

**MECOSTA-OSCEOLA
PERSONNEL COOPERATIVE (MOP CO-OP)**

COOPERATIVE SERVICES AGREEMENT

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Cooperative Services Agreement

This Agreement (Agreement) evidences the establishment of a Cooperative to be known as Mecosta-Osceola Personnel Cooperative (hereafter alternatively the Cooperative or MOP CO-OP), and is made as of November 14, 2005, by and among the undersigned entities which have approved and executed this Agreement, collectively the Parties and each a Party in the Cooperative.

PREMISES

A. Revised School Code Section 627 generally authorizes intermediate school districts to provide to their constituent districts services that can be accomplished more cost effectively by an intermediate school district, and to charge a fee for such services.

B. Revised School Code Sections 11 (a) (4) and 601 (a) (2) generally authorize and encourage school districts and intermediate school districts to enter into cooperative arrangements with other entities as part of performing the functions of such school districts.

C. As additional authority, each Party has the separate power and authority to conduct and provide such services, and accordingly, the Parties may exercise such power and authority jointly, or by one Party on behalf of all Parties, pursuant to Act 35, Michigan Public Acts, 1951.

D. M-O ISD is willing to furnish, and the local district Parties, desire to receive, such services for the consideration and on the terms and conditions stated in this Agreement.

E. The Parties, after careful consideration, have concluded that M-O ISD can furnish the local district Parties certain services (hereafter described) on a shared and cost-effective basis.

ARTICLE I
THE COOPERATIVE

1.1. Establishment of Cooperative. The Parties hereby establish a Cooperative to be known and identified as Mecosta-Osceola Personnel Cooperative which shall provide operational support Services (hereafter defined) to each Party. The purpose of the Cooperative shall be the provision by M-O ISD to the local district Parties of services which can be accomplished more cost effectively either by M-O ISD personnel or on a shared basis.

1.2 Limitations on MOP CO-OP Authority. This Agreement provides only for arrangements and obligations among the Parties to each other, including Mecosta-Osceola Intermediate School District (M-O ISD), acting as fiscal agent for MOP CO-OP, and responsible for the administrative, operating, fiscal and personnel affairs of MOP CO-OP. MOP CO-OP has no authority to enter into contracts, to own property, or to employ personnel. Neither MOP CO-OP, nor the Council (hereafter identified and defined), nor M-O ISD, nor any other Party, has authority to act as agent for or to enter into any contract that would bind any other Party to a third party. Nothing in this Agreement shall create or be deemed to create a relationship by MOP CO-OP or its Parties with any third person, including a relationship in the nature of a third party beneficiary.

1.3 Council. An Advisory Council (the Council) shall be established consisting of a Board of Education member representing each Party, provided, that the Council shall have authority to expand its size to two representatives from each Party. The Council shall assist the Director (as provided for in Section 5.5) with regard to the following matters:

- (a) The Council shall review and recommend the Services (hereafter defined) to be provided by MOP CO-OP and the Charges (hereafter defined) for the Services.
- (b) The Council shall review and recommend a schedule coordination among the Parties as may be necessary for the efficient and effective provision of Services.
- (c) The Council shall review and make recommendations as to cost elements for inclusion in the annual MOP CO-OP operating costs serving as a basis for Charges.
- (d) The Council shall review and recommend a fee structure and Charges for Services provided to Parties and, as the Council may determine, non-Parties.
- (e) The Council shall review and recommend a budget for each coming Fiscal Year, or budget revision.
- (f) The Council shall review M-O ISD management of MOP CO-OP.
- (g) The Council shall review and make recommendations as to any changes in the administration, conduct and operation of MOP CO-OP.
- (h) The Council shall consider and make recommendations to M-O ISD as to any Party dissatisfaction with MOP CO-OP Services or Charges.

