



EDUCATION
ACHIEVEMENT
AUTHORITY
of Michigan

Portfolio of Year One School Options Report

May 10, 2012

EAA of Michigan Portfolio of Schools

A primary goal of the Education Achievement Authority of Michigan is to operate a system of schools based on a governance model of autonomy and flexibility. To achieve this goal, the EAA of Michigan will adopt a portfolio strategy. The EAA of Michigan realizes that a different system which produces different results will require the allowance for innovation, creativity, new partnerships and collaborative problem solving at the local school level. The portfolio of schools is designed to provide appropriate alternatives for students who are enrolled in Persistently Low Achieving (PLA) schools; alternatives which are developed are based on the diverse and unique needs of students enrolled in EAA of Michigan's member schools. The portfolio will include three types of schools: University or Direct Run, Contract and Charter schools.

This strategy will result in a system of schools with varying levels of autonomy. The EAA of Michigan seeks to break down the barriers which have traditionally provided roadblocks to ensure that teaching and learning occur at high levels on a consistent and daily basis. The EAA of Michigan will work from a theory of Managed Instruction and move toward a theory of action of Managed Performance Empowerment for its University or "Direct Run" schools. As the schools move from the first theory of action to the latter one, they will have increasing control over budgeting, hiring, instructional decisions and support services which will ultimately result in these schools having total flexibility and autonomy. Within the EAA of Michigan's portfolio of schools will also be charter and contract schools which will have total flexibility and autonomy at the outset of joining EAA member schools.

Increased or total autonomy and flexibility will be directly aligned to uncompromising levels of accountability and shall comply with all state and federal laws applicable to a school's

status within the EAA of Michigan (University or Direct Run, Contract or Charter). As it relates to charter schools, strict adherence to agreed upon assurances and accountability standards are required and specifically state that:

- The proposed charter school is prohibited from charging tuition;
- The proposed charter school cannot discriminate on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a disabled person, or any other basis that would be illegal, if used by a school district;
- The proposed charter school can limit admissions to pupils within a particular range of age or grade level currently permitted by law;
- The pupils must be residents of the State of Michigan;
- Admissions must be open to pupils on a state-wide basis;
- The proposed charter school will utilize a lottery or other impartial selection process to admit students when demand exceeds capacity;
- All EAA of Michigan Schools will fully participate in the EAA of Michigan's Assessment Program;
- All EAA of Michigan Schools will utilize a Student Information System and Human Resources/Financial Software Package that will allow for the seamless and accurate transfer of required data into the EAA of Michigan student information system and other reporting systems for monitoring purposes, and
- All EAA of Michigan Schools will participate in data collection and evaluation activities necessary to assess progress in regards to annual performance metrics.

Where applicable, the proposed charter or contract school will use the *Michigan Education Assessment Program* (MEAP) test or an assessment instrument developed under Section 1279 for a state-endorsed high school diploma. The progress of the pupils in the charter or contract school shall be assessed using a Michigan Education Assessment Program (MEAP) test or the Michigan Merit Exam, as applicable. MCL 380.502(3)(e)(ii).

Educational Goals and Programs of Contract/Charter Providers (Academies)

As highlighted in the EAA of Michigan Contract to Operate a Public School Academy (**Attachment One**) the Academy shall pursue the educational goals identified and agreed upon with the Educational Achievement Authority of Michigan. Such goals may be amended pursuant to Section 8.1 of Article VIII of this Contract. Per contract agreement, the Academy shall provide, annually, a report to the Chancellor of the EAA of Michigan with accompanying data and other relevant documentation of its performance in meeting objectives. The report shall contain a thorough explanation relative to student growth and achievement (including appropriate documentation) as well as the summarized results of all standardized testing administered at the Academy. In addition to any educational goals set forth in the contract, the educational goals of the Academy shall include demonstrated improved pupil academic achievement for all groups of pupils. The progress of the pupils in the Academy shall be assessed using at least the EAA of Michigan's Common Core and Interim Assessments, MEAP or the MME under MCLA 380.1279g.

These goals are aligned to the EAA of Michigan's strategic plan which allows for the exploration of an adopted model of providing public education through multiple means. More specifically, the EAA of Michigan's theory of action is driven by the belief that strong leadership, execution of strategy, autonomy, flexibility and an uncompromising system of accountability will enable local school leaders and teachers to collaboratively build an equitable outcome-driven, 21st Century teaching and learning environment where time is the variable, learning the constant, and students the focus. The EAA of Michigan's university or direct run schools shall operate utilizing a student centered model to deliver educational programs and services. Contract or charter schools shall have the autonomy and flexibility to utilize the student

centered model of delivery or other instructional delivery systems they deem appropriate to produce expected outcomes.

Contract and charter schools within the EAA of Michigan will have total flexibility and autonomy for school operations, curriculum design, teaching methodology and strategies, and other applicable decision making authority to achieve statistically significant increases in measureable student academic achievement as determined by the EAA of Michigan and approved by its governing board.

As a result of the autonomy and flexibility provided to the Education Achievement Authority of Michigan's contract and charter school members, school leaders, teachers and School Reinvention Teams (SRTs) will:

1. transform their school culture and learning environment into a prototype for 21st Century teaching and learning;
2. have the autonomy to make data driven and informed decisions;
3. develop student growth targets that align with the EAA of Michigan's performance metrics;
4. utilize common assessments in order to track the achievement and growth of students, and
5. operate from a Performance Empowerment theory of action.

The EAA of Michigan's university (Direct Run) schools will:

6. ascribe to the EAA of Michigan's non-negotiables for the radical transformation of the traditional paradigm of public education; these non-negotiables include a student centered learning platform, common assessments, global partnerships, individualized learning plans for all students, the use of technology as a teaching and learning tool, and the establishment of a new paradigm where time is the variable, learning the constant, and students the focus, and

7. operate from a Managed Instruction Theory of Action.

The success of the EAA of Michigan's portfolio of schools will be measured using the following seven metrics developed by the Center on Reinventing Public Education:

1. Good options and choices for all families
2. School Autonomy and Flexibility
3. Pupil-based Funding for all Schools
4. Talent-Seeking Strategy
5. Sources of Support for Schools
6. Performance-Based Accountability for Schools and
7. Extensive Public Engagement.

Individual School Performance Matrix

A primary goal of the EAA of Michigan is to become a national exemplar in each of the seven metrics. In addition to evaluating the EAA's portfolio of schools as a collective body, each school in the EAA portfolio will be evaluated annually using the ten performance metrics outlined in the table below. The EAA of Michigan will also use the Center on Reinventing Public Education's seven metrics, each of which includes two to six indicators (**Attachment Three**) which are rated annually on a nine point scale ranging from *nothing in place yet or no plans to national exemplar* to determine the degree to which schools are making progress. An overview of the evaluation rubric is included in Attachments Two and Three.

Table 1: Performance Matrix

Target Area	Description or Meaning
Growth	Refers to the measure of individual student growth through a value-added system
Status	Refers to the measure of achievement against the college and career readiness target.
Performance	Examines the measure of points accumulated through quarterly common core assessments.
Engagement	Refers to the measure of teacher collaboration; student and parent engagement; participation in extra-curriculum activities; and community partnerships.
Climate/Culture	Examines the measure of classroom climate from classroom observation rubric; parent/student/teacher perceptions; and reduced discipline infractions.
College/Career Readiness	Is the measure of students who meet the national ACT standards; complete Algebra by the end of 8 th grade; complete dual credit/advanced placement courses; and/or Achieve 5 CCR's in core subjects by age 15.
Population Composite	Is the measure of student mobility and degree to which the school is serving all students—ration of special needs, ELL students relative to EAA ratios
Attendance	Refers to both student and teacher attendance
Talent	Addresses the percentage of teachers who are evaluated as being “effective or highly effective as determined by student growth targets and other standards within the Teacher Evaluation system.
Data	Measures the use of data and continuous feedback by teachers to inform practice through participation the data team cycle and monitoring of individualized learning plans for all students.

The Initial Phase of the EAA of Michigan’s Charter/Contract Process

In its first application cycle for charter and contract schools, the EAA of Michigan worked primarily with the Michigan Department of Education, the National Association of Charter School Authorizers and other experts in the area of charter schools to develop a competitive and rigorous application and review process. EAA of Michigan team members met with the Michigan Department of Education February 23, 2012 to review the guidelines and procedures regarding the charter/contract school process in Michigan. The legal counsel from the Allen

Law Firm worked to develop a resolution for the EAA of Michigan's chartering process February 24, 2012. They, along with the Michigan Department of Education officials, also reviewed the application and rubric that would later be shared with potential charter and/or contract providers.

An orientation meeting with 23 potential charter school providers representing the states of Michigan, Ohio and Georgia was held March 7, 2012; during that meeting the application with an aligned evaluation rubric was shared in draft form. An EAA of Michigan staff member explained to the audience that applications were due to the EAA of Michigan at the close of business March 23, 2012. All applications were required to be sent via certified mail, return receipt requested. Applications that were hand delivered or failed to be submitted via the required protocol were not accepted. Of the 23 potential Charter School Providers in attendance at the Orientation Session, six submitted formal applications that met the established requirements. Three potential providers failed to follow the protocol and submitted their applications March 26, 2012, two days after the deadline and on the day the application evaluation process began. Those applications were rejected.

