

**Virtual Learning Academy of St. Clair County
Public School Academy Contract
2021-2024**

THIS PUBLIC SCHOOL ACADEMY CONTRACT (this "Contract") is executed as of this ____ day of June, 2021, by and between the ST. CLAIR COUNTY REGIONAL EDUCATIONAL SERVICE AGENCY (the "RESA"), a Michigan intermediate school district, 499 Range Road, Marysville, Michigan 48040 (the "RESA"), and the VIRTUAL LEARNING ACADEMY OF ST. CLAIR COUNTY, 1520 Michigan Road, Port Huron, Michigan 48060, a Michigan nonprofit corporation, (the "Academy").

Recitals

A. The RESA and the Academy are authorized to enter into this Contract pursuant to Part 6A of the Revised School Code (the "School Code").

B. On March 16, 2009, the RESA's Board of Education (the "Board") approved the original application submitted by the Academy to establish a public school academy in accordance with and pursuant to Part 6A of the School Code, a copy of which is attached to and incorporated by reference in this Contract as Exhibit A (the "Application").

C. The Board of Trustees of the Academy has adopted on June 2, 2021 approved the form of this Contract and authorized the execution and delivery of this Contract by the undersigned officers of the Academy and the performance of the terms hereof by such officers and by all other applicable trustees, officers, employees and agents of the Academy.

D. The RESA Board has adopted on June ____, 2021, by Issuance Resolution approved the form of this Contract and authorized the execution and delivery of this Contract by the undersigned officers of the RESA and the performance of the terms hereof by such officers and by all other applicable officers, employees, agents and representatives of the RESA.

NOW, THEREFORE, in consideration of the foregoing and the mutual covenants and promises contained in this Contract, IT IS AGREED:

1. **Definitions.** For all purposes of this Contract and the schedules attached hereto all terms used herein and therein shall have the meanings ascribed to such terms in the preamble hereto and as follows:

- a. "Applicable Law" means Federal and Michigan constitutions, laws, rules and regulations applicable to school districts in general by operation of law and by operation of this Contract with respect to duties and obligations.
- b. "Education Records" shall have the meaning ascribed to that term under the federal Family Educational Rights and Privacy Act, 20 U.S.C. 1232g.
- c. "Fiscal Year" means the annual period beginning on July 1 of each year and ending on the next succeeding June 30.

- d. "Local Districts" shall be interpreted to mean those school districts that are constituent districts of the St. Clair County Regional Educational Service Agency.

2. Purpose and Mission Statement. The principal purpose of the Academy is to provide and expand access to educational services (which may include appropriately embedded subject matter content in satisfaction of the high school credit requirements specified in Sections 1278a and 1278b of the Michigan Revised School Code, MCL 380.1278a and 380.1278b) for eligible at-risk students using innovative online tools and resources to provide guidance and advocacy in order to address the contributing factors that lead to suspension, expulsion or the dropping out of students from their resident schools. In addition, the Academy will provide service to St. Clair County students who are "at Risk" of falling seriously behind other pupils of his or her age level, of not being advanced in grade level or of dropping out or being expelled from school or other underserved student population. In addition, offer eligible students a college or career readiness program to help address the needs that eligible enrolling students may possess. The Board of the Academy shall control the policies of the School and shall facilitate its progress toward goals established by the Board in furtherance of the Academy's purpose. The Academy is organized and shall be operated exclusively for educational purposes as a public school academy, pursuant to Part 6A of the School Code. The Academy shall be a public educational institution for students who are enrolled in the Authorizing Body's constituent local school districts. Subject to total enrollment limitations, enrollment in Academy shall be open to any student who is enrolled in the local school districts, which are located within the geographical boundaries of the Authorizing Body. The Academy shall be non-religious and shall accept students and hire staff without discrimination as to race, color, religion, gender, national origin, height, weight, marital status, sexual orientation, educational affiliation, handicap status, or age, and shall comply with all applicable laws and regulations relating thereto.