The M-O ISD Board of Education shall exercise good faith, due promptness, and consideration in acting upon the recommendations of the Council, and shall approve or disapprove in its entirety the M-O CO-OP budget recommended by the Council. Failure of the M-O ISD Board of Education to take action at its regularly scheduled meeting, next following 30 days after the Council action on a matter approved or recommended by the Council, shall constitute concurrence of the Board with the action taken by the Council.

1.4 Officers and Bylaws. The Director (as selected in Section 5.5) of the Cooperative shall preside at, and be voting member of, Council meetings, and shall perform such other Co-Op

duties as may be assigned by the Council. The Council shall elect a secretary from outside its membership. The secretary shall take and keep minutes of all Council meetings. The Council may establish other officers, bylaws, procedures, or policies, or advisory bodies, as it deems appropriate and necessary.

1.5 Meetings. The Council shall meet at least semi-annually to carry out its duties and responsibilities. A regular meeting schedule may be established by the Council. Except for the initial organizational meeting of the Council which shall be called by the Superintendent of M-O ISD as interim secretary, special meetings may be called by the Cooperative Director or by any three Council members upon not less than 24 hours written notice to Council members. Actions by the Council shall be by majority vote of the entire Council, except as may be provided in this Agreement, and always subject to concurrence by the M-O ISD Board of Education

ARTICLE II **PROVISION AND USE OF MOP CO-OP SERVICES**

2.1 Services. M-O ISD and its employees shall conduct and provide to the Parties the support services set forth in Appendix A, including but not limited to business, maintenance or technology services, together with, as M-O ISD shall determine, the employment and supervision by M-O ISD of all incidental and administrative supervisory and support staff, and all personnel, equipment, supplies, housing and other items necessary to render such services (collectively the "Services"). Appendix A may, from time to time, be amended by agreement of the Parties. MOP CO-OP may provide other operational support services of similar type and nature to Services, which are thereby included within the meaning of Services.

2.2 Party's Use of Services. M-O ISD shall assure that MOP CO-OP capacity to provide Services is sufficient to meet the Parties' needs. Each Party shall have the right to access and

use of MOP CO-OP Services in proportion to its share of Service Charges paid, subject as well to time slot assignments and reasonable priority classifications as set forth in Appendix A.

2.3 Non-Party Use of MOP CO-OP. A non-Party may use MOP CO-OP only on the following conditions:

- (a) Such non-Party use will not impair MOP CO-OP capacity to meet the needs of the Parties.
- b) Charges to the non-Party shall be greater than the fees and charges to the Parties for similar services.

ARTICLE III **COOPERATIVE FINANCE AND SERVICE CHARGES**

3.1 Fiscal Year. The Fiscal Year of MOP CO-OP shall be from July 1 through June 30 of each year.

3.2 MOP CO-OP Operating Costs. For the first Fiscal Year, or portion thereof, M-O ISD has determined that M-O ISD shall not utilize any Cooperative Services, and shall not charge the Cooperative any M-O ISD internal incidental or overhead costs. M-O ISD is incurring additional elements of cost for its employment of persons in business, maintenance, and technology sections of the Cooperative, which shall be solely used and charged to the initial local district Parties. By signing this Agreement each initial local district Party agrees to the operating costs of MOP CO-OP for its first fiscal year as set forth in Appendix B. For subsequent Fiscal Years, it is expected that personnel sharing shall occur, which shall be budgeted and charged by M-O ISD as operating costs to the local district Parties in proportion to their use, on the basis of cost elements which shall be identified in Appendix B. Annual operating cost thereafter shall be based on the same cost elements consistently applied, except to the extent the Council unanimously approves otherwise with concurrence by the M-O ISD Board of Education.

3.3 MOP CO-OP Service Charges. Each Party shall be charged for its use of Services under the Cooperative based on that Party's share of Cooperative operating costs (established pursuant to Section 3.2) and that Party's share of Cooperative capital costs (established pursuant to Section 3.5). Once set, the Parties' shares of Cooperative costs may be revised at any time by unanimous approval of the Council, subject to concurrence by the M-O ISD Board of Education, based on a base charge for participation, enrollment, size of budget, such factor(s) of actual Cooperative service use as demonstrated by some objective standard, or some combination of such factors. The collective shares of each Party's Charges for Services shall equal 100% of total Cooperative costs.

