue unaffected, unless the requirement to pay or perform the same shall have been terminated pursuant to an express provision of this Lease.

3.4 Landlord’s Right to Increase. In the event Landlord makes future economic investments (a) in capital improvements to the Premises for any of the “Approved Purposes”

(defined herein), or (b) in capital improvements (other than Approved Purposes) to the Premises, up to an amount of \$250,000.00 during any July 1 to July 30 period during the Term, or (c) in acquiring additional property for the Premises for the Approved Purposes, then in any such case, Annual Rent shall be adjusted by amendment to this Lease as of the immediately following July 1 in the Term to compensate Landlord for such additional economic investment. **“Approved Purposes”** shall mean any of the following purposes: (i) to comply with “Legal Requirements” (defined in Section 22.6); (ii) to comply with Landlord’s safety and security requirements; (iii) repairs or maintenance to, or replacement of essential building components and systems; and (iv) repairs, maintenance, replacement, or improvements necessary for Landlord to comply with its obligations under the Management Agreement and this Lease.

## ARTICLE 4

### Use, Occupancy and Purpose.

#### 4.1 Permitted Uses.

A. Tenant shall use the Premises solely for operating a publicly chartered school or academy for grades kindergarten through 8<sup>th</sup> grade, and for ancillary or directly related uses.

B. Any other use of the Premises must be approved by Landlord in advance in writing.

#### 4.2 Prohibited Uses.

A. Tenant shall not use or allow the use of the Premises for any unlawful purpose, nor shall Tenant allow the Premises to be used in violation of the Charter.

B. Tenant shall not allow the Premises to be used in violation of any public law, ordinance, rule or regulation, or in violation of any certificate of occupancy or certificate of compliance covering or affecting the Premises, or any part thereof. Tenant shall not suffer any act to be done or any condition to exist on the Premises or any part thereof which may in law constitute a nuisance, public or private, or which may make void or voidable, or increase premiums for, any insurance with respect thereto. Tenant shall not commit any waste, damage, or injury of or to the Premises or the fixtures or any part thereof and shall take all reasonable precautions and actions to prevent others from committing any of the foregoing.

C. Tenant covenants unto Landlord that during the Term, no part of the Premises shall be used for: the operation of any (i) private or commercial golf course, (ii) country club, (iii) massage parlor, hot tub facility, or suntan facility (iv) race track or other facility used for gambling, or (v) store the principal business of which is the sale of alcoholic beverages for consumption off premises; or the rental to others of residential property (as defined in Section 168(e)(2)(A) of the Internal Revenue Code).

D. Notwithstanding anything contained in this Lease to the contrary, in the event of a breach of any of the covenants contained in this Section 4.2, Landlord may immediately terminate this Lease by written notice to Tenant.

4.4 Educational Program. Tenant shall neither use the Premises nor allow the Premises to be used at any time during the Term in a manner that interferes with the performance of Landlord's obligations under the Services Agreement, including without limitation, the implementation and delivery of the Educational Program at the Premises. Tenant acknowledges that the terms of the preceding sentence are intended to allow Landlord to restrict access to certain portions of the Premises at certain times provided such access restriction is at all times consistent with the implementation and delivery of the Educational Program.

## ARTICLE 5

### Utilities.

5.1 Utility Connections; Utility Service. Landlord represents and warrants that construction of the Premises pursuant to Section 9.1 shall include provision of connections for all utility services necessary to the operation of a school at the Premises. Utility services, including without limitation gas, electricity, light, heat, water, sewage and telephone or other communication services, shall be contracted for and paid for by Tenant.

5.2 Disclaimers. Unless due to the gross negligence or willful misconduct of Landlord, Landlord shall not be liable for (i) any failure of water supply or electric current or any service by any utility provider or local government, or (ii) injury to persons, including death, or damage to property resulting from steam, gas, electricity, water, rain or snow which may flow or leak from any part of the Premises or from any pipes, appliances or plumbing works from the street or subsurface or from any other place. Any express or implied rights, easements or licenses for view purposes or for the passage of light and air are hereby expressly disclaimed by Tenant. Except as otherwise expressly provided in this Lease or as may be provided in the Services Agreement, Landlord shall have no obligation to provide any services to Tenant or to the Premises.

5.3 Modifications and Replacements. If the existing services are required to be modified or replaced for any reason by any utility company or authorized agency, governmental or otherwise, then Tenant shall make such modifications or replacements at Tenant's expense and shall save Landlord harmless therefrom.

## ARTICLE 6

### Taxes.

6.1 Payment by Tenant. Tenant shall pay all (a) taxes levied on or assessed against the Premises during the Term, (b) special assessments levied on or assessed against the Premises during the Term that become due and payable during the term of this Lease, and (c) other similar charges levied on or assessed against the Premises during the Term and that become due and

payable during the term of this Lease, except income and other taxes assessed against or by reason of Landlord's reversionary interest in or income from the Premises (the "**Taxes**"), (i) prior to the date on which any penalties, interest or late charges would apply, and to save Landlord harmless from the payment thereof, or (ii) to Landlord, in accordance with the terms of Section 6.4, provided Landlord makes the demand on Tenant required in Section 6.4. Taxes for the first and last year of the Term or any extension or renewal thereof shall be prorated on the basis of the fiscal period for which such tax is assessed.

6.2 Landlord's Option to Pay. If at any time after any tax, assessment or similar charge so charged or assessed against said Premises shall become due or payable and Tenant shall neglect or fail to pay the same, Landlord, without being obligated to do so, may pay the same at any time thereafter, and the amount of any and all such payments so made by Landlord shall be and is hereby declared to be payable as Additional Rent with the next Monthly Installment due hereunder.

6.3 Payment at End of Term. At the termination of this Lease by lapse of time or otherwise, all Taxes payable by Tenant under the provisions of this Article 6 shall be paid by Tenant to Landlord.