An eight member team representing both locally and nationally known educators, charter providers and attorneys brought a wealth of experience to the charter school application evaluation process convened March 26, 2012 to evaluate applications. The eight member team included the following

- **Armen Haratchian**, Vice-President for Programs and Chief of Staff, Excellent Schools Detroit. He is responsible for the organization's accountability, new schools, human impact and early childhood strategies as well as the data, research and policy capacities.

- **Dr. Carl E. Harris**, Educational Consultant. In 2010 Dr. Harris was selected by the United States Secretary of Education, Arne Duncan, as U. S. Deputy Assistant Secretary of Education. He has served as superintendent in two school districts in North Carolina.
- **Robert Kimball**, Senior Director of Operations and Policy, Grand Valley State University Charter Schools Office. Kimball is responsible for leading oversight of all 45 GVSU authorized charter schools and managing the strategic development of GVSU's portfolio of charter schools.
- **Michael Piscal**, Executive Director of Andre Agassi College Preparatory Academy. During his 22 year career in education, he taught English at the prestigious Harvard Westlake School for five years before founding the Inner City Education Foundation (ICEF). The ICEF Public Schools serve more than 4,600 students in 15 public charter schools in the Los Angeles area, making it the 7th largest charter management organization in the nation as of September 2009.
- **Dr. Phyllis Robinson**, Retired Educator. Dr. Robinson was RESA's Executive Director of Instructional Services and had direct oversight of RESA's involvement in PSAs. She was directly involved in RESA's PSA mission at its inception.
- **Maree F. Sneed**, Attorney. Her practice involves advising school districts, educational associations, and private companies in the education sector on a wide range of state and federal legal issues, including those involving the U.S. Constitution, No Child Left Behind Act of 2001, IDEA, Title VI of the Civil Rights Act of 1964, Title IX and the Magnet School Assistance Project.

- **Chris Thompson**, Director of New School Development at the Michigan Association of Public School Authorizers (MAPSA). Thompson is the Founding Principal for two National Heritage Academies K-8 Charter Schools in Fortis and Lansing.
- **Joseph B. Urban**, Attorney. Urban concentrates his practice in the areas of municipal finance, education law and real estate law. With respect to education, Urban regularly counsels school districts and public school academies in the operational issues involved in administering educational organizations, including compliance with the Revised School Code, the Open Meeting Act, the Freedom of Information Act and other governing public bodies.

Charter/Contract School Application Evaluation Results

The evaluation team met Monday, March 26, 2012. Based on the results of the evaluation process, the EAA of Michigan intends to make the recommendations as outlined in the chart below:

Table 2: Year One Outline of EAA of Michigan’s Portfolio Schools

Portfolio Type	Elementary	Secondary	Totals
University /Direct Run	6	6	12
Contract*	0	0	0
Charter	3	0	3
Total	9	6	15
**Additional Charters to be Authorized but not a part of the EAA of Michigan’s Charter Application Process			
	1	1	2
Grand Total	10	7	17

*The EAA of Michigan has begun discussion with the New Tech Network, a development organization that supports the planning, start-up, and implementation of a high school based on the New Tech High School Model. This design phase will allow the EAA of Michigan to open a secondary school in the fall of 2013 as a contract school

**Boggs Educational Center met with EAA of Michigan staff April 23 to discuss and seek authorization from the EAA of Michigan to serve as its Charter Authorizer. Boggs will open in the fall of 2012 with approximately 88 k-3 students using the Place-Based Education curriculum model. W-A-Y will also operate a “four corners of the district” secondary charter school model; the EAA of Michigan will work with the W-A-Y program as an alternative secondary school model.

Table 3: Delineation of EAA of Michigan’s Portfolio Schools

Name of School	EAA of Michigan Status	Charter or Contract Provider Or Key School Partner
Central High School	Direct Run	United Way Skillman Foundation
Denby High School	Direct Run	
Ford High School	Direct Run	United Way
Mumford High School	Direct Run	
Pershing High School	Direct Run	
Southeastern High School	Direct Run	New Technology Network*
Bethune Elementary/Middle	Direct Run- Student Centered Learning	
Burns Elementary/Middle	Direct Run- Student Centered Learning	
Law Elementary/Middle	Direct Run-Full Immersion Student Centered Learning	Skillman Foundation
Murphy Elementary/ Middle	Charter	Ed Vantage
Nolan Elementary/ Middle	Direct Run- Student Centered Learning	
Phoenix Elementary/ Middle	Direct Run- Full Immersion Student Centered Learning	Skillman Foundation
Scott Elementary/ Middle	Direct Run- Student Centered Learning	Skillman Foundation
Stewart Elementary/ Middle	Charter	American Quality Schools Skillman Foundation
Trix Elementary/ Middle	Charter	Ed Vantage Skillman Foundation

Phase II of the EAA of Michigan's Charter/Contract School Process for SY 13-14

Phase II of the EAA of Michigan's Chartering Process and Contract School Selection Process begins the week of April 2, 2012 with a notification letter sent to the top applicants. These applicants will be invited to come in and present before EAA of Michigan team members to further explain their organization and discuss its alignment to the vision and goals of the EAA of Michigan. This presentation, scheduled for April 13, 2012, will also give EAA of Michigan team members an opportunity to ask any additional questions based on the application. The EAA of Michigan will also begin the immediate process of working with the National Association of Charter School Authorizers to begin steps to seek nationally known CMO's for the 2013-14 school year.

In its continued pursuit of a comprehensive portfolio package, the EAA of Michigan will seek to provide the best set of alternatives for meeting the needs of the children currently attending Persistently Low Achieving (PLA) schools. It will operate from the premise that increased autonomy linked to high accountability will yield the best performance results for children. In line with this concept, schools will be encouraged and provided the support to progress and develop to the greatest level of autonomy as their performance warrants.

In order to complete the charter/contract school process, the EAA of Michigan recommends that the Board approves the resolutions found in Attachments Four and Five. Attachment Four is the Board of Directors composition for local academies as provided by state statute and Attachment Five is a resolution allowing for local academies to serve as their own fiscal agent. **Attachment Six** provides proposed policies and procedures developed by the National Association of Charter School Authorizers that will be used to ensure that there are

structures and other procedures in place to promote a shared sense of accountability on the part of the EAA of Michigan and selected Charter/Contract providers.

Attachment One: Contract to Operate a Public School Academy

**Education Achievement Authority
of Michigan**
Equity. Choice. Reinvention.

**RESOLUTION 2012-
CONTRACT TO OPERATE A PUBLIC SCHOOL ACADEMY**

The Executive Committee of the Education Achievement Authority resolves:

1. Pursuant to Michigan's Charter School Law, Public Act 362 of 1993 the Education Achievement Authority of Michigan ("EAA of Michigan") may authorize public school academies. In order to establish a public school academy, as authorized by the EAA of Michigan, the "Contract to Operate a Public School Academy" shall be approved.

Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Education Achievement Authority at a properly-noticed open meeting held with a quorum present on the ____ day of _____.

By: _____
President

By: _____
Secretary

Legal Counsel
Approved as to Form

Education Achievement Authority of Michigan

Equity. Choice. Reinvention.

CONTRACT TO OPERATE A PUBLIC SCHOOL ACADEMY

- between -

The Education Achievement Authority of Michigan

- and -

<<ACADEMY NAME>>, a Michigan Public School Academy

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CONTRACT TO OPERATE A PUBLIC SCHOOL ACADEMY

This Public School Academy Contract (the "Contract") is made and entered into on <<TBD>> between the **Education Achievement Authority of Michigan, a Michigan public body corporate and special authority ("EAA of Michigan")** whose address is 3022 West Grand Boulevard, Suite 14-550, Detroit, MI 48202-3030, and the **Board of Directors of <<ACADEMY NAME>>** whose address is <<TBD>>.

WHEREAS, the Michigan Legislature has authorized public school academies be created to further the educational needs of students; and

WHEREAS, such students attending public school academies shall be eligible to receive support from the State School Aid Fund; and

WHEREAS, the EAA of Michigan and the Academy Board are authorized to enter into this Contract for the purposes stated herein pursuant to Part 6A of the Code (as defined below); and

WHEREAS, on <<TBD>>, an application (the "Application") was submitted on behalf of the Academy, a copy of which is attached hereto as Schedule 14 and made a part hereof, to the EAA of Michigan to establish the Academy as a public school academy pursuant to Part 6A of the Code for the purpose of providing a student-centered, standards-based curriculum at the <<TBD>> and <<TBD>> school levels utilizing extensive support services, varied teaching and learning strategies and technology-based individualized learning programs to support the educational and social needs of students; and

WHEREAS, pursuant to Section 503(4) of the Code, MCL 380.503(4), the EEA of Michigan has, by resolution adopted on <<TBD>>, established the method of selection, length of term, and number of members of the board of directors of each public school academy subject to its jurisdiction; and

WHEREAS, the EAA of Michigan has, by resolution adopted on <<TBD>>, approved the form of this Contract and authorized the execution and delivery of this Contract by the EAA of Michigan's Chancellor, the undersigned officer of the EAA of Michigan, and the performance of the terms hereof by the Chancellor and by all other applicable officers, employees, agents and representatives of the EAA of Michigan; and

WHEREAS, the EAA of Michigan has, by resolution adopted on March 13, 2012, granted the Chancellor authority to approve authorization of an applicant as a public

school academy and to contract for the management of a public school academy. The contract shall be effective after a meeting of the Executive Committee of the EAA of Michigan which includes the Chancellor's decision to enter the contract on its agenda; and

WHEREAS, the Academy Board has, by resolution adopted on <<TBD>>, approved the form of this Contract and authorized the execution and delivery of this Contract by the undersigned officer of the Academy and the performance of the terms hereof by such officer and by all other applicable Directors, officers, employees, and agents of the Academy;

NOW, THEREFORE, pursuant to the Code, the EAA of Michigan grants a contract conferring certain rights, franchises, privileges and obligations on the Academy and confirms the status of the Academy as a public school academy in this State. In consideration of the premises and the covenants of each other, the EAA of Michigan and the Academy Board agree that the granting of this Contract is subject to the following terms and conditions:

CONTRACT

Pursuant to Part 6A of the Michigan Revised School Code ("Code"), Act No. 416 of the Public Acts of 1994, as amended the Education Achievement Authority of Michigan, a Michigan public body corporate and special authority, ("EAA of Michigan") grants a contract confirming the status of a public school academy in this State to<<ACADEMY NAME>> (the "Academy"), a Michigan public school academy. The Parties agree that the granting of this Contract is subject to the following terms and conditions, and this Contract is effective as of the <<TBD>> day of 2012.