3.4 Billing to Parties. For each Fiscal Year, as part of MOP CO-OP budget process, a monthly Charge shall be determined for each Party as necessary to cover that Party's estimated share of MOP CO-OP costs for that Fiscal Year. M-O ISD for MOP CO-OP shall bill each Party, each month for that Party's Charges. Parties shall promptly remit payment to MOP CO-OP.

3.5 Capital Costs. Capital costs, including cost for modifications of the initial housing, furnishing and equipment costs for personnel associated with the Cooperative, and the acquisition of additional housing, equipment or furniture, shall not be incurred except to the extent funds are available for such purpose in the Cooperative annual budget, or otherwise, only if approved in advance by each Party to the extent such capital costs are to be charged to that Party. Any tools or equipment with specifications for the use and benefit of a single Party shall be charged to that Party. M-O ISD is authorized to apply for, receive and administer any state or federal funding available for Cooperative capital costs, including any grants available for the Cooperative.

3.6. Fines; Penalties; Late Charges. Any fines, penalties, late charges or similar expenses incurred by the Cooperative by reason of action or non-action of a Party shall be charged to that Party.

3.7 No Free Service. MOP CO-OP shall charge, bill and collect from non-Party users, fees and charges approved by the Council subject to concurrence by the M-O ISD Board of Education, in accordance with Sections 2.3 and 3.3. No free service shall be provided either non-Parties or Parties.

3.8 Payment in Lieu of Cash. For fees and charges under this Article, and to the extent approved by the Council subject to concurrence by the M-O ISD Board of Education, contributions of staff, services, supplies or equipment by a local district Party, may be credited against such Party's obligations.

3.9 Budget. A budget for the Cooperative's first Fiscal Year, or portion thereof, and for each Fiscal Year thereafter shall be prepared and administered by the Director, subject to Council approval and M-O ISD Board of Education concurrence. Each Party, by its execution of this Agreement, acknowledges its receipt and approval of the Cooperative budget for the first Fiscal Year or portion thereof. The Director may revise the Cooperative budget from time to time during the Fiscal Year as s/he deems necessary, subject to approval of the Council, and concurrence by the M-O ISD Board of Education. The Council shall be notified at least 14 days in advance of the completion of the budget for each Fiscal Year, or any budget revision, which contemplates a change in the amounts of charges to the Parties. Any proposed Budget or Budget revision contemplating a revised allocation of Cooperative costs among the Parties shall be the subject of written notice to, and unanimous approval by, the Council, with concurrence by the M-O ISD Board of Education. A Party shall be allowed opportunity, if that Party so requests, to participate in the budget or budget revision process.

3.10 Funds and Accounts. M-O ISD shall establish Cooperative accounts for the following:

- a) Accounts for the management of the Cooperative itself, for Cooperative operating costs, Cooperative capital costs, Cooperative revenues, and Cooperative surplus.

b) Funds and accounts appropriate for the business and financial service programs to be provided each Party. Such funds and accounts shall be in the name of the M-O ISD, with indication that they are Cooperative funds and accounts. Such funds, and the moneys deposited therein, may be with the M-O ISD's depository bank(s). M-O ISD shall obtain each calendar year a statement from its depository bank(s) as to its/their qualification to hold Cooperative funds.