6.4 Monthly Installments. Upon demand of Landlord, (i) Tenant shall pay as Additional Rent, in addition to each Monthly Installment due hereunder, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable Landlord to pay at least thirty (30) days before they become due, all such taxes, assessments and other charges, and (ii) Tenant will deliver and pay over to Landlord such additional sums as are necessary to make up any deficiency in the amount necessary to enable Landlord to fully pay such taxes, assessments and other charges. Any such tax payments from Tenant may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. If Landlord receives tax payments from Tenant in accordance with this Section, then Landlord shall pay the full amount of taxes, assessments and other charges when due to the appropriate taxing authorities. In the event Tenant's tax payments under this Section are in any way insufficient to pay the full amount of taxes, assessments and other charges when due to the appropriate taxing authorities, then Tenant shall pay to Landlord, as Additional Rent, any shortfall within thirty (30) days of receiving a demand therefor from Landlord.

6.5 Non-Real Property Taxes. In the event that the City, County, State, or any other political subdivision that has taxing authority over the Premises shall, during the Term, impose upon Landlord any tax or other governmental charge in lieu of all or any part of the Taxes (a "**Non-Real Property Tax**"), such Non-Real Property Tax shall, for purposes of this Section, be treated as if it were included in the Taxes. Landlord agrees to furnish to Tenant upon request a separate accounting and supporting documentation of each Non-Real Property Tax.

6.6 Receipts. Upon demand of Landlord within ninety (90) days after the date all or any part of the Taxes are payable by Tenant, Tenant shall provide to Landlord official receipts of the appropriate taxing authority or other proof satisfactory to Landlord of the payment of such Taxes.

## ARTICLE 7

### Insurance.

7.1 Tenant will cause to be maintained policies of fire and extended coverage insurance on all buildings, structures, fixtures and improvements now or hereafter situated on the Premises and all other property leased hereunder in their full replacement cost. Such policies shall have no greater than eighty (80%) percent co-insurance provision and shall contain the standard “agreed amount” clause for evaluating replacement cost. Such policies shall name Tenant, Landlord, other parties designated by Landlord and the “first mortgagee” (defined in Section 22.3) as their interests may appear as insureds and such insurance shall be carried by an insurance company or companies approved by Landlord and the first mortgagee. Tenant shall make available to Landlord on request copies of said policies. Notwithstanding the aforesaid, in no event shall the manner, forms, companies, sums or length of terms be less than that required by the first mortgagee according to the terms and provisions of the “first mortgage” (defined in Section 22.2).

7.2 Each such policy shall include: (i) a standard mortgagee clause in favor of the first mortgagee; (ii) a provision to the effect that the waiver of subrogation rights by the insured does not void the coverage; (iii) a provision that the policy shall not be changed or canceled without at least thirty (30) days’ prior written notice to Landlord and the first mortgagee; and (iv) a provision that any forfeiture of the policy due to an act of Tenant shall not affect the validity insofar as Landlord or the first mortgagee are concerned.

7.3 From time to time as required by Landlord or the first mortgagee, Tenant at its expense, shall obtain from an engineer or appraiser, in the regular employ of the insurer, or an appraiser, engineer, architect or contractor designated by Tenant and approved by Landlord and the insurer, such evidence as may be required by such insurer to maintain the “agreed amount” clause eliminating the possibility of any co-insurance penalty.

7.4 If Tenant shall refuse or fail to so insure and keep insured the Premises and keep such policies in Landlord’s and first mortgagee’s possession, Landlord may at its election procure and from time to time renew such insurance, and the amounts expended therefore shall be Additional Rent due from Tenant with the next installment of Rent accruing hereunder and may be collected in the same manner as though Rent due hereunder.

7.5 Upon demand from Landlord, Tenant shall pay in advance as Additional Rent, a sum equivalent to one-twelfth of the amount estimated by Landlord to be sufficient to enable Landlord to pay at least thirty (30) days before they become due all insurance premiums on all policies of insurance required or allowed to be carried by Tenant hereunder. Such Additional Rent may be commingled with the general funds of Landlord and no interest shall be payable in respect thereof. Upon demand by Landlord, Tenant will pay Landlord, as Additional Rent, such additional sums as are necessary to make any deficiency in the amount necessary to enable Landlord to fully pay such premiums.

7.6 Landlord shall have no liability for damage to or loss of personal property located upon the Premises, unless and to the extent caused by Landlord.

## ARTICLE 8

### Casualty; Restoration.

8.1 If the Premises are damaged by fire or other casualty (a “**Casualty**”), Tenant shall give immediate written notice thereof to Landlord and the first mortgagee (“**Tenant’s Casualty Notice**”). Landlord shall, within 60 days after receipt of Tenant’s Casualty Notice, deliver to Tenant a good faith estimate (the “**Damage Notice**”) of the time needed to repair the damage caused by such Casualty (“**Restoration**”).

If the Premises is damaged by Casualty such that Tenant is prevented from conducting its business in the Premises in a manner reasonably comparable to that conducted immediately before such Casualty and Landlord estimates that the damage caused thereby cannot be repaired within 210 days after the commencement of repairs (the “**Repair Period**”), then Tenant may terminate this Lease by delivering written notice to Landlord of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

If a Casualty occurs and (1) Landlord estimates that the damage cannot be repaired within the Repair Period, (2) regardless of the extent of damage, (a) the damage occurs during the last twelve (12) months of the Term or (b) the damage is not fully covered by Tenant’s insurance policies or any insurance Landlord may carry on the Premises or (c) Landlord makes a good faith determination that restoring the damage would be uneconomical, or (3) Landlord is required to pay any insurance proceeds arising out of the Casualty to a first mortgagee, then, in any such case, Landlord may terminate this Lease by giving written notice of its election to terminate within 30 days after the Damage Notice has been delivered to Tenant.