ARTICLE I DEFINITIONS

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

- (a) "Academy" means the Michigan non-profit corporation named <<ACADEMY NAME>> which is established as a public school academy pursuant to this Contract, is located within the jurisdiction of the EAA of Michigan.
- (b) "Academy Board" means the Board of Directors of <<ACADEMY NAME>>, comprised of the following directors:

NAME

TERM

3 years

3 years

2 years

2 years

1 year

- (c) "Applicable Law" means all state and federal law applicable to public school academies, including, without limitation, those statutes and regulations set forth in MCLA 380.501 through 509 and the Education Department General Administrative Regulations, being 34 CFR Parts 74, 75, 76, 77, 79, 80, 81, 82, 84, 85, 86, 97, 98, and 99 as such laws and regulations may be amended.
- (d) "Application" means the Phase I and Phase II Application to the EAA of Michigan (including all attachments and the executed Assurances page) in which representations were made to the Authorizer regarding the program and its operation, which representations were material inducements to the Authorizer to grant the Contract.
- (e) "Authorizing Body" or "Authorizer" means the EAA of Michigan.
- (f) "Chancellor" means the Chancellor of the EAA of Michigan and shall also include his/her authorized designee.
- (g) "Code" means the Michigan 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.
- (h) "Director" means a person who is a member of the Academy Board of Directors.
- (i) "ESP" means the educational service provider contracted by the Academy Board, if any.
- (j) "Policy" means the Policy Statement adopted by resolution of the EAA of Michigan, as amended from time to time, establishing the method of selection, length of term and number of members of the Academy Board.

- (k) "Relative" means 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, domestic or same-sex partner.
- (l) "Resolution" means the Resolution of the EAA of Michigan establishing <<ACADEMY NAME>> as a public school academy.
- (m) "Authorizer" means EAA of Michigan established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.711 et seq.

Section 1.2. Schedules. All schedules to this Contract are part of this Contract and incorporated into this Contract as if fully stated herein. The Schedules included are as follows:

- Schedule 1 – Charter School Policy
- Schedule 2 – Fiscal Agent Agreement
- Schedule 3 – Academy Articles of Incorporation, filing Endorsement and Certificate of Good Standing
- Schedule 4 – Academy Bylaws Signed by Academy Designee
- Schedule 5 – Description of Educational Program and Educational Goals
- Schedule 6 – Curriculum
- Schedule 7 – Job Descriptions and Staff Responsibilities
- Schedule 8 – Description of Physical Plant
- Schedule 9 – Application and Enrollment of Students
- Schedule 10 – School Calendar and School Day Schedule
- Schedule 11 – Age and Grade Range of Pupils
- Schedule 12 – Methods of Pupil Assessment
- Schedule 13 – Governance Structure
- Schedule 14 – Application Signed with Assurances Page

Section 1.3. Statutory Definitions. Statutory terms defined in the Code and as set forth in applicable law shall have the same meaning in this Contract.

ARTICLE II ROLE OF EAA OF MICHIGAN AS AUTHORIZING BODY

Section 2.1. Method of Selection, Length of Term, and Number of Members of the Board of Directors. The EAA of Michigan has adopted the Policy providing for the method of selection, length of term, number of members, qualification of members, the procedure for removal of members and the names of the initial Academy Board. The Policy is incorporated into this Contract as follows:

- (a) Board of Directors. Public school academies authorized by the Education Achievement Authority of Michigan shall be governed by a Board of Directors consisting of no fewer than five and no more than nine members. These members shall be appointed from a list of nominees approved by the EAA of Michigan.
- (b) Nominees for the Academy Board. The list of nominees shall be provided to the Chancellor by the Academy and consist of twice the number of vacancies on the Academy Board.
- (c) Board Member Qualifications. Academy Board members shall include at least one parent or guardian of a child enrolled and attending the Academy. The Board shall not include (i) any director, officer or employee of a management company that contracts directly or indirectly, with the Academy; or (ii) EAAM officials, as representatives of EAAM. Each member of the board of directors must be a citizen of the United States.
- (d) Board Member Terms. A director of the Board of Directors of the Academy shall hold office for a term of three years, except for the Initial Directors appointed pursuant to this Section of whom one-third shall be appointed for a term of approximately three years, one-third shall be appointed for a term of approximately two years, and one-third shall be appointed for a term of approximately one year, in each case as the initial term may be set to end so as to allow future terms to begin on a day of the year determined by the Academy Board and the Chancellor to be beneficial to the Academy in light of its yearly operational and budget cycle.
- (e) Appointment of Initial Directors. All Initial Directors of the Board of the Academy shall be appointed by resolution of the EAAM and shall consist of at least the following:
 - (a) President, three year term
 - (b) Vice President, three year term
 - (c) Secretary, two year term
 - (d) Treasurer, two year term
 - (e) Parent Representative, one year term

- (f) Removal of Board Member. Any Director may be removed with or without cause by a two-thirds vote of the Academy Board or by the EAAM.
- (g) Conflict of Interest. The selection of Directors shall be in compliance with the requirements of the Incompatible Public Offices Act, Act No. 566, Public Acts of Michigan, 1978, MCL 15.181 to 15.185, including, without limitation, the requirement that such Directors shall not also be members of the EAAM or administrators, teachers or employees of the Academy.

Section 2.2. Method for Monitoring Academy's Compliance with Applicable Law and Performance of its Targeted Educational Outcomes. The Chancellor has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. Additionally, the Academy shall be responsible for the following:

- (a) The Academy shall provide the Chancellor with a copy of the annual educational report seven business days prior to the date required for publication by Applicable Law and submit to the Chancellor documentation sufficient to demonstrate the Academy's progress in meeting its educational goals, including with respect to student success on all assessments administered.
- (b) In the event that the Chancellor determines that the Academy's educational outcomes are not meeting the targeted educational goals, the Authorizer, at its discretion, may require an outside objective evaluation of student performance by an educational consultant, acceptable to the Chancellor. The Academy shall pay for the expense of the evaluation.
- (c) The Academy shall submit audited financial reports, including auditor's management letters and any exceptions noted by the auditors, to the Authorizer Chancellor. The reports shall be prepared by the Academy's independent auditor and submitted to the Chancellor seven business days prior to the date by which such audited financial reports must be submitted to the State of Michigan pursuant to Applicable Law.
- (d) The Academy shall provide the Chancellor with a copy of the proposed annual budget for the upcoming fiscal year of the Academy no later than July 1.
- (e) The Academy shall provide to the Chancellor agendas and notice in advance of all Academy Board meetings and minutes of all Academy Board meetings. All notices of special meetings shall be accompanied by an affidavit that the posting was undertaken in accordance with this Contract, the Academy Board's bylaws and Applicable Law.

- (f) The Academy shall promptly notify the Chancellor of correspondence received from the Michigan Department of Education or State Board of Education that requires a formal response and provide a copy of said response.
- (g) The Academy shall immediately report to the Chancellor any litigation or formal proceedings alleging a violation or violations of Applicable Law by the Academy, its officers, employees, agents, and/or contractors and/or the ESP, its officers, employees, agents, and/or contractors or subcontractors.
- (h) The Academy shall permit visitation of its facilities and programs at any time by representatives of the Authorizer authorized by the Chancellor. No advance notice is required.
- (i) The Academy shall permit examination and/or duplication of any or all records the Academy is required to maintain and/or submit at any time by representatives of the Authorizer authorized by the Chancellor.
- (j) The Academy shall provide certification of its adoption of such policies as the Academy Board deems reasonable and necessary to discharge its functions under this Contract and to comply with Applicable law.

Section 2.3. Reimbursement of EAA of Michigan Costs. The Academy shall pay the EAA of Michigan an administrative fee to reimburse the EAA of Michigan for the costs of its execution of its oversight responsibilities. The fee shall be 3% of the state school aid payments received by the Academy. IN NO EVENT SHALL THE COMBINED TOTAL OF COMPENSATION EXPENSES AND FEES PAID BY THE ACADEMY TO THE AUTHORIZER EXCEED 3% OF THE TOTAL SCHOOL AID RECEIVED BY THE ACADEMY IN THE SCHOOL YEAR IN WHICH THE COMPENSATION, FEES, OR EXPENSES ARE CHARGED.