All receipts and disbursements by M-O ISD for the Cooperative services shall be recorded to the appropriate fund or account. With respect to the moneys of any Party received by M-O ISD in connection with providing Services to that Party, such moneys may be, to the extent permitted by law, commingled in Cooperative funds separated between operating and capital funds. As may be provided or detailed in any Appendix C endorsed by the affected Parties, "Transfer of Funds," a local district Party's moneys may be transferred from its respective depositories upon order of any two M-O ISD and/or respective local district Party officials authorized by M-O ISD and the respective Board of Education of the local District Party, but only upon its Board of Education resolution approving payment of obligations in the amount of the moneys to be transferred, certified by the Board Secretary as to the adoption of such resolution, and certified by the Board Treasurer authorizing and naming the two officials to order such transfer of moneys. Moneys shall be transferred in an economical manner as may be specified by the affected Party in any Appendix C, which may be modified from time to time by the affected Parties. Checks on Cooperative funds shall be signed by two M-O ISD officials identified and authorized by appropriate M-O ISD Board of Education resolution. The M-O ISD Board of Education shall provide that any persons connected with the administration or handling of Cooperative funds or moneys are sufficiently bonded. The cost of such bonding shall be a Cooperative cost allocable to the Parties.

3.11 Accounting and Audit. M-O ISD shall be responsible for the proper accounting of all Cooperative or Party funds generated, received and expended in accordance with applicable

law, state accounting requirements, and procedures approved by the Council, subject to concurrence by the M-O ISD Board of Education. The Cooperative funds and accounts related to management of the Cooperative shall be audited each Fiscal Year by an auditor designated by M-O ISD as part of M-O ISD audit, but separately presented on M-O ISD financial statements. A copy of such Cooperative audit, including any management letter issued by the auditor, shall also be provided to each Party. Each local district Party shall have the right to audit the Cooperative by its own auditor at its or their cost. The funds and accounts for each Party pertaining to the business and financial services to be provided that Party shall be audited by the auditor for that Party.

3.12 Surplus Fund; Annual Surplus or Deficits. Any surplus in the Cooperative annual budget at fiscal year-end shall be used as follows: Any fiscal year-end annual deficit may be charged against the Cooperative Surplus Fund only if approved by the M-O ISD Board of Education following an opportunity for audit and objection by any Party. The Surplus Fund also may be used as determined by the M-O ISD Board of Education for any Service Costs or Capital Cost.

3.13 No Local District Party Deficit Liability. In the event that the budget or budget revision projects a deficit, or unforeseen Cooperative deficits arise for any reason, remedial action on such deficit shall be promptly undertaken by M-O ISD. Awareness or acceptance of a deficit projection by a local district Party shall not render such district liable for any portion of such deficit. No funding obligation for a budget charge or deficit shall be imposed upon a local district Party unless, and only to the extent, agreed to by resolution adopted by the Board of Education of such local district.

ARTICLE IV
M-O ISD RESPONSIBILITIES

4.1 Administrative Responsibilities. M-O ISD shall be responsible for the fiscal, legal and administrative affairs of the Cooperative, and perform all such responsibilities as required of it by applicable law. M-O ISD shall be responsible for compliance of the Cooperative and Cooperative Services with applicable law. M-O ISD's fiscal duties and responsibilities are set forth elsewhere in this Agreement, particularly Article III, Cooperative Finance and Service Fees.

4.2 Operating Responsibility. M-O ISD shall perform its responsibilities by its own employees. The Director shall have control and authority over the day-to-day management, conduct and operation of the Cooperative. Upon request by a Party M-O ISD shall provide Cooperative records, reports or presentations to such Party or its respective Board of Education, concerning the Cooperative Services provided or to better enable such Party's use of Cooperative Services.

4.3 Utilizing Cooperative Capacity. M-O ISD will coordinate the scheduling and availability of the Cooperative to maximize the capacity of the Cooperative, particularly in anticipation of month-end, pay-roll or other key service dates, and the closing of financial periods, or in the event that Cooperative capacity is inadequate to meet the full usage needs of the Parties, to serve the priority needs of the Parties.