If neither party elects to terminate this Lease following a Casualty, then Landlord shall, within a reasonable time after such Casualty, begin to repair the Premises and shall proceed with reasonable diligence to restore the Premises to substantially the same condition as they existed immediately before such Casualty; however, Landlord shall not be required to repair or replace any improvements, alterations or betterments made by Tenant within the Premises (which shall be promptly repaired and restored by Tenant at Tenant’s sole cost and expense) or any furniture, equipment, trade fixtures or personal property of Tenant or others in the Premises or the Project, and Landlord’s and Tenant’s obligations to repair or restore the Premises shall be limited to the extent of the insurance proceeds actually received by Landlord and Tenant respectively for the Casualty in question. If this Lease is terminated under the provisions of this Article 8, Landlord shall be entitled to the full proceeds of the insurance policies providing coverage for all alterations, improvements and betterments in the Premises (and, if Tenant has failed to maintain insurance on such items as required by this Lease, Tenant shall pay Landlord an amount equal to the proceeds Landlord would have received had Tenant maintained insurance on such items as required by this Lease).

8.2 Rent insurance proceeds, if payable, shall be applied by Tenant to the payment of, when and as due and payable, the installments of Rent and other payments due under this Lease until Restoration has been completed or until the Lease is terminated pursuant to any of the terms hereof. The balance, if any, of such proceeds shall be paid to Tenant or as Tenant may direct.

8.3 During any period of Restoration, Rent shall abate in proportion to the portion of the Premises that cannot be used for school purposes in Tenant's reasonable determination.

## **ARTICLE 9**

### **Care of Premises.**

9.1 Landlord shall cause the school building on the Premises to be constructed and maintained in a good and workmanlike manner, and in compliance with all Legal Requirements. Tenant will accept the possession of the Premises and keep the Premises in good condition and repair, and will yield and deliver the same to Landlord at the expiration or termination of the Lease in as good a condition as when taken, reasonable use and wear thereof, and damages thereto by Landlord or its agents or invitees, excepted. Tenant shall also maintain all portions of the Premises and adjoining areas in a clean and orderly condition, free of dirt, rubbish, snow, ice and unlawful obstructions, except for those attributable to Landlord's use or action. Tenant may not make any repairs, alterations, additions, changes or improvements to the Premises, except as described above in Section 5.3, without the written consent of Landlord. All repairs, alterations, changes or improvements shall be completed and maintained by Tenant in good workmanlike condition, free and clear of all liens and encumbrances arising out of such work.

9.2 Without limiting the rights granted to Landlord under Article 4 of this Lease, Landlord shall have the right to enter upon the Premises for the purpose of making any repairs thereto and performing any work thereon which may be necessary by reason of Tenant's failure to make any such repairs or perform any such maintenance work as provided herein. Except in case of emergency, the privilege and right of entry shall be exercised at reasonable times and at reasonable hours. Tenant shall pay the cost of any such repairs and maintenance work to Landlord, upon demand therefor and upon submission of satisfactory evidence of Landlord's payment of such costs which sums shall constitute Additional Rent.

## **ARTICLE 10**

### **Liability.**

10.1 Tenant agrees to save Landlord and the first mortgagee harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from any injury or death to any person or damage to any property in, on, or about the Premises which arise out of (i) gross negligence or willful misconduct of Tenant, or (ii) any noncompliance or breach by Tenant of any of the terms, conditions, warranties, representations, or undertakings contained in or made pursuant to this Lease. Tenant agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of Landlord, Tenant and the first

mortgagee as their interests may appear, in amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to Landlord at least annually. In the event Tenant defaults as to any such obligations, Landlord may obtain such insurance and charge the cost thereof to Tenant as Additional Rent, payable with the monthly installment next coming due.

10.2 Landlord agrees to save Tenant harmless from any and all liabilities, losses, damages, penalties, costs and expenses arising from any injury or death to any person or damage to any property in, on, or about the Premises to the extent caused by willful misconduct or negligence by Landlord. Landlord agrees to procure at its own expense public liability and property damage, single limit liability insurance for the benefit of Landlord and Tenant as their interests may appear, in amount not less than One Million Dollars (\$1,000,000) to keep such insurance in force during the Term hereof, and to deliver certificates of such coverage to Tenant; Landlord agrees to furnish to Tenant upon request certificates of insurance evidencing such insurance.

10.3 Each party hereto, for itself and its respective successors and assigns (including any person, firm or corporation which may become subrogated to any of its rights), waives any and all rights and claims for recovery against the other party, and its officers, employees, agents, and assigns, or any of them, on account of any loss or damage to any of its property insured under any valid and collectible insurance policy or policies, to the extent of any recovery collectible under such insurance. Notwithstanding the foregoing, this waiver shall not be applicable if it has the effect of invalidating any insurance coverage of Landlord or Tenant.

## **ARTICLE 11**

### **Compliance.**

11.1 During the Term, Tenant shall assure compliance with all Legal Requirements relating to Tenant, the conduct of Tenant's business or pertaining to or otherwise affecting the use of the Premises; and Tenant shall reimburse Landlord for any damages or penalties suffered because of any such noncompliance. Landlord hereby represents that as of the Effective Date, the Premises is in compliance with all Legal Requirements; and Landlord shall reimburse Tenant for any damages or penalties suffered because of any such noncompliance.

## **ARTICLE 12**

### **Assignment and Subletting.**

12.1 Tenant shall not assign, transfer, sublet or otherwise allow the use by another Person of the Premises or any part thereof or any interest hereunder without first obtaining the written consent of Landlord, which may be withheld by Landlord for any reason. Landlord may, in its sole discretion, assign, transfer, pledge and convey its rights, title and interests in the Premises and/or this Lease, without the consent of or notice to Tenant; provided, however, the

terms and conditions of this Lease as set forth herein as of the execution date of this Lease shall have not been modified or amended and shall be subject to Section 23.3 hereof.