Section 2.4. Reimbursement for EAA of Michigan Services Associated with Third Party Subpoenas and Freedom of Information Act Requests. If the EAA of Michigan receives a subpoena from a third party (including the Academy, its counsel, the Academy's ESP or its counsel) demanding the production of Academy documents related to pending litigation or proceedings involving the Academy, the Academy's ESP (or any subcontractor of the ESP or other contractors of the Academy) or any third party, the EAA of Michigan may charge the Academy for the cost of the services associated with the EAA of Michigan's response to the subpoena or FOIA request (including actual attorney's fees in fulfilling the request). The parties agree that the Academy may avoid the obligation to pay for services by the EAA of Michigan

associated with such responses by directly producing Academy documents to the requesting party.

Section 2.5. The EAA of Michigan as Fiscal Agent for the Academy. The EAA of Michigan is the fiscal agent for the Academy. The Authorizer shall retain any amount owed to the Authorizer by the Academy pursuant to this Contract, provided that the EAA of Michigan shall retain no more than the total of (a) 3% of each installment for its EAA of Michigan Costs and (b) the costs associated with responding to a subpoena or FOIA request under Section 2.4 in the event the Academy declines to produce such documents itself. For purposes of this section, the responsibilities of the Authorizer, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 2.

Section 2.6. Authorization of Employment. The Academy may employ or contract with personnel, in accordance with all state law requirements regarding certification and qualifications of certain employees of public schools. Academy shall make available to the Authorizer for its review all licenses, certifications, and other qualifications of Academy personnel required by law, and shall undertake or cause to be undertaken all criminal background and unprofessional conduct checks required by applicable law.

Section 2.7. Borrowings by the Academy. The Academy shall not incur indebtedness or borrow money except in accordance with applicable law and with the prior approval of the Authorizer. It is the Academy's obligation to provide the Authorizer with sufficient notice and time to review any and all closing documents prior to any anticipated closing. Failure to do so risks non-approval of the borrowing in question or non-delivery of any certificates requested of the authorizing body. The Academy may not levy taxes. Notwithstanding the foregoing, the Academy, only after obtaining the prior written approval of the EAA of Michigan, which consent may be withheld for any reason, may incur debt only as follows:

- (a) Short-term: The Academy may incur temporary debt in accordance with Section 1225 of the Code.
- (b) Long-term: The Academy may enter into long-term indebtedness in the manner and form permitted by applicable law.
- (c) No instrument of indebtedness entered into by the Academy and a third party shall in anyway constitute an obligation, either general, special, or moral of the State of Michigan. 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 EAA of Michigan shall ever be pledged for the payment of any Academy instrument of indebtedness.

- (d) The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan or EAA of Michigan, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan or EAA of Michigan in any way guarantee, are financially obligated, or are in any way responsible for any agreement, promissory note, contract, mortgage, loan or other instrument of indebtedness entered into by the Academy.
- (e) In the event that indebtedness of any sort contemplated by the Academy requires a certificate or certification by the Chancellor, the issuance of such is subject to the sole discretion of the Authorizer or the Chancellor as the case may be and it is the Academy's responsibility to provide ample notice of at least sixty (60) days of its need for same to ensure sufficient time for review.

ARTICLE III REQUIREMENT THAT ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

Section 3.1. Governmental Entity. The Academy shall act exclusively as a governmental entity and shall delegate none of its governmental functions, including the determination to assert or not to assert governmental immunity under Applicable Law.

Section 3.2. Status of the Academy. The Academy is a body corporate and governmental entity authorized by the Code. It is organized and shall operate as a public school academy and a Michigan nonprofit corporation. The relationship between the Academy and the Authorizer is based solely on the applicable provisions of the Code and the terms of this Contract or other written agreements between the Authorizer and the Academy.

Section 3.3. Prohibition of Identified Family Relationships. No person shall be a member of the Academy Board if he or she is a Relative of another member of the Academy Board; an employee, officer or individual with an ownership interest in the Academy's ESP or a Relative of such individual; or if he or she works at the Academy or provides contracted services to the Academy or is a Relative of such individual. Additionally, no Relative may occupy a supervisory position over another Relative. Likewise prohibitions against holding incompatible public office and against specified conflicts of interest set forth in MCL 15.181 to 15.185 and MCL 15.321 to 15.330, respectively, shall be scrupulously observed.

Section 3.4. Prohibition of Tuition and Religious Affiliation. The Academy shall not impose tuition of any nature and 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.

Section 3.5. Prohibition of Employment in More than One Full-time Position. No individual shall be employed by or at the Academy in more than 1 full-time position in which he or she is compensated at a full time rate for each of those positions.

Section 3.6. 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 functioning as a public school academy or that would not jeopardize the eligibility of the Academy for state school aid funds. Subject to Section 2.5 of this Contract, 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's purpose is as stated in the Articles of Incorporation as set forth in Schedule 3 attached hereto.

ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Articles of Incorporation. Unless amended pursuant to this Contract, the Articles of Incorporation of the Academy, as set forth in Schedule 3, shall be the Articles of Incorporation of the Academy.

Section 5.2. Bylaws. Unless amended pursuant to this contract, the Bylaws of the Academy, as set forth in Schedule 4 shall be the Bylaws of the Academy.

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 the Bylaws. The Academy's Board of Directors shall meet monthly unless another schedule is mutually agreed upon by the Chancellor and the Academy. The Academy shall not delegate this

duty of organization and administration of the Academy without the express affirmative consent of the Authorizer.

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 EAA of Michigan. The Authorizer shall not be required to receive any contributions or donations for the benefit of the Academy. If the Authorizer accepts 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 identified and agreed upon with the Educational Achievement Authority of Michigan as reflected in Schedule 5 of the *Contract to Operate a Public School Academy*. Such goals may be amended pursuant to Section 8.1 of Article VIII of this Contract. The Academy shall provide, annually, a report to the Chancellor of the EAA of Michigan with accompanying data and other relevant documentation of its performance in meeting these objectives. This report shall contain a thorough explanation relative to student growth and achievement (including appropriate documentation) as well as the summarized results of all standardized testing administered at the Academy. In addition to any educational goals set forth in Schedule 5, the educational goals of the Academy include demonstrated improved pupil academic achievement for all groups of pupils. To the extent applicable, the progress of the pupils in the Academy shall be assessed using at least the EAA of Michigan's Common Core Assessments, MEAP and/or the MME under MCLA 380.1279g.

Section 6.4. Curriculum. The Academy shall design and implement its educational program in a manner that is consistent with Applicable Law, including without limitation, requirements regarding content standards. The Academy agrees to comply with all requirements concerning subjects of instruction and core curriculum under Michigan law applicable to school districts in general as well as Section 1278 of the Code, MCL 380.1278. The Academy shall have flexibility in developing, realigning, and implementing the curriculum identified in Schedule 6.

Section 6.5. Staff Responsibilities Subject to Section 2.5 of this Contract, the EAA of Michigan authorizes the Academy to employ or contract with personnel as outlined in Schedule 7, which shall include copies of any agreement with an ESP or board liaison which the Academy may enter into, job descriptions (including identification of certifications required under Applicable Law) and a schematic or narrative governance structure of the Academy.

Section 6.6. Admission Policy. The Academy shall comply with all admissions policies and criteria required by laws applicable to public school academies under the Code. The

Academy must make a reasonable effort to advertise its enrollment openings. Open enrollment must be for a period of at least two (2) weeks and shall comply with all requirements of Applicable Law. Schedule 9.

Section 6.7. 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 law applicable to public school academies under the Code. Schedule 10.

Section 6.8. Age/Grade Range of Pupils Enrolled. The Academy shall offer programs for the grades and ages indicated in its Bylaws. The Academy may add or delete additional grades in the future, pursuant to Section 8.1 of Article VIII of this Contract. Schedule 11.

Section 6.9. Annual Financial Audit. The Academy shall commission an independent outside annual financial audit to be conducted by an independent certified public accountant(s) ~~auditor~~ selected and retained by the Academy Board. The Chancellor must receive an audit report within one hundred-twenty (120) days after the Fiscal Year ends.

Section 6.10. Address and Description of Proposed Physical Plant. The address of the proposed physical plant for the Academy and a description of same, including certificates of occupancy and other required agency approvals, lease, land contract or deed, as applicable, and a brief description of any financing transaction entered into by the Academy for facility acquisition and the debt-service schedule thereof as well as the items listed in Section 10.3 of this Contract are attached as Schedule 8. Except as permitted by written amendment to this Contract, the Academy shall not operate at a site or sites other than the site or sites granted herein and for the specific grade configuration permitted at each such site. The Academy will be located in the Wayne Regional Educational Service Area district.

Section 6.11. Reports to the Chancellor. The Academy shall provide the Chancellor with copies of reports and assessments, as required by the EAA of Michigan, concerning the educational outcomes achieved by pupils attending the Academy.

Section 6.12. Accounting Standards. The Academy shall at all times comply with accounting standards required by Applicable Law, including generally accepted public sector accounting principles.

Section 6.13. Placement of Authorizer Student Interns. The Academy may be a placement site for Authorizer students in training to serve in public schools. Such placements shall be without charge to the Authorizer and subject to other terms and conditions as the Academy and the Authorizer agree.