3. Facilities. Pursuant to Part 6A of the Michigan Revised School Code, the Academy shall be permitted to operate the same configuration of grade levels at more than one (1) site located within the jurisdiction of the RESA (the "Facilities"). Specifically, MCL 380.504(1) provides that it may operate at more than one (1) site as long as the Academy is operating in compliance with its contract and is making measurable progress toward meeting its educational goals. The Academy will be located within the boundaries of the RESA and the Port Huron Area School District. A copy of the lease agreement for the Facilities (the "Lease") is attached to and incorporated by reference in this Contract as **Exhibit B**. The cost of acquiring or leasing and maintaining the Facilities shall be the sole responsibility of the Academy. The Plans for constructing, reconstructing, renovating, remodeling, furnishing, refurnishing, equipping and/or re-equipping the Facilities shall be submitted to, and shall be subject to the approval of the necessary Michigan and local authorities prior to the commencement of any work on the Facilities.

4. Program and Curriculum. The Academy shall be responsible, subject to review and approval by the RESA, to develop and implement a delivery curriculum model, which shall include a description of the educational programs, curriculum and content standards for each program offered by the Academy (the "Program and Curriculum"). The current version of the Program and Curriculum, which has been approved by the RESA pursuant to this paragraph, is

attached to and incorporated by reference in this Agreement as **Exhibit C**. Any revisions to the Program and Curriculum shall be submitted for review and approval by the RESA. The Program and Curriculum shall at all times, at a minimum, address the following provisions:

- a. Curriculum. Subject to the conditions of this Contract, the Academy shall further design and implement its educational program, curriculum and content standards in a manner, which is consistent with Applicable Law, including, without limitation, the Physical Education and Health requirement mandatory of high school graduation.
- b. Records
 - i. The Academy shall adopt, abide by and enforce its own written record keeping policy. Such policy to be in compliance with Applicable Law, including, without limitation, student portfolios, student attendance record-keeping, record retention and the common transcript agreements the RESA has with the Local Districts.
 - ii. The Academy shall adopt, abide by and enforce its own set of written policies concerning the maintenance and disclosure of student records. Such policies to be in compliance with Applicable Law, including, without limitation, the Freedom of Information Act, being Act No. 442, Public Acts of Michigan, 1976, and the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. Section 1232g.
- c. Non-religious Status. The educational program of the Academy shall be nonreligious and shall not discriminate against any student on the basis of religion or creed.
- d. Open Enrollment. Enrollment at the Academy shall be open to any student enrolled in a Michigan School district who satisfies the lawful admission criteria established by the Academy. To the extent permitted by this Contract and 6A of the School Code, the Academy may decide, without a further amendment to this Contract, to offer an adult education program that is consistent with the Academy's Mission and Educational Goals.
- e. Admissions. The Academy may enroll a maximum of 400 students, grades 6-12, at any one time, provided appropriate permitted spaces shall be available. If there are more applicants seeking to be educated in the Academy than there are spaces available, students shall be selected for admission using a lottery random selection process. Student eligibility to enroll and/or receive instruction shall be subject to the Academy's Admission Policy, a copy of which is attached to and incorporated by reference in this Contract as **Exhibit D**. All admissions to the Academy shall be made without regard to religion, creed, race, color, age, height, weight, gender, sexual orientation, national

origin, intellectual or athletic ability, measures of achievement or aptitude, or status as a person with disabilities, or on any other basis that would be illegal if used by a school district.

- f. Students with Disabilities. To the extent required by Applicable Law, the Academy shall adopt and abide by a written policy concerning the education of students who have been identified as being "At Risk" or as having a disability, such policy to be in compliance with Applicable Law.
- g. Tuition. The Academy shall not charge tuition.
- h. Calendar. The Academy shall adopt and follow a year round school calendar, to include the observance of holiday and other required commemorative occasions. The proposed calendar for the 2021-2022 school year is attached to and incorporated by reference in this Contract as **Exhibit E**.