## ARTICLE 13

### Default.

13.1 Tenant shall be in default upon occurrence of any of the following events (any of the following, a “**Default**”):

A. Failure by Tenant to pay any portion of Rent for a period of more than ten (10) days after Tenant receives written notice of such failure to pay from Landlord (a “**Monetary Default**”); provided in no case shall Landlord be obligated to send notice of failure to pay more than twice in any twelve (12) month period.

B. Failure by Tenant to comply with any term, provision, condition or covenant of this Lease (other than a Monetary Default or as specified in Subsection F. below), if such failure is not cured by Tenant within a period of thirty (30) days after Tenant receives written notice from Landlord specifying such failure.

C. Tenant’s becoming insolvent, as that term is defined by any federal or state law or regulation (the “**Insolvency Laws**”); the appointment of a receiver or custodian for all or a substantial portion of Tenant’s property or assets; the institution of a foreclosure action upon all or a substantial portion of Tenant’s real or personal property; the filing of a voluntary petition under the provisions of the Bankruptcy Code or Insolvency Laws; the filing of an involuntary petition against Tenant as the subject debtor under the Bankruptcy Code or Insolvency Laws, which is either not dismissed within sixty (60) days of filing, or results in the issuance of an order for relief against the debtor, whichever is later; or Tenant’s making or consenting to an assignment for the benefit of creditors or a common law composition of creditors, or if Tenant’s leasehold interest herein shall be levied on execution.

D. Termination of the Services Agreement due to default made or suffered by Tenant in any of the covenants, terms or conditions of the Services Agreement required to be kept or performed by Tenant.

E. Expiration or discontinuance for any reason of the Charter granted to Tenant by its authorizer (the “**Charter**”), other than an expiration or discontinuance which results in a new Charter effective as of termination of the existing Charter and with terms which would not, in Landlord’s opinion, substantially alter Tenant’s ability to comply with the terms of the Lease, Services Agreement, or Charter.

F. Failure by Tenant to deliver the certificate required by Section 23.2 within the time required by such Section.

13.2 Landlord's Remedies. Upon the occurrence of any Default and the lapse of any grace or cure periods without cure thereof, Landlord shall have the option to pursue any one or more of the following remedies upon notice to Tenant:

13.2.1. *Termination.* Terminate this Lease or terminate Tenant's right to possession, and in either event, accelerate all obligations of Tenant owed to Landlord under the Lease and force Tenant to immediately surrender the Premises to Landlord. Tenant agrees to pay to Landlord on demand the costs which Landlord may suffer by reason of such termination. Immediately upon any termination Landlord shall be entitled to recover from Tenant (i) all outstanding and unpaid Rent as of the date of such termination, (ii) the unamortized cost of any initial work performed according to this Lease by Landlord in anticipation of Tenant's occupancy, (iii) the amount of any Rent that was abated pursuant to this Lease, and (iv) all future Rent due for the remaining balance of the Term, which future Rent shall be discounted to present value using a discount rate equal to the U.S. Treasury Bill or Note rate with the closest maturity to the remaining term of the Lease as selected by Landlord.

13.2.2. *Possession.* Enter upon and take possession of the Premises and expel or remove Tenant and any other person who may be present, without terminating the Lease or being liable for prosecution or any claim for damages, and, if Landlord so elects, relet the Premises on such terms as Landlord may determine.

13.2.3. *Entry.* Enter upon the Premises without being liable for prosecution or any claim for damages, and do whatever Tenant is obligated to do under the terms of this Lease. Tenant agrees to reimburse Landlord on demand for any expenses which Landlord may incur in effecting compliance with Tenant's obligations.

13.2.4. *Mitigation.* Landlord shall have a duty to mitigate damages in the event of a Tenant Default, provided, however, that Landlord shall not be obligated (a) to favor the Premises for re-letting in comparison to other real property owned or leased by Landlord in the vicinity of the Premises, (b) to discount or disregard any of the following factors regarding a potential new tenant for the Premises: term of proposed lease, proposed rent, proposed use and the creditworthiness and reputation of the proposed tenant, or (c) to spend more toward re-letting the Premises than Landlord would spend in leasing real property in the ordinary course of its business.

13.2.5. *Application of Proceeds.* Any proceeds of re-letting the Premises shall be applied to pay (i) first, all costs of Landlord incurred in connection with such re-letting (including without limitation, all costs and expenses of taking possession of the Premises, securing new tenants, including expenses for redecoration, alterations or other upfit costs), (ii) second, any indebtedness of Tenant other than Rent, (iii) third, all then-outstanding Rent due hereunder, and (iv) fourth, any future obligations of Tenant, including without limitation, Rent. Tenant agrees to pay to Landlord on demand any deficiency that may arise by reason of such re-letting within ten (10) days of notice of the same from Landlord, following a re-letting. In the event Tenant pays to Landlord all accelerated sums due, any amounts applicable to Rent following the date of re-letting shall be reimbursed to Tenant as received.

13.3 No termination of this Lease pursuant to this Section or repossession of the Premises or any part thereof or of any other property leased hereunder shall relieve Tenant of its liabilities and obligations under this Lease that accrue during the Term, all of which shall survive any such termination or repossession and, if the Premises or any part thereof shall not have been relet, Tenant shall pay to Landlord as and for liquidated and agreed current damages the then present value of the Rent and other sums and charges to be paid by Tenant until what would have been the end of the Term in the absence of such termination or repossession. Landlord shall make a good faith effort to relet the Premises and alleviate Tenant of additional damages. Exercise of any remedy hereunder by Landlord shall not exclude the right to exercise any other remedy hereunder. Notwithstanding any of the foregoing obligations of Tenant stated herein to the contrary, upon termination of this Lease or Tenant's dispossession of the Premises, Tenant will automatically be relieved from and after the date of such termination or dispossession of all personal liability for the performance of any covenants or obligations on the part of Tenant contained in this Lease thereafter to be performed except for those liabilities expressly stated to have survived such termination or dispossession as stated herein.