4.4 Cooperative and Cooperative Service Records. All budget, budget support, monitoring, reconciliation, billing and invoice information, and bank or other support statements, arising in the provision of Cooperative services shall be documented or referenced in writing, and maintained by M-O ISD on computer files as a common body or pool of information which is identifiable, retrievable, separable, as necessary to protect the interests of the Parties, and as respects the interests of each Party, available for review by, or submission to, that Party. All Cooperative service records and all other information and records created, obtained or maintained by M-O ISD in the conduct of Cooperative services are the joint property of the Parties, or to the extent separable as required by this Agreement, the exclusive property of the affected or interested Party, and shall be promptly provided or made available to the affected or

interested Party upon request during the term of this Agreement, or upon expiration or termination of this Agreement for any cause.

4.5 Limited Contracting Authority. M-O ISD has no authority to act as agent, or to enter into any contract that will bind a local district Party, except as such authority may be established by the separate written agreement or consent of such Party. This Agreement shall not create rights for any third person, or that person's status as a third party beneficiary of this Agreement as against the Cooperative, or any Party.

4.6 Accountability. M-O ISD shall annually, or for such other period as may be reasonably requested by a local district Party, provide a written report to the Parties, describing its administrative, fiscal, legal, operating and service activities with respect to the Cooperative during the prior year, including pertinent information as to the financial condition, income and expenses of the Cooperative, the funds and accounts of the interested Party, and in such form as the requesting Party may reasonably request.

ARTICLE V **COOPERATIVE PERSONNEL**

5.1 Employer Status. M-O ISD, for all purposes, shall retain all status and identity as the employer of any "employee" (as contrasted to "contractor" or employee of such contractor) utilized by it in the administration, conduct and operation of the Cooperative. No other Party shall be regarded as the employer of any such personnel.

5.2 Personnel Qualifications. Cooperative personnel shall be qualified and competent and shall possess such licenses and qualifications as are required by law. No M-O ISD employee providing Cooperative Services shall have been convicted of any felony. M-O ISD shall maintain personnel files for all its employees providing Services, which, except to the extent prohibited by law, shall be furnished to a Party upon request.

5.3 Personnel Removal or Re-Assignment. A Party may request M-O ISD to remove from the performance of Cooperative Services any person, who is in that Party's judgment, should be removed from such Cooperative Services, or re-assigned to a different position within Cooperative Services. Upon a Party making such request, the Council shall meet and consider the request. All Co-Op employees shall be at-will, unless otherwise designated by the M-O ISD. M-O ISD shall have no obligation to comply with such request, and the Parties recognize that M-O ISD is subject to compliance with applicable labor law, rules, regulations, and collective bargaining agreements.

5.4 No Unemployment Compensation Reimbursement. Upon termination or expiration of this Agreement, the M-O ISD shall not be required to continue employment of its employees who had performed Cooperative Services. In the event that, as a result of termination or expiration of this Agreement or in response to a request from a Party, M-O ISD lay-offs or terminates the employment of an M-O ISD employee who had performed Cooperative services, then M-O ISD shall be responsible for any unemployment compensation liability incurred by M-O ISD for such employees. M-O ISD may challenge any claims for unemployment compensation which M-O ISD determines warrant challenge. Obligations under this Section shall survive termination or expiration of this Agreement.

5.5 Cooperative Director. The M-O ISD Superintendent or such other person selected by the M-O ISD Board shall be Director of the Cooperative. The Director shall report to all meetings of the Board of Education, and all meetings of Boards of Education of the Parties for purposes of reports or presentations under Section 4.2. The Director's compensation, if any, shall be determined by M-O ISD. At the time of this Agreement and for the benefit of the initial local district Parties, M-O ISD is not including any Director compensation as a cost element for Cooperative Operating Cost-allocation purposes under Sections 3.2 and 3.3. If, at some future time, the M-O ISD proposes to include any portion of the Director's compensation as an allocable Cooperative operating cost, such amount to be allocated shall be subject to approval by the Council, and concurrence by the M-O ISD Board of Education.