Section 6.14. Required Contents of Contracts with an Educational Service Provider (“ESP”). The Academy may enter into or renew an agreement with an ESP for the operation or management of the Academy, provided the Academy complies with all of the requirements of this part and applicable law. At least thirty (30) days prior to the proposed effective date or one regular board meeting of the Academy Board of Directors, whichever is longer, the form of management agreement, along with: (i) an opinion of the Academy’s independent legal counsel, addressed to the Chancellor for reliance thereon, that all such requirements, including any requirements of Applicable Law and this Contract have been met and that there are no improper and/or unlawful interrelations or conflicts created by same (the “Legal Opinion”) and (ii) documentation sufficient to establish to the Chancellor’s satisfaction that the ESP has the requisite educational and management expertise to operate the Academy in compliance with this Contract and all applicable law, including the requested information about the ESP outlined in the Academy’s Phase II Application. The Authorizer may disapprove of the proposed agreement if, in the sole opinion of the Authorizer, it is contrary to applicable law or the terms of this Contract. Additionally, the agreement must comply with the following:

- (a) In negotiating and finalizing any such contract, the Academy Board must seek the advice of independent legal counsel, who must deliver to the Chancellor the Legal Opinion referenced above. The ESP Agreement must be approved by the Academy Board, during a meeting open to the public held pursuant to the Michigan Open Meetings Act at a portion on the agenda in which public comment is invited regarding the agreement.
- (b) The Academy Board must ensure that, at all times during the term of this Contract, any ESP employed by the Academy maintains comprehensive general liability and umbrella insurance coverage at levels satisfactory to the Chancellor (see Article 12). The insurance coverage required of the ESP shall not be in lieu of the insurance coverage requirements applicable to the Academy. Any policy of insurance maintained by the ESP must include coverage for sexual molestation or abuse, must name the Authorizer as an additional, named insured, and shall not be changed, revoked or modified absent thirty (30) days’ notice to the Chancellor. The ESP Agreement shall also specify that, in the event the Chancellor modifies the level, type, scope or other aspects of such coverage, then the ESP shall undertake like and similar modifications within 30 days of being notified of such change.
- (c) The Academy Board must ensure that, and the ESP Agreement shall provide that, any ESP performing services at the Academy shall comply with the requirements under this Contract to the extent such ESP is performing services on behalf of the PSA.

- (d) No provision of the ESP Agreement shall interfere with the Academy Board's duties under the Contract, and the Academy's duties under the Contract shall not be limited or rendered impossible by action or inaction of the ESP.
- (e) No provision of the ESP Agreement shall predetermine the Academy Board's course of action in choosing to assert or not assert governmental immunity.
- (f) The ESP Agreement shall state that all financial, educational, and student records pertaining to the Academy are Academy property and that such records are subject to the provisions of Michigan's Freedom of Information Act. All such records must be stored, in physical form, on-site at the Academy's facility or be directly accessible at the Academy facility. All records pertaining to teacher and administrator certification, as well as a copy of the employee handbook shall be maintained physically on site or be directly accessible at the Academy facility.
- (g) The ESP Agreement shall state that all of the Academy's financial and other ESP-related records will be made available to the Academy's independent auditor and that the ESP staff will cooperate with said auditor, and that the ESP shall not select or retain the Academy's auditor.
- (h) The ESP Agreement must certify that there shall be no markup of costs for supplies, materials, or equipment procured by the ESP on the Academy's behalf and that the Academy and that all supplies, materials, and equipment procured for the Academy by the ESP shall be inventoried by an acceptable method of inventory and further that an inventory of Academy equipment shall be maintained so that it can be clearly established which property belongs to the Academy.
- (i) The ESP Agreement shall contain a provision that states upon termination, the ESP shall work for a specified period of time to transition to a new ESP. There may be a fee set forth for this service.
- (j) The ESP Agreement shall contain a provision that states upon termination the ESP shall, without charge (i) close the books on the then-current fiscal quarter; (ii) organize and prepare the Academy's records for transition to the new ESP; (iii) organize and prepare student records for transition to the new ESP; and (iv) provide for the orderly transition of employee compensation and benefits to the new ESP without disruption to staffing.
- (k) The ESP Agreement shall prohibit the ESP from executing contracts with its staff assigned to the Academy (including by way of example and not limitation,

teachers administrators, counselors and the like) that contain noncompete agreements of any nature.

- (l) The Academy Board and the ESP may not substantially amend the management contract without notifying the Chancellor. No amendment shall be contrary to this section and shall be accompanied by a Legal Opinion. Whether or not substantial, the Academy shall submit to the Chancellor's Designee all amendments to the management contract within 10 days after such amendment.
- (m) The ESP Agreement shall contain the following provision:
“Indemnification of the EAA of Michigan. In consideration for the grant of this Contract to the Academy, which is of material value to the [the ESP], the parties hereby promise to indemnify and hold harmless the EAA of Michigan, 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 the EAA of Michigan, which arise out of or are in any manner connected with the EAA of Michigan approval of the Application, the EAA of Michigan'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 the EAA of Michigan and its members, officers, employees, agents or representatives upon information supplied by the Academy or the Education Service Provider, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by the EAA of Michigan. [The ESP] expressly acknowledges and agrees that the EAA of Michigan and its members, officers, employees, agents or representatives may commence legal action against [the ESP] to enforce its rights as set forth in this Agreement.”
- (n) The ESP Agreement shall require all ESP employees to undergo criminal background and unprofessional conduct checks required by applicable law and for the ESP to store evidence of such on site, in physical form, at the Academy or be directly accessible at the Academy facility.
- (o) The ESP Agreement shall contain a provision requiring the educational service provider to make information available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under Section 7.4 and 7.11 of this Contract and also at least the information that a

school district is required to be disclosed under MCLA 388.1618 for the most recent fiscal year for which that information is available.

- (p) No ESP employee shall be designated at the Chief Administrative Officer of the Academy, although such employee may be a designee of the Chief Administrative Officer for certain purposes enumerated by Board action.
- (q) The ESP shall notify the Academy Board if any principal or officer of the ESP, or the ESP (including any related organizations or organizations in which a principal or officer of the ESP served as a principal or officer) as a corporate entity, has filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer.
- (r) The ESP Agreement must contain a provision providing for the early termination or amendment of the ESP Agreement, with no cost or penalty to the Academy, and no recourse to the Authorizer or any third party affiliated with or engaged by the Authorizer, by the ESP or any subcontracted person or entity of the ESP, in the event the Authorizer determines to exercise its prerogative under this Contract to reconstitute the Academy by requiring the termination or amendment of the ESP Agreement.

Section 6.15. EAA of Michigan's Approval of Condemnation. In the event that the Academy desires to acquire property pursuant to condemnation, it shall obtain the express written permission of the Chancellor for such acquisition. The Academy shall submit such written request to the EAA of Michigan 120 days prior to the next regularly scheduled meeting of the EAA of Michigan. The EAA of Michigan reserves unto its sole discretion the determination to act, table or decline to act upon such request.

Section 6.16. Reporting of Total Compensation. The Academy Board shall, upon request, report to the Authorizing Body the total compensation for each individual working at the Academy.

Section 6.17. Contract Administration. If the Academy employs a Board liaison or contract administrator, it shall specify the role of such contract administrator or Board liaison in Schedule 7 and include a copy of its agreement with same.

Section 6.18. Prohibition of Employment in More than One Full-time Position. No employee of the Academy or its ESP, if any, may be employed for a total of more than 1.0 full-time position.

ARTICLE VII
COMPLIANCE WITH THE CODE AND OTHER LAWS

Section 7.1. Compliance with the Code. The Academy shall comply with the Code.

Section 7.2. Compliance with State School Aid Act. In order to ensure 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 7.3. Open Meetings Act. The Academy Board shall conduct all of its meetings, including committee or other meetings in accordance with the Michigan Open Meetings Act, Act No. 267 of the Public Act of 1976, being Sections 15.261 to 15.275 of the Michigan Compiled Laws, as amended, as required.

Section 7.4. 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, being Sections 15.231 to 15.246 of the Michigan Compiled Laws, as amended. The Academy Board shall designate a freedom of information officer to assure compliance with FOIA and other applicable law providing for public disclosure or for protection of privacy.

Section 7.5. Public Employees Relations 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 7.6. Non-discrimination. Each party shall be separately responsible for compliance with all applicable laws pertaining to equal opportunity and non-discrimination.

Section 7.7. Other State Laws. The Academy shall comply with other state laws which are applicable to public school academies as public bodies and public schools, including but not limited to, MCLA 380.1246-50, MCLA 15.321 to 15.330, and MCLA 408.551 to 408.558 all laws relating to criminal background and unprofessional conduct checks and the terms of this Contract.

Section 7.8. Federal Laws. The Academy shall comply with federal laws which are applicable to public school academies as public bodies. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

Section 7.9. Matriculation Agreement(s). The Academy shall not enter into a matriculation agreement without the prior written approval of the EAA of Michigan.

Section 7.10. Certifications. The Academy shall use only certificated staff, including teachers, business officials and administrators, unless permitted to use non-certificated staff, and then it may do so only in accordance with applicable law.