13.4 To the extent applicable, Tenant has been made aware that Master Landlord as landlord under the Master Lease, or National Heritage Academies, Inc., as tenant under the Master Lease or an Affiliate (defined in Section 22.1) of either or any other Person that enjoys an interest in the Premises seeks the benefits offered pursuant to the U.S. Department of Treasury New Markets Tax Credit program and may pursue other federal, state or city funds, subsidies (including any city real estate tax exemptions or abatements) or loans (collectively, the "**Benefits**") in connection with the use of the Premises, and as a result of the grant of the Benefits, the Premises may be subject to certain use restrictions. Tenant shall have no responsibility and bear no liability for any claims, fees, expenses, costs or other impositions arising from or in connection with the Benefits due to the termination of this Lease or Tenant's dispossession of the Premises.

## **ARTICLE 14**

### **Waiver of Breach.**

14.1 No waiver by either party hereto of any breach of any of the terms of this Lease shall be deemed to be a waiver of any other or subsequent breach.

## **ARTICLE 15**

### **Surrender.**

15.1 Upon the expiration or earlier termination of this Lease, Tenant shall (i) surrender the Premises in broom clean, in good condition, free and clear of all lettings and occupancies, (except those previously approved by Landlord), free and clear of all liens and encumbrances, except that part of the Premises which have been taken through eminent domain, if any, after the delivery hereof, and otherwise in the same condition as Tenant received the Premises on the first day of the Initial Term, except for the following (which are allowed to remain at the Premises):

any alterations that Landlord has not required to be removed, normal wear and tear and loss by fire or other casualty losses for which insurance proceeds have been received by Landlord; (ii) surrender all keys for the Premises to Landlord and (iii) inform Landlord of all combinations on locks in the Premises. All installations, alterations, additions and improvements, including partitions which may have been installed by either Landlord or Tenant, shall remain upon the Premises and shall become Landlord's property, all without compensation, allowance or credit.

15.2 On or before the scheduled expiration of the Term, Tenant may elect to remove its personal property and any fixtures and equipment. Any of Tenant's items listed in the preceding sentence not removed at the end of the Term shall be considered abandoned, and Landlord may appropriate such items for itself, sell such items or otherwise dispose of the same in such commercially reasonable manner as Landlord deems expedient without any liability to Tenant or any parties claiming by, through or under Tenant. In the event the Term terminates for any reason on other than its scheduled expiration date, then Tenant shall have a period of time in which to re-enter the Premises to retrieve its personal property, beginning on the date the Term terminates and ending fifteen (15) days thereafter. Any damage caused to the Premises by such removal shall be repaired by Tenant no later than fifteen (15) days after the end of the Term, but no Rent shall be payable by Tenant for such period of time (and such continued use of the Premises by Tenant shall not be deemed a holdover or a renewal or as creating a periodic or other similar tenancy that might be implied by law). Tenant shall reimburse Landlord for any damage to any portion of the Premises caused by Tenant during the removal of any items contemplated for potential removal in this Section.

## **ARTICLE 16**

### **Eminent Domain.**

16.1 If all or any part of the Premises shall be taken by any Governmental Authority under power of eminent domain, or by private purchase in lieu thereof, all damages awarded for such taking shall belong to and be the property of Landlord, whether such damages shall be awarded as compensation for the taking of or diminution in value to the leasehold or the fee of the Premises and Tenant hereby irrevocably assigns to Landlord any award or payment to which Tenant may become entitled as a result thereof, provided, however, that Tenant shall be entitled to receive from such Governmental Authority compensation for its personal property so taken.

16.2 In the event that only a part of the Premises are so taken, and the part not so taken cannot be completed as an architectural unit for the use described in Section 4.1 hereof, Tenant shall have the option to terminate this Lease by serving written notice of termination on Landlord within sixty (60) days after the taking.

16.3 If only a part of the Premises shall be so taken such that the part not so taken can be completed as an architectural unit for the use described in Section 4.1 hereof, Landlord (or at Landlord's direction, Tenant) shall, as promptly as practicable, make a complete architectural unit of the remainder of the building on the Premises (but only to the extent of the proceeds

received for such taking); and there shall be an abatement of the monthly Rent hereinabove provided for in an amount equal to the percentage of the Premises and the building so taken.

## ARTICLE 17

### Notices.

17.1 All notices and other communications required by this Agreement shall be in writing and sent to the Parties at the facsimile number or address set forth below. Notice may be given by: (i) facsimile with written evidence of confirmed receipt by the receiving party of the entire notice; (ii) certified or registered mail, postage prepaid, return receipt requested; or (iii) personal delivery. Notice shall be deemed to have been given on the date of transmittal if given by facsimile, upon the date of postmark if sent by certified or registered mail, or upon the date of delivery if given by personal delivery. For purposes of the foregoing, “**personal delivery**” shall include delivery by nationally recognized overnight courier (such as FedEx), if signed for by the recipient or a delegate thereof. Notices to the School shall be sent to the current address of the then current Board President, with a copy to the then current Board attorney. The addresses of the Parties for the purposes aforesaid, including the address of the initial Board President, are as follows:

The School:

Knapp Charter Academy  
Attn: President, Board of Directors  
1759 Leffingwell Avenue, NE  
Grand Rapids, Michigan 49525  
Telephone: (616) 364-1100  
Facsimile: (616) 364-9780