ARTICLE VI
INSURANCE AND INDEMNIFICATION

6.1 Insurance. M-O ISD, as part of its own insurance coverage, and at its own cost, shall be responsible to obtain and maintain in full force and effect comprehensive general liability insurance and errors and omissions insurance, covering the administration, conduct and operation of the Cooperative and the provision of Services, and naming the other Parties as additional insureds. In the event of any uninsured financial liability imposed the Cooperative or upon another Party, arising from the administration, conduct or operation of the Cooperative, or the provision of Services, M-O ISD shall fully incur and pay such liability. M-O ISD shall also obtain such other types of insurance for the Cooperative or itself, naming the other Parties as additional insureds, as such Parties shall reasonably request, and at Cooperative cost.

6.2 Surety Bond. The M-O ISD shall provide that all persons connected with the administration and moneys of the Cooperative shall be sufficiently bonded, for the benefit and assurance of all Parties. The cost of such Surety bond shall be Cooperative cost.

6.3 Mutual Indemnification. Each Party shall be solely and entirely responsible for its obligations under this Agreement, and for acts or omissions attributable to it, or its officers, employees or agents during the performance of this Agreement. Each Party shall hold harmless and indemnify the other Parties for any claim, suit, damage or cause of action, including the defense thereof, arising from any action or inaction by the indemnifying Party, or its officers, employees, agents or subcontractors in respect of the Cooperative, the Services or this Agreement. In particular, M-O ISD shall reimburse a Party for any moneys transferred from that Party's accounts, respectively, to M-O ISD accounts, Cooperative accounts or otherwise, if and to the extent the Party obligations for the payment of which such moneys were transferred are for any reason not legally discharged.

ARTICLE VII
REMEDIES; RIGHT OF TERMINATION

7.1 General Remedies. In addition to any other legal or equitable rights of remedies available to any Party for contract default, including legal remedies available to the Parties for claims under any warranty, indemnification and other provisions of this Agreement which shall survive termination of this Agreement, each local district Party and the M-O ISD shall have the right of termination as provided in Section 7.2.

7.2 Termination Right. In the event of deficiency in Service to a local district Party or the fulfillment of M-O ISD obligations to a local district Party under this Agreement, such Party shall provide written notice reasonably describing such deficiency or deficiencies. In the event that M-O ISD does not cure such deficiency or deficiencies within 90 days of written notice thereof, the local district(s) may terminate their participation in the Agreement. The M-O ISD may also terminate their involvement in the Agreement following the same 90-day timeline after written notification to the Cooperative of deficiencies noted for corrective action.

ARTICLE VIII **TERM**

8.1 Effective Dates. This Agreement shall become effective as of the date of its execution by M-O ISD and any two of the potential signatories listed below, and shall be in effect until June 30, 2007. This Agreement shall continue in effect after the stated expiration date, until completion of winding-up affairs of the Cooperative as provided in Section 8.3. However, this Agreement shall automatically be renewed as of June 30, 2007 and each expiration date thereafter, for an additional one year with respect to all current Parties, unless a Party, by vote of its board of education or other governing body no later than the March 31 prior to such respective expiration date, determines not to continue participation in the Cooperative and so notifies the other Parties.

8.2 Dissolution. Dissolution of the Cooperative prior to June 30, 2007 shall occur upon action of all local district Parties by vote of their governing bodies, and may not take effect until up to 90 days after notice of dissolution has been given by the local district Parties to M-O ISD, or within 30 days of the expiration of this Agreement, to enable M-O ISD to wind up the affairs of

the Cooperative. During such time the M-O ISD shall proceed to wind up the affairs of the Cooperative. The MO-ISD has the same dissolution rights as the local district Parties provide they follow the same procedures and timelines.