5. Goals and Methods. The Academy shall be responsible, subject to review and approval by the RESA, to develop and implement educational goals and methods of accountability for Academy programs, which shall include increases in academic achievement for all groups of students as measured by assessments and other objective criteria as the most important factor (the "Goals and Methods"). The educational goals shall also include students earning a minimum of one class per month (at least 70% or better) and at least a 35% yearly graduation rate. The current version of the Goals and Methods, which has been approved by the RESA pursuant to this paragraph, is attached to and incorporated by reference in this Agreement as **Exhibit F**. Any revisions to the Goals and Methods shall be submitted for review and approval by the RESA. The Goals and Methods shall contain at all times, at a minimum, the following provisions:

- a. Student Achievement – State Testing and Certifications. The Virtual Learning Academy of St. Clair County agrees to achieve its education goals in accordance with the applicable law, including to the extent applicable, student participation, within their resident districts, in the statewide assessment program, M-STEP, MME, or other State required successor test(s) under sections 1277 1277a, 1278, 1278a-3 and 1280 if the Revised school Code. Successful course completion, passing percentage, grade point average and ultimately graduation rates by which the VLA holds itself academically accountable.
- b. Student Attendance. The Academy shall adopt, abide by and enforce its own written attendance policy. Such policy shall accommodate the attendance policies in manner that complies with Michigan's compulsory attendance laws applicable and the day and hour requirements of the State School Aid Act, and all other provisions of Applicable Law.
- c. Student Conduct and Discipline. The Academy shall adopt, abide by and enforce its own set of written policies concerning student conduct and student discipline. Such policies to be in compliance with Applicable Law, including, without limitation, the grounds and procedures established by federal and

Michigan law for suspending, expelling or denying admission to a student.

- d. Student Health, Safety and Welfare. The Academy shall adopt, abide by and enforce its own set of written policies and shall comply with Applicable Law, concerning student health, safety and welfare, including, without limitation, the reporting of child abuse, immunizations, accident prevention, disaster response and tagging of missing student records pursuant to Section 1134 of the School Code.
- e. Corporal Punishment. The Academy shall adopt, abide by and enforce its own written policy concerning the infliction of corporal punishment upon students. Such policy to be in compliance with Applicable Law, including, without limitation, Sections 1312 and 1313 of the School Code.
- f. Accreditation. To the extent applicable, the Academy shall comply with the current and any future accreditation requirements contained in Section 1280 of the School Code or any successor provisions of Michigan law.
- g. Access to Facilities. The Academy shall grant complete access to the Facilities by representatives of the RESA at any time without notice for the purpose of monitoring the Academy's performance in meeting the terms of this Contract.
- h. General Operations. The Academy shall adopt, abide by and enforce its own written policies concerning the general operations of the Academy which are not specifically governed by or inconsistent with another portion of this Contract, such policies to be in compliance with Applicable Law.

6. Governance and Operation. The governance and operational structure of the Academy, more particularly described in the Academy's Articles of Incorporation and Bylaws, copies of which are attached to and incorporated by reference in this Contract as Exhibits G and H, respectively, are hereby approved by the RESA to the extent permissible under federal and Michigan law and subject to all conditions of this Contract, including, without limitation, the provisions of this Contract, including the following:

- a. Nonreligious Status. The Academy agrees that it shall operate, in all respects, as a nonreligious, non-home-based public school. The Academy shall not be affiliated with any church or other religious organization.
- b. Commitment to Nondiscrimination. The Academy shall comply with all federal, Michigan and local laws, rules, regulations and court decisions applicable to public school academies in general, including, without limitation, constitutional provisions, prohibiting discrimination on the basis of disability, race, creed, color, gender, sexual orientation, age, height, weight, national origin, religion or other protected status.
- c. Accountability. To the extent required by Part 6A of the School Code, the RESA shall oversee the Academy's compliance with all provisions of this

Contract and Applicable Law. In performing its oversight duties hereunder, the RESA may conduct, or cause to be conducted, legal, financial, educational or other reviews or audits of the Academy and its operations; The RESA must review and may disapprove any agreement, only if contrary to the contract or applicable law, between the Board of Trustees and an educational management organization before the agreement is final and valid.