WITH A COPY TO:

CS3 Charter School Consulting Services, PLLC  
Attn: Candace Sorensen  
1700 Tammarron Avenue, SE  
Grand Rapids, Michigan 49546  
Telephone: (616) 822-7754

NHA:

National Heritage Academies, Inc.  
Attn: Chief Financial Officer  
3850 Broadmoor, S.E. Ste. 201  
Grand Rapids, Michigan 49512  
Telephone: (616) 222-1700  
Facsimile: (616) 222-1701

WITH A COPY TO:

McShane & Bowie  
Attn: John R. Grant  
1100 Campau Square Plaza  
99 Monroe Ave., NW  
Grand Rapids, MI 49501  
Telephone: (616) 732-5013  
Facsimile: (616) 732-5099

## **ARTICLE 18**

### **Self Help.**

18.1 If Tenant shall at any time fail to make any payment or perform any act on its part to be made or performed hereunder, then Landlord without notice to Tenant, except when other notice is expressly provided for in this Lease and without waiving or releasing Tenant from the obligations of Tenant contained in this Lease, may (but shall be under no obligation to) make such payment or perform such act, and may enter upon the Premises for any such purpose, and take all such actions thereon as may be necessary therefore.

18.2 All sums to be paid by Landlord and all costs and expenses incurred by Landlord in connection with the performance of any such act referenced in Section 18.1, together with any consequential damages Landlord may suffer by reason of the failure of Tenant to make such payment or perform such act, and counsel fees incurred by Landlord in connection therewith or in enforcing its rights hereunder, shall be paid by Tenant to Landlord on demand as Additional Rent.

18.3 Tenant agrees to hold Landlord harmless from any inconvenience or interference with Tenant's operation of its business as a result of Landlord's exercising any rights granted under Section 18.1.

## **ARTICLE 19**

### **Construction Liens.**

19.1 Tenant will not create nor permit to be created or to remain, and will promptly discharge, at its sole cost and expense, any lien, encumbrance or charge upon the Premises or any part thereof, or upon Tenant's leasehold interest therein, except such as are created by Landlord or the first mortgagee.

## ARTICLE 20

### Environmental Matters.

20.1 Tenant shall not use or store any Hazardous Materials (as defined in Section 20.3) on the Premises, except in compliance with Legal Requirements.

20.2 To the extent directly related to the conduct of Tenant, Tenant's use of the Premises, or the operation of its business thereon, Tenant shall defend, indemnify (limited to the maximum indemnification allowed by Legal Requirements) and hold harmless Landlord, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (1) the presence, disposal or release of any Hazardous Materials by Tenant on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons thereon by reason of Tenant's action or animals on the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials existing on the Premises by reason of Tenant's action; (3) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials existing on the Premises by reason of Tenant's action; and/or (4) any violation of Legal Requirements based upon or in any way related to such Hazardous Materials existing on the Premises by reason of Tenant's action including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses.

To the extent directly related to the conduct of Landlord, Landlord's use of the Premises, or the operation of its business thereon, and to the extent permitted by law, Landlord shall defend, indemnify and hold harmless Tenant, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (1) the presence, disposal or release of any Hazardous Materials by Landlord on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons thereon by reason of Landlord's action or animals on the Premises; (2) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials existing on the Premises by reason of Landlord's action; (3) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials existing on the Premises by reason of Landlord's action; and/or (4) any violation of Legal Requirements based upon or in any way related to such Hazardous Materials existing on the Premises by reason of Landlord's action including, without limitation, reasonable attorney's and consultant's fees, investigation and laboratory fees, court costs and litigation expenses.

As used herein, "**Hazardous Materials**" means and includes petroleum, petroleum products, asbestos, asbestos-containing materials, radioactive materials, waste oils, solvents and chlorinated oils, polychlorinated biphenyls (PCBs), and any other water, material or substance that is defined as hazardous or toxic under or regulated by any federal, state or local agent, law, rule or regulation (whether now existing or hereafter enacted or promulgated, as they may be

amended from time to time) pertaining to environmental conditions, the environment, contamination or clean-up, including, without limitation, federal, state or local solid waste disposal rules, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, the Hazardous Materials Transportation Act, as amended, the Resource Conservation and Recovery Act, as amended, the Toxic Substances Control Act, as amended, the Water Pollution Control Act, as amended, the Clean Air Act, as amended, or any other applicable federal, state or local laws, regulations, publications of Governmental Authorities, or ordinances pertaining to Hazardous Materials (collectively, “**Environmental Laws**”).

20.3 Tenant shall promptly notify Landlord as soon as it knows of or suspects that any Hazardous Materials has been released or that there is a threatened release on the Premises and it shall take such action at its sole expense and with due diligence, as is necessary to insure timely compliance with Legal Requirements unless caused by Landlord. Landlord shall promptly notify Tenant as soon as it knows or suspects any Hazardous Materials has been released or that there is a threatened release on or in the Premises and Landlord shall take such action at its sole expense and with due diligence, as is necessary to ensure timely compliance with Legal Requirements unless caused by Tenant.

20.4 The provisions of this Article 20 shall be in addition to any and all obligations and liabilities of Tenant and Landlord may have to each other under Legal Requirements, and shall survive the expiration and termination of the Lease for any reason.

## **ARTICLE 21**

### **Late Charges.**

21.1 In the event of any failure by Tenant to pay Rent when due, Tenant shall also pay to Landlord, as Additional Rent, a late charge of five percent (5%) of such delinquent payment.

## **ARTICLE 22**

### **Certain Definitions.**

22.1 The term “**Affiliate**” means, with respect to any Person, any other Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person or any of its subsidiaries. As used in this definition, the term “**control**” means (a) the power to vote five percent (5%) or more of the securities or other equity interests of a Person having ordinary voting power, or (b) the possession, directly or indirectly, of any other power to direct or cause the direction of the management and policies of a Person, whether through ownership of voting securities, by contract or otherwise.