Section 7.11. Transparency Reporting. The Academy shall collect, maintain, and make information concerning its operation and management available to the public and to the Authorizer in the same manner as is required by state law for a public school district, including at least the following:

- (a) a copy of this Contract and all attachments, schedules and amendments;
- (b) a list of all currently serving members of the Academy Board of Directors, including their names, addresses, and terms of office;
- (c) copies of all policies approved by the Academy Board of Directors;
- (d) all board materials, agendas, formal resolutions and minutes (excluding minutes kept of closed sessions maintained according to the Open Meetings Act) of all regular and special meetings of the Board of Directors of the Academy;
- (e) a copy of the budget, and any amendments thereto, approved by the Academy Board of Directors;
- (f) copies of all bills paid for amounts of \$10,000.00 or more in the form that they are submitted to the Academy Board;
- (g) quarterly financial reports submitted to the Authorizer;
- (h) a current list of all teachers and school administrators working at the Academy, including their individual salaries (as submitted to the registry of educational personnel), copies of their teaching or school administrator's certificates or permits (as applicable), evidence of compliance with the criminal background and unprofessional conduct checks required by the Code;
- (i) copies of all leases for equipment used at the Academy;

- (j) copies of all management or service contracts approved by the Academy Board of Directors;
- (k) all health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspections, boiler inspection and food service;
- (l) any management letters issued as part of the Academy's annual audit; and
- (m) all other information required by applicable law.

ARTICLE VIII AMENDMENT

Section 8.1. 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. The EAA of Michigan delegates to its Chancellor the review and approval of changes or amendments to this Contract. The Contract shall be amended upon agreement and approval of the Chancellor and the Academy Board.

Section 8.2. Process for Amending the Articles. The Academy, by a majority vote of its Board of Directors, may at any time, propose specific changes to the Articles of Incorporation or may propose a meeting to discuss potential revisions to the Articles of Incorporation. The proposal will be made to the EAA of Michigan through its designee. The EAA of Michigan delegates to its Chancellor the review and approval of changes or amendments to the Articles of Incorporation. In the event that a proposed change is not accepted by the Chancellor, the EAA of Michigan shall consider and vote upon a change proposed by the Academy Board following an opportunity for a written and oral presentation to the EAA of Michigan by the Academy Board.

The Chancellor, or an authorized designee, may, at any time, require specific changes to the Articles of Incorporation or may propose a meeting to discuss potential revision. The Academy Board may delegate to an officer of the Academy the review and negotiation of changes or amendments to the Articles of Incorporation.

Amendments to the Articles of Incorporation take effect only after they have been approved by the Academy Board and by the Chancellor or his/her designee and filed with the Michigan Department of Licensing and Regulatory Affairs, Corporation, Securities and Land Development Bureau. In addition, the Academy shall file with the amendment a copy of the Chancellor or his/her designee's approval of the amendment.

Section 8.3. Process for Amending the Bylaws. The Bylaws may be altered, amended or repealed and new Bylaws may be adopted by obtaining (a) 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 has been given in accordance with the notice requirements for special meetings, and (b) the written approval of the changes or amendments by the Chancellor. In the event that a proposed change is not accepted by the Chancellor, the EAA of Michigan shall consider and vote upon a change proposed by the Academy Board following an opportunity for a written and oral presentation to the EAA of Michigan by the Academy Board. Amendments to the bylaws take effect only after they have been approved by both the Academy Board and the Chancellor.

ARTICLE IX ENFORCEMENT AND REVOCATION

Section 9.1. Grounds for Revocation. This Contract may be revoked by the EAA of Michigan upon a determination by the EAA of Michigan, pursuant to the procedures set forth in Section 9.2, that one or more of the following has occurred:

- (a) Failure of the Academy to abide by and meet the educational goals set forth in this Contract;
- (b) Failure of the Academy to comply with all Applicable Law;
- (c) Substantial failure to comply with any applicable State Board rule expressly applicable to public school academies;
- (d) Failure of the Academy to meet generally accepted public sector accounting principles;
- (e) Failure of the Academy to pay for services provided to the Academy by a non-authorizing local or intermediate school district if the Academy requested and contracted for the services;
- (f) The Academy is insolvent or has been adjudged bankrupt;
- (g) The Academy, in the sole discretion of the Chancellor, defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract;
- (h) The Chancellor discovers negligent, fraudulent or criminal conduct by the Academy's applicant(s), directors, or officers in relation to their performance

under this Contract or determines that any principal, agent or employee of the Academy's ESP has engaged in same;

- (i) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Licensing and Regulatory Affairs without first obtaining the Authorizer's approval;
- (j) The Academy has insufficient enrollment to successfully operate its program and/or enrollment falls below twenty five (25) students;
- (k) The Academy's applicant(s), directors, officers, employees, or agents (including the ESP, its employees or directors) have provided the Authorizer false or misleading information or documentation in the performance of this Contract;
- (l) The Academy acts in any way that is inconsistent with the Authorizer's responsibility to oversee the Academy's compliance with Contract and all other applicable law;
- (m) Failure by the Academy to fulfill any insurance obligation under Article XII of this Contract, including any failure by the Academy to increase its insurance coverage or purchase additional insurance if so requested by the Authorizer;
- (n) Refusal by the Academy or its agents (including the ESP) to provide the Chancellor access to any documentation that is (a) required under this Contract or (b) which he/she deems necessary to carry out his/her oversight function.

Section 9.2. Procedures for Revoking Contract. The EAA of Michigan or the Chancellor may revoke this Contract at any time for any reason identified in this Contract or any reason, in the Authorizer's sole discretion, consistent with the Authorizer's responsibility to oversee the Academy's compliance with this Contract and applicable law. The decision of the Authorizer to revoke this Contract is solely within the discretion of the Authorizer, is final, and is not subject to review by a court or any state agency. If this Contract is revoked or terminated for any reason, whether before, during, after or without implementing corrective action, as described below, the Authorizer is not liable for such action to the Academy, a pupil of the Academy, the parent or guardian of a pupil of the Academy, or any other person or entity. The revocation of the Contract shall be effective as of a date determined by the Authorizer, but in no event later than 15 days after the revocation by the EAA of Michigan or the Chancellor.

Section 9.3. Corrective Action by Order of Reconstitution. The Authorizer, in its sole discretion, may issue an Order of Reconstitution requiring the Academy to undertake a plan of corrective action in order to avoid revocation of its Contract ("Corrective Action"). The plan of

Corrective Action may include cancellation of the Academy's contract with its ESP, withdrawal of the Authorizer's approval of the ESP Agreement, termination of one or more Academy Directors' service, appointment of a new member or members to the Academy Board of Directors, or designation of a trustee or receiver to take over the operation of the Academy. In the event a Corrective Action plan is undertaken, the following steps will be observed:

- (a) the Authorizer will notify the Academy, in writing, of the specific educational performance or operational issues that it deems failing at the Academy and its intent to revoke the Academy's Contract if the issues are not corrected by a date certain, which will be no earlier than 120 days (absent exigent circumstances) after the date of the notice;
- (b) within thirty days after receipt of the notice described above, the Academy shall respond to the Authorizer with any information that the Academy Board of Directors deems relevant to the issues and a plan of correction;
- (c) if the Authorizer approves of the plan of correction, it shall be implemented and the Contract shall be amended accordingly; if the Authorizer disapproves the plan of correction, it may implement corrective action in a manner that it, in its sole discretion, deems appropriate to the situation or continue with the revocation of the Contract as it sees fit.

Section 9.4. Superintending Control in the Event of an Emergency. Notwithstanding the foregoing, when the Chancellor determines that probable cause exists to believe that the health or safety of the Academy's students is at risk, the Chancellor may exercise superintending control over the Academy pending revocation of the Contract.

ARTICLE X TERMINATION

Section 10.1. Grounds for Termination by the Academy. This Contract may be terminated by the Academy upon a determination by the Academy Board of Directors that one of the following has occurred:

- (a) The Academy has lost its right to occupancy of the Physical Plant described in Section 6.11 and could not find another suitable physical plant for the Academy prior to the expiration or termination of its right to occupy its existing Physical Plant;
- (b) The Academy is insolvent or adjudged bankrupt;

- (c) The Academy has insufficient enrollment to successfully operate a public school academy and/or enrollment at the Academy falls below twenty five (25) students.

Section 10.2. Procedures for Terminating Contract. The Academy shall not terminate this Contract unless the following procedures have been implemented:

- (a) Notice. The Academy, upon reasonable belief that grounds for termination of the Contract exist, shall notify the Chancellor of such grounds. The notice shall be in writing and shall set forth in sufficient detail the grounds for termination. The Chancellor may conduct a preliminary review of the alleged basis for termination.
- (b) Determination by Authorizer. Upon receipt by the Chancellor of the grounds for termination, the Authorizer may accept or reject the request for termination within 30 days.
- (c) Effective Date for Termination. If the Chancellor determines that grounds exist for termination of this Contract, the Academy Board may act to terminate this Contract. The termination shall be effective upon Authorizer determination.

Section 10.3. Termination by Contingency. This Contract will terminate if any of the following does not occur:

- (a) Prior to commencement of operations, but no later than <<TBD>> 2012, the Academy shall provide to the Authorizer a copy of the Academy's real property lease and the site plan for the school facilities set forth in Schedule 8. The site plan and the terms and conditions of the real property lease must be acceptable to the Authorizer or its designee.
- (b) Prior to commencement of operations, but no later than <<TBD>> 2012, the Academy shall provide to the Authorizer a copy of the Academy's educational service provider agreement, if any. The terms and conditions of the educational service provider agreement must be acceptable to the Authorizer or its designee.
- (c) Prior to commencement of operations, but no later than <<TBD>>, 2012, the Academy, through legal counsel, shall provide a legal opinion to the Authorizer confirming that the Academy Board's approval and execution of any real property lease and educational service provider agreement if any, complies with the Contracts of Public Servants with the Public Entities statute, MCL 15.321 et seq., applicable law, the provisions of 2011 SB 618 and the Contract.