8.3 Winding-Up and Property Allocation. Upon or pending expiration or termination of this Agreement, or dissolution of the Cooperative, M-O ISD shall proceed to wind up the affairs of the Cooperative, including, without limitation, fulfillment or discharge of all M-O ISD contracts related to the Cooperative, the discharge of any M-O ISD liabilities relating to the Cooperative, and the allocation of assets of the Cooperative or the proceeds thereof to the contributors of such assets, including credit to the Parties for the unamortized value of any assets acquired by M-O ISD for Cooperative purposes with Cooperative funds in accordance with the contributions by the Parties. Thereupon, M-O ISD shall notify the other Parties of such fact by written instrument stating the effective date of dissolution. Any disputes among the Parties as to their respective rights and obligations in the winding up of Cooperative affairs, including failure to reach agreement as to winding up within 30 days following expiration of the Agreement, or 60 days following termination of this Agreement, shall be resolved under the dispute resolution provisions of this Agreement.

ARTICLE IX **DISPUTE RESOLUTION**

9.1 Matters to be Submitted to Arbitration. The Parties shall endeavor to resolve all disputes and controversies through discussion and unanimous recommendation by the Council to the Parties. If such disputes and controversies cannot be resolved through such discussion and recommendation, then such disputes and controversies of every kind and nature among the Parties arising out of this Agreement, or the administration, conduct and operation of the Cooperative, which cannot be resolved through negotiation among the Parties, shall be submitted to arbitration pursuant to the Commercial Arbitration Rules and Procedures of the American Arbitration Association, to the extent that such rules and procedures are not inconsistent with Michigan law (MCLA 600.5001:MSA 27A.5001) and Court Rule (MCR 3.602).

The Michigan law of evidence shall govern the presentation of evidence in such arbitration. Such arbitration shall be bar to suit, except to enforce the award of the arbitrator. The arbitration cost and expenses of each Party shall be borne by that Party. The fees and expenses of the arbitrator shall be shared equally among the Parties.

ARTICLE X **THE PARTIES**

10.1 Admission of New Parties. Any local school district or public school academy is qualified to participate in the Cooperative, and upon its application for participation shall be accepted as a Party upon approval of the Council, subject to concurrence by the M-O ISD Board of Education. The new Party shall be bound by the terms and conditions of this Agreement, effective as of the date of signing of a counterpart of this Agreement by both the applicant and Cooperative Director on behalf of all Parties to the Cooperative, and upon Cooperative cost allocation under Sections 3.2 and 3.3 approved by all Parties. In particular a new local district Party shall have the same rights and obligations as the initial local district Parties, subject to those rights and obligations based on apportionment.

10.2 Limitations on Party Withdrawal. A Party may individually withdraw from participation in the Cooperative upon 30 days written notice to M-O ISD and upon full payment of its financial obligations to the Cooperative. Such withdrawal shall take effect on the first day of the month after the 30th day of notice, except to the extent M-O ISD may permit an earlier effective date of withdrawal. Any withdrawing Party shall forfeit its interest in Cooperative property, provided that if the Cooperative is dissolved within one year of the Party's withdrawal, then that Participant shall share in the allocation of Cooperative assets.

10.3 Expulsion of Parties. By vote of two-thirds (2/3) of the entire voting membership of the Council, subject to concurrence by the M-O ISD Board of Education any Party may be expelled. Such expulsion may be carried out for one or more of the following reasons:

- (a) Failure to pay for Services;
- (b) Failure to reasonably agree on Cost elements or Cost allocations;

No Party may be expelled except upon 30 days written notice of the alleged failure and opportunity to present evidence of correction of alleged failure. The Party may request a hearing before the Council prior to any decision being made. Such request must be received by the District within 15 days after delivery of the notice. The Council shall set a date for hearing which shall not be less than 15 days after receipt of the request for a hearing. A decision by the Council to expel a Member after notice and hearing, and concurrence by the M-O ISD Board of Education shall be final.

ARTICLE XI **MISCELLANEOUS**

11.1 Entire Agreement. This Agreement contains all of the terms of the agreement between the Parties with respect to the Cooperative and Services, and supersedes all prior and contemporaneous agreements and understandings, oral and written, among the Parties with respect to the Cooperative or Services. Any amendment of this Agreement shall be in writing and executed by all Parties. Failure to enforce or insist upon compliance with any of the terms of this Agreement shall not constitute a general waiver.