- d. Open Meetings Act. The Academy acknowledges and agrees that it is subject to the provisions of the Open Meetings Act, Act No. 267, Public Acts of Michigan, 1976, and that it will comply with the provisions of such law in connection with all of its activities.
- e. Operational Powers. Subject to the provisions of other paragraphs of this Contract, the Academy shall be responsible for its own operations within the limitations of any funding derived by the Academy consistent with law, and shall have authority to independently exercise, also consistent with Applicable Law and this Contract, the following powers (including such other powers as provided for elsewhere in this Contract): contract for goods and services; prepare a budget; select and direct personnel, evaluate their performance, and determine their compensation and continued employment; procure insurance; own or lease facilities for school purposes; purchase, lease or rent furniture, equipment and supplies; and accept and expend gifts, donations or grants of any kind in accordance with such conditions prescribed by the donor as are consistent with law and all other powers provided by law, not contrary to any of the terms of this Contract. The RESA shall be given written notice of all accepted gifts, donations and grants, and any conditions thereof, within ten (10) business days of receipt.
- f. Bidding Requirements. The Academy shall adopt, abide by and enforce its own written policy concerning the purchase of supplies, materials and equipment through a system of competitive bidding, as required by Michigan law applicable to school districts in general, including, without limitation, Sections 1267 and 1274 of the School Code; provided, however, that to the extent permitted by law, such policy shall not apply to the purchase of such goods through the RESA.
- g. Reports. Upon the request of the RESA and at least annually, the Academy will provide the RESA a written revenue and expenditure report with comparison to the Academy budget, and a written report concerning Academy operations, including, without limitation, progress made towards its educational goals and objectives (including increases in academic achievement for all groups of students as measured by assessments and other objective criteria as the most important factor), policy development issues, student attendance and student discipline information, and personnel matters. The Board of Trustees shall make information concerning its operation and management available to the public and to the RESA in the same manner as is required by state law for school districts. The Board of Trustees shall collect,

maintain, and make available to the public and the RESA, in accordance with applicable law and this Contract, at least all of the following information concerning the operation and management of the Academy: a copy of this Contract; a list of current Board of Trustee members, including name, address, and term of office; copies of policies approved by the Board of Trustees; Board meeting agendas and minutes; a copy of the approved budget and any amendments to the budget; copies of bills paid for amounts of \$10,000 or more as they were submitted to the Board of Trustees; quarterly financial reports submitted to the RESA; a current list of teachers and school administrators working at the Academy that includes their individual salaries as submitted to the registry of educational personnel; copies of their certificates or permits; evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b for all teachers and administrators working at the Academy; curriculum documents and materials given to the RESA; proof of insurance as required by this Contract; copies of facility leases or deeds, or both, and of any equipment leases; copies of any management contracts or services contracts approved by the Board of Trustees; all health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service; and any management letters issued as part of the annual financial audit. The Board of Trustees of the Academy shall ensure a monthly report is submitted to the MDE, in a form and manner prescribed by the MDE, reporting the number of pupils enrolled in the online or distance learning program, during the immediately preceding month.