- (d) Prior to commencement of operations, but no later than <<TBD>>, 2012, 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 Academy's school facility identified in Schedule 8.
- (e) Prior to commencement of operations, but no later than <<TBD>>, 2012, the Academy shall provide to the Charter Schools Office Director, if applicable, a copy of a current boiler inspection/approval for the Academy's school facility identified in Schedule 8.
- (f) Prior to commencement of operations, but no later than <<TBD>>, 2012, the Academy shall provide documentation to the Authorizer confirming that the Academy has received occupancy approval from the Michigan Department Labor and Regulatory Affairs, Bureau of Construction Codes and Fire Safety for the Academy's school facility or facilities identified in Schedule 8.
- (g) Any additional information or documentation requested by the Authorizer.

The Authorizer shall notify the Academy in writing following completion of the conditions set forth in this Section 10.3. For good cause, the Authorizer may extend the deadlines set forth above. In the event the contingencies are not timely cleared, the Authorizer may issue a termination letter. The issuance of the termination letter shall automatically terminate this Contract without any further action by either party. Upon issuance of the termination letter, the Authorizer shall notify the Superintendent of Public Instruction and the Michigan Department of Education that the Contract has been terminated.

ARTICLE XI PROVISIONS RELATING TO CHARTER SCHOOLS

Section 11.1. The EAA of Michigan 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 EAA of Michigan faculty as classroom teachers in any grade.

Section 11.2. The Academy Faculty Appointment to the EAA of Michigan Faculty. Nothing in this Contract shall prohibit a member of the Academy faculty from being appointed to or serving as a member of the EAA of Michigan 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. Employment Qualifications for Classroom Teachers. The Academy shall employ Highly Qualified classroom teachers, as that term is defined in the Elementary and Secondary Education Act, 20 USC Chapter 70, who meet the certification requests set forth in the Code.

Section 11.5. Criminal Background Check. The Academy shall comply with all sections 1230a of the Code and applicable law concerning criminal background checks. In the event the Academy contracts with an ESP, the ESP shall comply with this section as if it were the Academy and certify such compliance to the Academy and the Chancellor.

Section 11.6. Academy Budget. The Academy Board is responsible for establishing an annual budget. Copies of the annual budget will be provided to the Authorizer. The initial Budget is included in the attached Application.

Section 11.7. Transportation. The Academy Board may enter into contracts 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.

Section 11.8. Intramural 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 11.9. Legal Liabilities. The Academy acknowledges and agrees that it has no authority to extend the faith and credit of the Authorizer or to enter into a contract that would bind the Authorizer. 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 hereby covenants not to sue the Authorizer or any of the members of its Executive Committee, officers, employees, agents, or representatives for any matters that arise under this Contract. The Authorizer does not assume any obligation with respect to any director, employee, agent, parent, guardian, student, or independent contractor, of the Academy, and no such person shall have the right or standing to bring suit against the Authorizer or any of the members of its Executive Committee, employees, agents, or independent contractors as a result of the issuing or revocation of this Contract.

Section 11.10. Lease and Occupancy and Safety Certificates. Upon request, the Academy shall provide to the Chancellor (a) copies of its lease or deed for the premises in which the Academy shall operate; (b) copies of certificates of occupancy and safety which are required by law for the operation of a public school.

Section 11.11. Deposit of Public Funds by the Academy. The Academy shall deposit or invest all funds received by the Academy in a bank, savings and loan association, credit union or other institution which is eligible to be a depository of the funds of a public school academy and in instruments permitted by law for such deposit and/or investment.

Section 11.12. Unprofessional Conduct Check. The academy shall comply with all sections of the Code concerning unprofessional conduct checks for all staff positions. In the event the Academy contracts with an ESP, the ESP shall comply with same as if it were the Academy and certify such to the Academy and the Authorizer Chancellor.

ARTICLE XII INSURANCE AND INDEMNIFICATION

Section 12.1. Insurance. The Academy Board shall insure the real and personal property of the Academy and shall purchase general liability insurance. The Academy may join with other public schools to obtain real and personal property and casualty insurance if the Academy Board finds that such an association provides economic advantages to the Academy. The Academy shall list the Authorizer on the insurance policies as an additional named insured. In addition, the Academy shall send to the Chancellor copies of its 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.

Section 12.2. Minimum Insurance Coverage. The Academy shall obtain and maintain at all times during the term of this Contract the following insurance coverage in not less than the minimum amount(s) indicated to ensure that the EAA of Michigan are named as an additional insured on all policies:

- (a) General Liability: \$1 million per occurrence, \$2 million aggregate, Academy First Named Insured, the EAA of Michigan Additional insured with primary and noncontributory coverage;
- (b) Automobile Liability: \$1 million per accident, Academy First Named insured, the EAA of Michigan Additional insured with primary and noncontributory coverage;
- (c) Workers Compensation: Insurance coverage as required by Applicable Law;
- (d) School Leaders Errors and Omissions: \$1 million per occurrence, \$3 million aggregate, Academy First Named insured, the EAA of Michigan Additional insured with primary and noncontributory coverage;

- (e) Crime (Including Employee Dishonesty and Sexual Molestation and Abuse coverage): \$500,000 per occurrence and third party coverage;
- (f) Umbrella: \$4 million limit and aggregate, or unlimited aggregate at a \$2 million limit, Academy First Named insured, the EAA of Michigan Additional insured with primary and noncontributory coverage.

Section 12.3. Additional Insurance Requirements. The Academy agrees that it shall maintain any and all insurance coverage required by the Authorizer. The Academy shall purchase additional coverage or policies if so requested by the Authorizer or required by the Authorizer's insurance providers or by law. The Academy agrees to enter into additional agreements regarding indemnification, insurance and subrogation that may be required by the Authorizer's insurance providers. The ESP shall purchase, and provide evidence to the EAA of Michigan, insurance meeting the requirements set forth above (including the inclusion of coverage for sexual molestation and abuse), naming the Academy and the Authorizer as additional, named insureds. Any ESP Agreement shall require that such ESP (or employee leasing company) obtain insurance coverage similar to the insurance coverage required of the Academy hereunder.

Section 12.4. Indemnification. In consideration for the grant of this Contract, the Academy hereby promises to indemnify and hold harmless the Authorizer, its Trustees, members, officers, employees and agents from all claims, demands, or liability, including actual attorney fees, and related expenses on account of injury, losses, damage (both incidental and consequential), 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 Authorizer, which arise out of or are in any manner connected with the Authorizer's approval of the Academy's application or the issuance of this Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of reliance by the Authorizer. The parties expressly acknowledge and agree that the Authorizer and its Trustees, members, officers, employees or agents may commence legal action against the Academy and its agents to enforce the rights set forth in this Contract. Any ESP Agreement entered into between the Academy and an ESP shall likewise contain this promise to indemnify the Authorizer and its Trustees, members, officers, employees and agents by the ESP.

ARTICLE XIII GENERAL TERMS

Section 13.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile, telex or

telegram; or (iii) upon delivery into United States mail if delivery is by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other person or address as the respective party may designate by notice delivered pursuant hereto:

If to the EAA of Michigan:

J. Wm. Covington, Ed.D.
Chancellor, Education Achievement Authority of Michigan
3022 West Grand Boulevard, Suite 14-550
Detroit, MI 48202

With a copy to:

If to the Academy:

<<ACADEMY NAME>>

With a copy to:

Section 13.2. 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 any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 13.3. 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 13.4. Entire Contract. This Contract sets forth the entire agreement between the EEA of Michigan 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 13.5. Assignment. This Contract is not assignable by either party without the prior written consent of the other party.

Section 13.6. 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 13.7. 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 13.8. 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 13.9. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the Authorizer. Except as otherwise expressly 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 13.10. Non-agency. It is understood that the Academy is not the agent of the Authorizer.

Section 13.11. 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 13.12. 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 13.13. Term of Contract. This Contract shall commence on <<TBD>>, and shall remain in full force and effect for a period of two (2) academic years, ending <<TBD>>, unless sooner terminated according to the terms hereof. The Contract may be renewed or extended, and, under such circumstances, the length of any Contract renewal or extension may vary, as determined in the Authorizer's sole and absolute discretion. The Chancellor shall ascertain the success that the Academy has achieved in the implementation of its Educational Program using, in part, the reports provided under Section 6.3, the results it obtains through reported data from pupil assessments and the Academy's annual education report and use these results to inform his/her decision regarding renewal, extension and/or termination. Such decisions shall,

nevertheless, be subject to his/her sole and absolute discretion. The most important factor that the Authorizer will consider in contemplating the renewal of the Academy's Contract will be increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria.

Section 13.14. The EAA of Michigan General Policies on Charter Schools Shall Apply. Notwithstanding any provision of this Contract to the contrary, if the EAA of Michigan adopts additional general policies clarifying procedure and the requirements applicable to public school academics under this contract, the EAA of Michigan's general policies as from time to time amended will automatically apply to the Academy after thirty (30) days' notice, provided they are not inconsistent with provisions of this Contract. The Academy shall comply with all such policy statements and operating guidelines prepared by the Authorizer.

Section 13.15. Compliance with All Applicable Law. The execution of this contract is by a duly-authorized member of the Academy Board and the signatory and Academy Board certify compliance by the Academy and the Academy Board with the terms and conditions of this Contract and all applicable law.

Section 13.16. Contract Submission to MDE. This Contract shall be submitted to the Michigan Department of Education within ten (10) days of issuance.

The undersigned have read, understand, and agree to comply with and be bound by the terms and conditions set forth in this Contract.