11.2 Notices. All notices, bills or other communications to a Party, whether required or permitted under this Agreement, shall be in writing and deemed to be duly given on the day of service, if served personally, by courier, or three days after posting by delivery by the United States Postal Service, to the Party at its address as listed alongside its signatory lines at the end of this Agreement, marked to the attention of secretary of that Party. A Party may change its address for the purpose of this Section, or provide separate addresses for billing or meeting purposes, by giving the other Parties notice of its new address, or such separate addresses, in the manner set forth above.

11.3 Non-Discrimination. The Parties shall comply with all federal and Michigan laws and regulations prohibiting discrimination, or conditioning payments of any funds or grants to which the Cooperative or Parties may be eligible, upon non-discrimination. In particular, Parties

shall not discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, height, weight, or marital status. Breach of this obligation may be regarded as a material breach of this Agreement.

11.4 Non-Assignment. Except with the express written consent of the other Parties, no Party may assign or transfer any of its rights under this Agreement, in whole or in part.

11.5 Headings and Titles. The headings and titles in this Agreement are for convenience only and shall not be considered a part of or used in the interpretation of this Agreement.

11.6 Severability. The unenforceability of any provision of this Agreement shall not affect the enforceability of the remaining provisions of this Agreement and to this end the provisions hereof are severable.

11.7 Further Matters. Each Party agrees to perform such additional acts, and execute such additional documents, as are reasonably necessary to carry out this Agreement.

11.8 Counterparts. This Cooperative may be executed in counterparts separately by each Party, each of which counterparts shall be deemed an original, and all of which shall constitute one and the same instrument.

11.9 Signer's Representation. Each signer of this Agreement personally represents and warrants that this Agreement has been expressly approved by the Board of Education of the Party on behalf of which this Agreement is signed, and that s/he has been expressly authorized to sign this Agreement.

**Mecosta-Osceola
Intermediate School District**

Dated:

By: _____
Its: _____
And: _____
By: _____

Its: _____

Meeting Date of Board of Education Action:

Address:
Mecosta-Osceola Intermediate School District
15760 190th Avenue
Big Rapids, MI 49307

Chippewa Hills School District

Dated:

By: _____

Its: _____

And: _____

Its: _____

Meeting Date of Board of Education Action:

Address:
Chippewa Hills School District
3226 Arthur Road
Remus, MI 49340

Morley-Stanwood Community Schools

Dated:

By: _____

Its: _____

And: _____

Its: _____

Meeting Date of Board of Education Action:

Address:
Morley-Stanwood Community Schools
4700 Northland Drive
Morley, MI 49336

Reed City Area Public Schools

By: _____

Its: _____

And: _____

Its: _____

Meeting Date of Board of Education Action:

Address:

Reed City Area Public Schools
829 S. Chestnut Street
Reed City, MI 49677

Big Rapids Public Schools

By: _____

Its: _____

And: _____

Its: _____

Meeting Date of Board of Education Action:

Address:

Big Rapids Public Schools
21034 15 Mile Road
Big Rapids, MI 49307

Evert Public Schools

By: _____

Its: _____

And: _____

Its: _____

Meeting Date of Board of Education Action:

Address:

Evert Public Schools
321 N. Hemlock
P.O. Box 917
Hemlock, MI 49631

Crossroads Charter Academy

By: _____

Its: _____

And: _____

Its: _____

Meeting Date of Board of Education Action:

Address:
Crossroads Charter Academy
215 West Spruce Street
Big Rapids, MI 49307

APPENDIX A

**[Insert Description of Support Services to be
Currently Offered Under the Cooperative]**

APPENDIX B

**[Cost Elements for Inclusion in MOP CO-OP Budget
and Allocation Among the Parties**

APPENDIX C

**[Provisions for transfer of Funds in
Connection with Business Services]**