- h. Term. This Contract is effective as of the date first written above for a period of three (3) school years (2021 through 2024), and will terminate on June 30, 2024. This Contract may be renewed at the end of the term of any renewal term for an additional three (3) year period by mutual written agreement of the RESA and the Academy; provided, however, that the District shall include increases in academic achievement for all groups of students as measured by assessments and other objective criteria as the most important factor in its decision whether to renew the Contract. The Contract is subject to mandatory review at least every three (3) years by the RESA.
- i. Termination. This Contract may be terminated/revoked at any time upon the mutual written consent of the RESA and the Academy. Further, this Contract may be revoked and terminated by the RESA at any time, without the consent of the Academy, if the Board determines in its sole discretion that one or more of the following have occurred:
 - i. The Academy fails to abide by and meet the standards established in the Goals and Methods through demonstrated improved pupil academic achievement or meeting educational goals, for all groups of pupils.
 - ii. Part 6A of the School Code or other relevant law governing the existence

- of the Academy is declared invalid or unconstitutional by a court of law having jurisdiction over the Academy and the RESA.
- iii. The Academy fails to comply with all laws made applicable to public school academies under Part 6A of the School Code and Applicable Law.
 - iv. The Academy fails to meet generally accepted public sector accounting principles and demonstrate sound fiscal stewardship.
 - v. The Academy materially breaches any provision of this Contract and does not cure such material breach within thirty (30) days.
 - vi. Substantial failure to comply with applicable laws and or State Board rules.
 - vii. The superintendent of public instruction notifies the RESA that the Academy site that has been operating for at least 4 years is among the lowest achieving 5% of all public schools in this state and is in year two (2) of restructuring, not to include the individualized education plan subgroup. In this case, the RESA shall amend the Contract to eliminate the Academy's authority to operate the existing age and grade levels at the site and the Academy shall cease operation effective at the end of the current school year.
 - viii. Except as otherwise provided for in MCL 380.507, the RESA may consider and take corrective measures to avoid mandatory revocation, including, but not limited to, canceling a contract with an educational management organization, if any, withdrawing approval of a contract under MCL 380.506, or reconstituting the Academy in an effort to improve student educational performance and to avoid interruption to the educational process, by appointing a new Board of Trustees or Trustee to take over operation of the Academy.
 - ix. Notwithstanding applicable law to the contrary, in the event of termination of this Contract, title to all assets and property of the Academy acquired after the date of this Contract will be dispersed in accordance with applicable law. Notice of Termination shall be provided in writing to the Academy within seven (7) calendar days of the decision to terminate.
 - j. Dissolution. In the event the Academy should cease operations for the reasons outlined in the Michigan School Aid Act (388.1618b), the property that was acquired substantially with funds appropriated under this act shall be transferred to the State of Michigan or other legally appropriate entity. It is agreed that the RESA shall supervise and have authority to conduct the winding up of the business and affairs of the Academy; provided, however, that in doing so, the RESA does not assume any liability incurred by the Academy beyond the funds allocated to the Academy through the RESA as fiscal agent to the Academy under this Contract.

7. Personnel. The Academy shall be solely responsible to develop and implement policies and guidelines concerning employment matters such as employee relationships, job descriptions, and terms and conditions of employment in accordance with the law and the terms of this Contract (the "Personnel Policies"); provided, however, that subject to the Academy's collective bargaining duties under the Public Employment Relations Act ("PERA"), MCL 423.201 et seq., the Personnel Policies shall include, for all teachers and school administrators employed by the Academy, a rigorous, transparent and fair performance evaluation system in compliance with Section 1249 of the School Code, MCL 380.1249. The current version of the Personnel Policies is attached to and incorporated by reference in this Contract as **Exhibit I**. The Personnel Policies shall address at all times, at a minimum, the following provisions:

- a. Hiring of Personnel. All persons who perform services for the Academy shall be "at-will" employees or volunteers of the Academy. The Academy may select its personnel directly without prior authorization from the RESA, subject to compliance with all applicable federal and Michigan rules and regulations, including, without limitation, requirements concerning the recruitment of applicants and the use of background and criminal checks. To permit the RESA to perform its oversight functions, the Academy shall inform the RESA's superintendent or designee of all personnel selected in order that their hiring may be approved by the RESA in accordance with Section 506 of the School Code. Such approval shall not be unreasonably withheld. It is the intent of the parties hereto not to create a joint-employer relationship. The Board of Trustees shall prohibit any individual from being employed by the Academy in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of those positions. The Academy may terminate the employment of any personnel so long as such employees are not terminated for constitutionally impermissible reasons or reasons prohibited by Applicable Law. All teachers and employees are required to be certified, authorized or permitted as required by the School Code and the implementing regulations. The Academy shall use certified administrators and chief business officials pursuant to applicable law, including superintendent, principal, assistant principal or other person whose primary responsibility is administering instructional programs.
- b. Employee Compensation Evaluation and Discipline. The Academy shall adopt, abide by and enforce written policies in compliance with Applicable Law concerning the recruitment, promotion, discipline and termination of personnel; methods for evaluating performance; and a plan for resolving employee-related problems, including complaint and grievance procedures; provided, however, the Academy shall not have the authority, by virtue of such policies or procedures or other action of the Academy, to change the "at-will" nature of the employment relationship. The Academy shall be independently responsible for the supervision and evaluation of the employees of the Academy; provided, however, that subject to the Academy's collective bargaining duties under the PERA, the Academy shall adopt and implement:
 - (i) a rigorous, transparent and fair performance evaluation system in

compliance with Section 1249 of the School Code, MCL 380.1249; and (ii) a method of compensation for its teachers and school administrators in compliance with Section 1250 of the School Code, MCL 380.1250, that shall include job performance and job accomplishments as the most important factor in determining compensation and additional compensation, and the assessment of job performance shall incorporate a rigorous, transparent and fair evaluation system that evaluates a teacher's or school administrator's performance, at least in part, based upon data on increases in academic achievement for all groups of students as measured by assessments and other objective criteria.

- c. Payroll. The Academy shall adopt, abide by and enforce written policies concerning the payment of employees of the Academy and the procedures for recording employee work hours, overtime, absences, leaves, vacation and other adjustments, all in compliance with Applicable Law.
- d. Benefits. Academy Employees shall be entitled to receive those benefits as determined by the Academy, subject to those guidelines attached to and incorporated by reference in this Contract as **Exhibit J**.
- e. Equal Opportunity Employer. The Academy affirms that it shall not discriminate against any employee on the basis of race, creed, color, sex, gender, sexual orientation, height, weight, national origin, religion, ancestry or age in its recruitment, selection, training, utilization, termination or other employment-related activities.
- f. Employee Records. The Academy shall adopt, abide by and enforce written policies concerning the maintenance and disclosure of employee records, in compliance with Applicable Law, including, without limitation, the requirements of the Freedom of Information Act, being Act No. 442, Public Acts of Michigan, 1976 and the Bullard-Plawecki Employee Right to Know Act, being Act No. 397, Public Acts of Michigan, 1978.
- g. Employee Welfare and Safety. The Academy shall adopt, abide by and enforce written policies concerning employee welfare and safety, in compliance with Applicable Law, including, without limitation, the requirements of the Workers Disability Compensation Act, being Act No. 317, Public Acts of Michigan, 1969, and the federal Family and Medical Leave Act, 29 U.S.C. 2601, as well as adopt and implement a policy in writing prohibiting sexual harassment by Academy employees, administrators, trustees and pupils directed toward other employees, administrators, trustees or pupils and prescribe penalties therefore pursuant to Section 1300a of the School Code.
- h. Employee Conflicts of Interest. All Academy employees shall comply with applicable Michigan law concerning employee actual and potential conflicts of interest.

8. Teaching Techniques. If the Academy develops new teaching techniques or methods or significant revisions to known teaching techniques or methods, the Academy shall report those to the RESA.