ACADEMY:

AUTHORIZER:

Education Achievement Authority of
Michigan

By: _____

By: _____
J. Wm. Covington, Ed.D.

Its: _____

Its: Chancellor _____

Date: _____

Date: _____

Attachment Two: Rubric for the Evaluation of Portfolio Schools

Target Area	Description or Meaning
Growth	Refers to the measure of individual student growth through a value-added system
Status	Refers to the measure of achievement against the college and career readiness target.
Performance	Examines the measure of points accumulated through quarterly common core assessments.
Engagement	Refers to the measure of teacher collaboration; student and parent engagement; participation in extra-curriculum activities; and community partnerships.
Climate/Culture	Examines the measure of classroom climate from classroom observation rubric; parent/student/teacher perceptions; and reduced discipline infractions.
College/Career Readiness	Is the measure of students who meet the national ACT standards; complete Algebra by the end of 8 th grade; complete dual credit/advanced placement courses; and/or Achieve 5 CCR's in core subjects by age 15.
Population Composite	Is the measure of student mobility and degree to which the school is serving all students—ration of special needs, ELL students relative to EAA ratios
Attendance	Refers to both student and teacher Attendance
Talent	Addresses the percentage of teachers who are evaluated as being "effective or highly effective as determined by student growth targets and other standards within the Teacher Evaluation system.
Data	Measures the use of data and continuous feedback by teachers to inform practice through participation the data team cycle and monitoring of individualized learning plans for all students.

Attachment Three: Portfolio Implementation Snapshot Rubric

Good Options and Choices for All Families

Opening of new schools based on parent/student/neighborhood need
Opening of new schools with outside operators (e.g., charters)
School choice for all families
Coordination of enrollment and school information for families across sectors
Aggressive recruitment of new school providers
Equity and access to charter and non-traditional schools for special education students and English Language Learners

School Autonomy

Universal autonomy: all schools control staff selection, pay, assignment, and budget
New models of teaching and organization (e.g., hybrid learning models)

Pupil-Based Funding for All Schools

Pupil-based funding
Sharing of facilities and other select resources with non-district run schools

Talent-Seeking Strategy

Recruitment of new principals and teachers to the district
Policies in place for using alternative pipelines to find/develop talent
Performance-based teacher retention
Performance-based teacher pay

Sources of Support for Schools

Schools free to choose support from diverse independent providers

Performance-Based Accountability for Schools

Data systems that allow measurement of annual student growth
Accountability systems that compare schools on student growth, climate, and improvement
Rich information systems to guide school self-assessment and planning
Common student performance standards for all schools
Publication of a school report card
Closure of persistently low-performing district and charter schools

Extensive Public Engagement

Communication plan to convey information about reform strategy and program (including need for school closures)
Feedback loop for parents and community members to express concerns and receive response
Partnerships and coalitions with key stakeholders

Attachment Four: Resolution for PSA Board of Directors

**Education Achievement Authority
of Michigan**
Equity. Choice. Reinvention.

**RESOLUTION 2012-
BOARD OF DIRECTORS COMPOSITION**

The Executive Committee of the Education Achievement Authority resolves:

1. Public school academies authorized by the Education Achievement Authority of Michigan (EAA of Michigan") shall be governed by a Board of Directors consisting of no fewer than five and no more than nine members. These members shall be appointed from a list of nominees approved by the EAA of Michigan.
2. Nominees for the Academy Board. The list of nominees shall be provided to the Chancellor by the Academy and consist of twice the number of vacancies on the Academy Board.
3. Board Member Qualifications. Academy Board members shall include at least one parent or guardian of a child enrolled and attending the Academy. The Board shall not include (i) any director, officer or employee of a management company that contracts directly or indirectly, with the Academy; or (ii) EAA of Michigan officials, as representatives of EAA of Michigan.
4. Board Member Terms. A director of the Board of Directors of the Academy shall hold office for a term of three years, except for the Initial Directors appointed pursuant to this Section of whom one-third shall be appointed for a term of approximately three years, one-third shall be appointed for a term of approximately two years, and one-third shall be appointed for a term of approximately one year, in each case as the initial term may be set to end so as to allow future terms to begin on a day of the year determined by the Academy Board and the Chancellor to be beneficial to the Academy in light of its yearly operational and budget cycle.

5. Appointment of Initial Directors. All Initial Directors of the Board of the Academy shall be appointed by resolution of the EAA of Michigan and shall consist of at least the following:
- (a) President, three year term
 - (b) Vice President, three year term
 - (c) Secretary, two year term
 - (d) Treasurer, two year term
 - (e) Parent Representative, one year term

Furthermore, it is agreed that all Initial Directors of the Board may be appointed to a permanent position on the Board in accord with this section.

6. Removal of Board Member. Any Director may be removed with or without cause by a two-thirds vote of the Academy Board or by the EAA of Michigan.
7. Conflicts of Interests. The selection of Directors shall be in compliance with the requirements of the Incompatible Public Offices Act, Act No. 566, Public Acts of Michigan, 1978, MCL 15.181 to 15.185, including, without limitation, the requirement that such Directors shall not also be members of the EAA of Michigan or administrators, teachers or employees of the Academy.

Certification:

I certify that this resolution was duly adopted by the Executive Committee of the Education Achievement Authority at a properly-noticed open meeting held with a quorum present on the ____ day of _____.

By: _____
President

By: _____
Secretary

Legal Counsel
Approved as to Form

Attachment Five: Fiscal Agent Agreement

**Education Achievement Authority
of Michigan**
Equity. Choice. Reinvention.

FISCAL AGENT AND OVERSIGHT AGREEMENT

This agreement shall have an effective date of _____, 2012, by and between the Education Achievement Authority of Michigan ("EAA of Michigan"), an authorizing body, and <PSA>, a public school academy.

Preliminary Recitals

WHEREAS, pursuant to Section 501 of the School Code of 1976, the EAA of Michigan, as authorizing body, is the fiscal agent of the State of Michigan for <PSA>.

WHEREAS, the EAA of Michigan is required by law to forward any state school aid payments received on behalf of <PSA> to <PSA>.

WHEREAS, the EAA of Michigan is also responsible for overseeing <PSA's> compliance with the Contract to Operate a Public School Academy between the EAA of Michigan and <PSA> and with all applicable law.

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

Section 1. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

- a. "Agreement" means the Fiscal Agent and Oversight Agreement executed by the EAA of Michigan and <PSA>.
- b. "Fiscal Agent" means the EAA of Michigan.
- c. "Oversight Duties" means oversight duties set forth in Section 2.

- d. "State school aid payment" means any payment of money <PSA> receives from the school aid fund established pursuant to Article IX of the Michigan Constitution.

Section 2. Oversight Duties. The EAA of Michigan shall undertake, and may delegate to others, the following duties:

- a. Require the EAA of Michigan's chief financial officer to review <PSA's> audited financial reports submitted, including the auditor's management letters, and report on any exceptions to the EAA of Michigan or its designee.
- b. Direct a designee of the EAA of Michigan, if probable cause exists, to conduct a review of the records or operations of <PSA> to determine if any law has been violated.
- c. Hold an annual meeting with <PSA's> Board of Directors and the EAA of Michigan or its designee.
- d. Institute action to revoke or reform the Contract to Operate a Public School Academy if <PSA> violates this Contract or any applicable law.

Section 3. No Power to Bind. The <PSA> has no power to obligate or bind the EAA of Michigan. The <PSA> has no authority whatsoever to enter into a contract or other agreement that would financially obligate the EAA of Michigan. Additionally, the <PSA> does not have any authority whatsoever to make any representations to lenders or third parties that the EAA of Michigan in any way guarantee or be responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by the <PSA>.

Section 4. Fiscal Agent Fee. Subject to Section 502(6) of the Code, MCL 380.502(6), the <PSA> shall pay the EAA of Michigan an administrative fee to reimburse the EAA of Michigan for the expenses associated with the execution of its oversight responsibilities.

Section 5. Operational Cost. The <PSA> shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services.

Section 6. Compliance Certification Duties. <PSA> agrees to perform all of the following Compliance Certification Duties"

- a. Submit on an annual basis to the EAA of Michigan, or its designee, a certification of continuing compliance by <PSA> with the Contract to Operate a Public School Academy, and all applicable laws.
- b. Submit <PSA's> audited financial reports, including the auditor's management letters to the chief financial officer of the EAA of Michigan.
- c. Permit inspection of <PSA's> records at any time by a designee of the EAA of Michigan.
- d. Hold an annual meeting between the EAA of Michigan and the Board of Directors of <PSA> or its designee.
- e. Report any litigation or formal proceedings alleging violation of any law by <PSA> to legal counsel of the EAA of Michigan.
- f. Provide copies of financial information submitted to the department of Education to the EAA of Michigan.

Section 7. Waiver and Delegation of Oversight Procedures. The EAA of Michigan and <PSA> may agree to modify or waive any of the Oversight Duties or Compliance Certification Duties. The EAA of Michigan may delegate its Oversight Duties,, or any portion thereof, to an officer or designee of the EAA of Michigan.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective and duly authorized officers as of the day and year indicated herein.

<PUBLIC SCHOOL ACADEMY>

By: _____
 President, Board of Directors

Date: _____

EDUCATION ACHIEVEMENT AUTHORITY OF MICHIGAN

By: _____
 J. Wm. Covington, Ed.D.
 Chancellor, EAA of Michigan

Date: _____