22.2 The term “**first mortgage**” means any mortgage now existing or hereafter becoming a first and paramount lien on the Premises, subject to easements and restrictions of record, and all assignments, modifications, extensions and renewals thereof.

22.3 The term “**first mortgagee**” or “**holder of the first mortgage**” means the Person(s) who is(are) the holder(s) or beneficiary(ies) under the first mortgage from time to time.

22.4 The term “**Governmental Authority**” or “**Governmental Authorities**” means the government of the United States of America or any state or other political subdivision of either thereof, or any entity that exercises executive, legislative, regulatory, administrative, judicial, quasi-governmental or quasi-judicial functions of, or pertaining to, any such government, whether now or hereafter in existence having jurisdiction over the matter or matters in question.

22.5 The term “**Landlord**” is limited to mean and include, so far as covenants, agreements, stipulations or obligations on the part of Landlord are concerned, the tenant under the Master Lease to the Premises or its assignee, at the time in question, and in the event of any transfer or transfers of the title to such fee Landlord herein named (and, in case of any subsequent transfers or conveyances, the then grantor) will automatically be relieved from and after the date of such transfer or conveyance of all personal liability for the performance of any covenants or obligations on the part of Landlord contained in this Lease thereafter to be performed.

22.6 The term “**Legal Requirements**” means (i) all present and future applicable laws, statutes, treaties, rules, orders, ordinances, codes (including, without limitation, building and life-safety codes), regulations, requirements, permits, and interpretations by, and applicable judgments, decrees, injunctions, writs and like action even if unforeseen or extraordinary of any Governmental Authority (including, without limitation, Environmental Laws (defined herein), laws and regulations pertaining to health and safety, Insolvency Laws (defined herein), the Fair Housing Amendments Act of 1988, the Americans with Disabilities Act of 1990, and any other applicable Federal, State or local statute, law, ordinance, code, rule, regulation, order or decree regulating, relating to, or imposing liability or standards of conduct relating to barrier-free access or access of the handicapped or disabled to the Premises, and laws and regulations pertaining to the construction, restoration, use and operation of schools); and (ii) any reciprocal easement agreement, agreement, contract, instrument, restriction or similar agreement relating to the use, occupancy, possession, operation, alterations, repairs or maintenance of the Premises or otherwise affecting the Premises.

22.7 The term “**mortgage**” means any mortgage, deed of trust, deed to secure debt or other security instrument now existing as, or hereafter becoming a lien on the Premises.

22.8 The term “**mortgagee**” means the Person(s) who is(are) the holder(s) or beneficiary(ies) under any mortgage from time to time.

22.9 The term “**Person**” means any natural person, corporation, limited liability company, trust, joint venture, association, company, partnership, Governmental Authority or other entity.

## **ARTICLE 23**

### **Subordination; Estoppel Certificates.**

23.1 Tenant agrees that Landlord, or any mortgagee or lessor under any applicable ground or other underlying lease, may choose to make this Lease subordinate or paramount to any mortgages or ground or underlying leases now or hereafter affecting the Premises and to any and all advances to be made thereunder or to be secured thereby, and to the interest and charges thereon, and to all renewals, replacements and extensions thereof, and that upon any taking of possession of the Premises and accession to the interest of Landlord under this Lease by such lessor or mortgagee, Tenant shall attorn to and recognize such Person as landlord hereunder; provided the mortgagee, lessor under any such ground or underlying leases, Landlord or any trustee named in any such mortgages or leases shall agree (i) to recognize the Lease of Tenant in the event of foreclosure if Tenant is not in Default and (ii) that Tenant's possession of the Premises under this Lease shall not be disturbed by such Person unless there is a Default. Tenant will execute promptly any instrument or certificate that Landlord may request to confirm such subordination.

23.2 Tenant, within ten (10) days after request by Landlord, will execute and deliver to Landlord (and any mortgagee or prospective mortgagee, or any current or prospective ground or underlying lessor, to the extent specified by Landlord) an estoppel certificate as to such reasonable facts and circumstances under this Lease as may be requested, but in any case including the following (i) identifying the commencement date and expiration date of this Lease, (ii) stating that this Lease is unmodified and in full force and effect, or is in full force and effect as modified, and then stating such modifications, (iii) stating that Tenant does not claim that Landlord is in default in any way, or listing any such claimed defaults, (iv) the amount of Monthly Installments then payable hereunder and Additional Rent, if any, as of the date of the certificate, (v) the date to which the Rent has been paid in advance, and (vi) the amount of any security deposit or pre-paid Rent. If Tenant fails to deliver the executed certificate to Landlord within the ten (10) day period, Tenant shall be in Default without benefit of any cure period, and the proposed certificate will be conclusively deemed executed by Tenant.

23.3 Upon the receipt of a notice from Landlord, Tenant agrees to pay all such sums owing under this Lease directly to the account or party specified in such notice.

## **ARTICLE 24**

### **Quiet Enjoyment.**

24.1 All times when Tenant is not in Default, Tenant's quiet and peaceable enjoyment of the Premises will not be disturbed or interfered with by Landlord or any Person claiming by, through or under Landlord.

## **ARTICLE 25**

### **Holding Over.**

25.1 Any holdover by Tenant in the Premises beyond the expiration or termination of the Term, shall not be deemed to be a renewal or extension of this Lease or any extension thereof or the exercise of any option to extend or renew this Lease, but said holding over shall be deemed a tenancy from calendar month to calendar month at a monthly Rent equal to two hundred percent (200%) of the Monthly Installment for the last month paid under the Term. A month-to-month tenancy arising by holding over under this Section may be terminated by either Landlord or Tenant giving written notice to the other party hereto on or before the day any Monthly Installment is due with termination becoming effective on the day the next following Monthly Installment would have otherwise become due.