9. Assessment of Pupil Performance. The Academy agrees to achieve its educational goals in accordance with the applicable law, including to the extent applicable, student participation in the statewide assessment program, MEAP, MME or other State required successor test(s) under Sections 1277, 1277a, 1278, 1278a, 1279a-3 and 1280 of the School Code.

10. Financial Matters

- a. Funding. The Academy shall exercise control over its finances and operating funds and expenditures. The Academy may derive its funding through state school aid payments in accordance with the paragraph below, through providing educational and other services in accordance with service and other agreements as permitted by this Contract and Applicable Law, through private contributions to the Academy, through federal and state grant programs for which the Academy is eligible, and through other lawful sources.
- b. School Aid Payments. State school aid payments for the Academy, if any, provided by the State of Michigan shall be authorized by and paid through the RESA, as the fiscal agent of the Academy, in accordance with Section 507 of the School Code and at the times, in the manner and to the extent provided in the State School Aid Act, being Act No. 94, Public Acts of Michigan, 1979, and the School Code. The RESA, as the fiscal agent of the Academy, shall comply with MCL 380.507(3) and the Michigan School Accounting Manual when performing its duties to the Academy.
- c. Transfer Students. Funding for students transferring into or out of the Academy during the school year shall be in accordance with the regulations and policies of the Michigan Department of Education, the RESA and the Local Districts.
- d. Budget. The Academy shall be responsible for all costs associated with its school operations, including the cost of contracting for goods and services. The Academy shall provide the RESA with a copy of the proposed annual budget for the upcoming Fiscal Year of the Academy at least sixty (60) days prior to the commencement of such Fiscal Year. The proposed annual budget for this year of the Contract is attached to and incorporated by reference in this Contract as **Exhibit K**. To the extent applicable, the Academy shall comply with all requirements contained in the Uniform Budgeting and Accounting Act, being Act No.2, Public Acts of Michigan, 1968, and Budget Hearings of Local Governments, being Act No. 43, Public Acts of Michigan, 1963 (Second Extra Session), and all other applicable budgeting and accounting laws and regulations applicable to school districts in general.
- e. Annual Audit. The Academy agrees to engage and participate in an

independent, outside audit by a certified public accountant approved by the RESA of its financial and administrative operations on an annual basis and in accordance with generally accepted public sector accounting principles. The Academy agrees to provide the RESA with two (2) copies of its audited financial report within ninety (90) days after the end of each Fiscal Year of the Academy. Any cost associated with the audit of the Academy shall be borne by the Academy.

- f. Authorizer - Administrative Fee. The St. Clair County RESA has provided to the Academy the necessary authorization to move forward as a Public School Academy without an authorizer fee. It is understood and agreed between the parties that if an administrative fee is charged, it will be equal to or less than the legally permitted 3% fee.

11. Policies. To the extent the Academy has not adopted written policies as provided herein, or to the extent this Contract does not require the Academy to adopt written policies concerning certain matters, the Academy shall comply with any applicable policies, in each case other than employment policies, of the Board or the board of the relevant student's resident Local District, as the case may be. The Academy shall furnish to the RESA copies of all written policies and procedures of the Academy upon adoption of such policies by the Academy.

12. Transportation. Transportation services, if any, provided to students of the Academy shall be the responsibility of the Academy. In providing any transportation services to students, the Academy shall comply with the relevant provisions of the federal, state and local law, including those provisions regulating driver and vehicle requirements and certification.

13. Insurance. The Academy shall provide at all times during the term of this Contract insurance coverage as set forth in the schedule attached to and incorporated by reference in this Contract as Exhibit L. The Academy shall name the RESA, the Board, and its officers, employees, agents and representatives as additional insureds on all such insurance coverage.