## **ARTICLE 26**

### **Remedies Not Exclusive; Waiver.**

26.1 Each and every of the rights, remedies and benefits provided by this Lease to Landlord are cumulative, and are not exclusive of any other of said rights, remedies and benefits, or of any other rights, remedies and benefits allowed by law.

26.2 One or more waivers of any covenant or condition by Landlord will not be construed as a waiver of a further or subsequent breach of the same covenant or condition, and the consent or approval by Landlord to or of any act by Tenant requiring Landlord's consent or approval will not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant.

## **ARTICLE 27**

### **Right To Show Premises.**

27.1 Landlord may show the Premises and may display about the Premises signs advertising the availability of the Premises at any time during the Term of this Lease.

## **ARTICLE 28**

### **Landlord's Liability.**

28.1 If Landlord fails to perform any provision of this Lease upon Landlord's part to be performed, and if as a consequence of such default Tenant recovers a money judgment against Landlord, such judgment may be satisfied only out of the proceeds of sale received upon execution of such judgment (subject to any prior mortgages and ground or underlying leases) and

levied thereon against the right, title and interest of Landlord in the Premises and out of rents or other income from such property receivable by Landlord, and Landlord shall not be personally liable for any deficiency.

## **ARTICLE 29**

### **General.**

30.1 References in this Lease to Persons have been generalized for ease of reading. Therefore, references to a single Person will also mean more than one Person whenever such usage is appropriate (for example, “**Tenant**” may include, if appropriate, a group of Persons acting as a single entity, or as tenants-in-common). Similarly, pronouns of any gender should be considered inter-changeable with pronouns of other genders. If a party consists of more than one Person, such Persons shall be jointly and severally liable for the obligations of such party under this Lease.

30.2 Any waiver or waivers by either party of any of the provisions of this Lease will not constitute a waiver of any later breach of that provision, and any consent or approval given by either such party with respect to any act, neglect or default by the other party will not waive or make unnecessary the other party’s consent or approval with respect to any later similar act, neglect or default by such other party.

30.3 In the event any provision contained herein shall be held to be invalid or unlawful for any reason, such provision shall be deemed to be stricken from this Lease, with the understanding that the remaining provisions hereof shall continue to be binding on the Parties.

30.4 Topical headings appearing in this Lease are for convenience only. They do not define, limit or construe the contents of any sections, paragraphs or clauses.

30.5 This Lease can be modified or amended only by a written agreement signed by Landlord and Tenant.

30.6 All provisions of this Lease are and will be binding on the heirs, executors, administrators, personal representatives, successors and assigns of each of Landlord and Tenant.

30.7 The laws of the state in which the Premises are located will control in the construction and enforcement of this Lease, without regard to any laws or policies of such state regarding conflicts of law.

30.8 Time is of the essence of all terms and conditions of this Lease.

30.9 Landlord and Tenant each represent and warrant to the other that neither of them has contacted 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

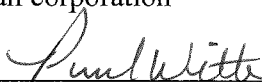
expense, including reasonable attorneys' fees, incurred as a consequence of any claim asserted by a Person alleging to have dealt with one of the Parties hereto in connection with this Lease.

[Signatures on Following Page]

IN WITNESS WHEREOF, the Parties hereto have executed this Lease as of the day and year first above written.

**LANDLORD:**

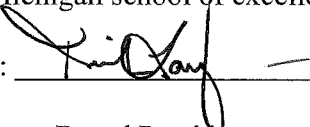
National Heritage Academies, Inc.,  
a Michigan corporation

By:   
Paul Witte

Its: \_\_\_\_\_  
Sr. Director of Legal and Compliance

**TENANT:**

Knapp Charter Academy,  
a Michigan school of excellence

By: 

Its: Board President

## **EXHIBIT "A"**

### **LEGAL DESCRIPTION OF PREMISES**

That part of the NW ¼, Section 15, T7N, R11W, Grand Rapids Township, Kent County, Michigan, described as: Beginning at a point on the East line of said NW ¼ which is N 01 degrees 34 minutes 57 seconds W 1604.16 feet from the N ¼ corner of Section 15 (said point is located N 01 degrees 34 minutes 57 seconds E 1039.50 feet from the center of Section 15); thence S 01 degrees 34 minutes 57 seconds W 148.50 feet along said East line; thence N 88 degrees 38 minutes 16 seconds W 253.00 feet; thence S 01 degrees 34 minutes 57 seconds W 315.86 feet; thence S 87 degrees 06 minutes 05 seconds W 476.22 feet; thence N 01 degrees 34 minutes 57 seconds E 148.50 feet; thence S 87 degrees 06 minutes 05 seconds W 284.60 feet; thence N 01 degrees 15 minutes 35 seconds E 372.38 feet along the Easterly R.O.W. line of Highway I-96; thence S 88 degrees 38 minutes 16 seconds E 1013.60 feet along the North line of the South 1039.5 feet.

# **CERTIFICATE OF USE AND OCCUPANCY**

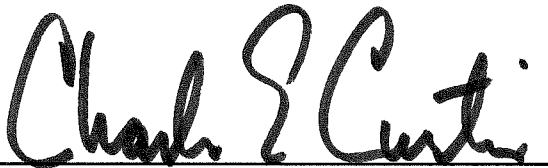
## **PERMANENT**

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

**Building Permit No. B025194  
National Heritage Academy  
1759 Leffingwell NE  
Grand Rapids, Michigan  
Kent County**

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

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



**Larry Lehman, Chief  
Charles E. Curtis, Assistant Chief  
Building Division**

**August 15, 2007**