14. Borrowing Limitations. The Academy acknowledges and agrees that the only borrowing power the Academy shall exercise without the written consent of the RESA, which consent may be withheld in its sole discretion, is the power to enter into (i) leases (with or without option to purchase), (ii) land contract or (iii) installment purchase contracts, the aggregate amount of which shall not exceed more than 5% of the state aid payments the Academy receives through the RESA as fiscal agent to the Academy on an annual basis each Fiscal Year as payment for such indebtedness; provided further that the security for such obligations of the Academy shall be limited to the goods for which the indebtedness is entered into without recourse to any of the funds or other property of the Academy or the RESA. The ability of the Academy to borrow any funds and encumber any assets is subject to all applicable legal restrictions.

15. Compliance with Law. The Academy hereby represents and warrants that it is in compliance with, and hereby covenants to remain at all times after the date of this Contract in compliance with, all Michigan law applicable to public bodies and all federal law applicable to public bodies and school districts, including, without limitation, all references to specific laws made in the other paragraphs of this Contract.

16. Legal Liabilities. The Academy acknowledges and agrees that it has no authority to extend the faith and credit of the RESA or to enter into a contract that would bind the RESA. The Academy also is limited in its authority to contract by the amount of funds obtained through the RESA as fiscal agent to the Academy, as provided hereunder, or from other independent sources.

17. Covenant against Suit and Dispute Resolution. Except as otherwise provided in this Contract, the parties hereby covenant not to sue the other party, its governing board, officers, employees, agents or representatives for any matters that arise under this Contract. All claims, demands or disputes arising out of or involving the interpretation of this Contract, or any other agreement relating to this contractual relationship, to the extent the parties cannot mutually agree to a satisfactory resolution, shall be submitted to the American Arbitration Association, located at 27777 Franklin Road, Suite 1150, Southfield, Michigan 48034 (the "AAA"), for alternative dispute resolution by the party bringing the claim, demand or dispute, in accordance with the rules and procedures established by the AAA. Any such arbitration will be held at the administration office of the RESA and the decision of the arbitrator shall be binding on both parties. The parties shall equally share in the cost of the arbitration, except that each party shall be responsible for their own legal fees and expenses.

18. Indemnification. To the extent not covered by insurance or otherwise barred by Section 7 of Act No. 170, Public Acts of Michigan, 1964, the Academy agrees to indemnify and hold the RESA, the Board, or any officers, employees, agents or representatives of the RESA or the Board harmless from all claims, demands or liability, including attorneys 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 which arise out of or are in any manner connected with the conduct of the Academy's affairs. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of applicable limitations of liability provided by the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

19. Creation of Other Public School Academies. The Academy hereby covenants not to make application for or establish any other public school Academy under Part 6A or any subsequent section of the School Code, create any subsidiary corporation or other entity, or allow the Academy to become a subsidiary of any other corporation or other entity, without the express written consent of the RESA.

20. Contracts of the Academy. The Academy covenants to provide for the automatic and immediate termination of all contracts and agreements for the Academy with any party other than the RESA upon the termination of this Contract. The Academy further covenants to make reference to this paragraph in all contracts and agreements entered into by the Academy after the date hereof and to make all such contracts and agreements subject to the terms of this Contract.

21. Articles of Incorporation; Bylaws; Corporate Existence. The Academy's Articles of Incorporation and Bylaws shall not be amended or modified and the corporate existence of the Academy shall not be affected without the prior written consent of the RESA.

22. Public School. Pursuant to Part 6A of the School Code, the RESA hereby confirms the status of the Academy as a public school in Michigan.

IN WITNESS WHEREOF, the RESA and the Academy have caused this Amended Contract to be executed by their respective officers thereunto duly authorized on the date first written above.

WITNESSES:

ST. CLAIR COUNTY REGIONAL
EDUCATIONAL SERVICE AGENCY,
a Michigan intermediate school district



By: Dr. Kevin D. Miller, Superintendent

6-21-21

Date

VIRTUAL LEARNING ACADEMY
OF ST. CLAIR COUNTY,
a Michigan non-profit corporation



By: Kathleen Kish, President

6/3/21

Date