



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2018

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REAUTHORIZING RESOLUTION

REAUTHORIZATION OF PUBLIC SCHOOL ACADEMY

Greater Heights Academy

Recitals:

1. At its April 12, 2012, meeting this board authorized the issuance of a contract to charter as a public school academy to Greater Heights Academy. On November 12, 2012, the contract was effective.
2. The contract of this academy expires June 30, 2018.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of Greater Heights Academy.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Greater Heights Academy. The term of the contract is recommended for a term not to exceed five (5) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Greater Heights Academy for a term not to exceed five (5) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Greater Heights Academy and the Central Michigan University Board of Trustees, provided that, before execution of the contract, the university president or designee affirms that all terms of the contract have been agreed upon and Greater Heights Academy is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: 4/19/18

Signature: My Flanagan

Public School Academy Board of Directors: Method of Selection, Appointment and Removal

The Central Michigan University Board of Trustees declares that the method of selection, length of term, and number of board members shall be as follows.

Method of Selection and Appointment

The Central Michigan University Board of Trustees ("University Board") shall prescribe the method of appointment for members of an academy's board of directors. The director of the charter schools office is authorized to develop and administer an academy board selection and appointment process that includes an *Application for Public School Academy Board Appointment* and is in accord with these policies:

- a. The University Board shall appoint the initial and subsequent academy board of directors by resolution, except as prescribed by subparagraphs d and e. The director of the charter schools office shall recommend qualified individuals to the University Board, and ensure that the board of directors includes representation from the local community where the academy is located.
- b. The academy board of directors, by resolution and majority vote, shall nominate its subsequent members, except as provided otherwise. The academy board of directors shall recommend to the director of the charter schools office at least one nominee for each vacancy. Nominees shall submit the *Application for Public School Academy Board Appointment* for review by the charter schools office. The director of the charter schools office may or may not recommend the appointment of a nominee submitted by the academy board. If the director of the charter schools office does not recommend the appointment of a nominee submitted by the academy board, he/she may select and recommend another nominee or may request the academy board submit a new nominee for consideration.
- c. An individual appointed to fill a vacancy created other than by the expiration of a term shall be appointed for the unexpired term of that vacant position.
- d. Under exigent conditions, and with the approval of the University Board's chair and the president, the director of the charter schools office may appoint a qualified individual to an academy's board of directors. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under this provision.
- e. In the event that the health, safety and welfare of an academy's students, property or funds are at risk, the president, after consulting with the University Board's chair, may appoint a person to serve as a conservator for the academy. Upon appointment, the conservator shall have all the powers of the academy's board of directors and shall act in the place and stead of the academy's board of directors. After the President appoints a conservator, the full Board of Trustees shall receive notice of the appointment as soon as possible. The president shall appoint the conservator for a definite term which may be extended in writing. During the conservator's appointment, the academy's board of directors, and all powers of the academy's board of directors, are suspended. The charter contract shall set forth any additional powers granted to the conservator during their appointment. All appointments made under this

Date: 2/15/18

Signature: My Flanagan

provision must be presented to the University Board for final determination at its next regularly scheduled meeting.

Length of Term

The director of an academy board shall serve at the pleasure of the University Board. Terms of the initial positions of the academy board of directors shall be staggered in accordance with *The Academy Board of Directors Table of Staggered Terms and Appointments* established and administered by the director of the charter schools office. Subsequent appointments shall be for a term of office not to exceed four (4) years, except as prescribed by *The Academy Board of Directors Table of Staggered Terms and Appointments*.

Removal and Suspension

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

With the approval of the University Board's chair and the president, the director of the charter schools office may suspend an academy board member's service, if in his/her judgment the person's continued presence would constitute a risk to persons or property, or would seriously impair the operation of the academy. Any suspension made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any suspensions made under this provision.

Number of Directors

The number of members of the academy board of directors shall not be less than five (5) nor more than nine (9). If the academy board of directors fails to maintain its full membership by making appropriate and timely nominations, the University Board or its designee may deem that failure an exigent condition.

Qualifications of Academy Board Members

To be qualified to serve on an academy's board of directors, a person shall, among other things: (a) be a citizen of the United States; (b) be a resident of the State of Michigan; (c) submit all materials requested by the charter schools office including, but not limited to, the *Application for Public School Academy Board Appointment* which must include authorization to process a criminal background check; and (d) annually submit a conflict of interest disclosure as prescribed by the charter schools office.

The members of an academy board of directors shall not include: (a) employees of the academy; (b) any director, officer, or employee of an educational management organization or educational management corporation that contracts with the academy; (c) a Central Michigan University official or employee, as a representative of Central Michigan University.

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Date: 2/15/18
Signature: m J Flanagan

Oath of Public Office

All members of the academy board of directors must take the constitutional oath of office and sign the *Oath of Public Office* before beginning their service. No appointment shall be effective prior to the filing of the *Oath of Public Office* with the charter schools office.

Note: These provisions shall be implemented with new charter contracts and shall be phased in as existing charter contracts are reissued or amended. The charter schools office is authorized to negotiate changes in the terms and conditions of charter contracts to fully implement these provisions.

Amended by Board of Trustees: 18-0215

Adopted by Board of Trustees: 98-0918, 06-1207, 07-0712 and 11-0714

CMU BDT APPROVED

Date: 2/15/18

Signature: my Flanagan

TERMS AND CONDITIONS

**TERMS AND CONDITIONS
OF CONTRACT**

DATED: JULY 1, 2018

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

**CONFIRMING THE STATUS OF
GREATER HEIGHTS ACADEMY**

AS A

PUBLIC SCHOOL ACADEMY

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WHEREAS, the People of Michigan through their Constitution have provided that schools and the means of education shall forever be encouraged and have authorized the Legislature to maintain and support a system of free public elementary and secondary schools; and

WHEREAS, all public schools are subject to the leadership and general supervision of the State Board of Education; and

WHEREAS, the Legislature has authorized an alternative form of public school designated a "public school academy" to be created to serve the educational needs of pupils and has provided that pupils attending these schools shall be eligible for support from the State School Aid Fund; and

WHEREAS, the Legislature has delegated to the governing boards of state public universities, community college boards, intermediate school district boards and local school district boards, the responsibility for authorizing the establishment of public school academies; and

WHEREAS, pursuant to Part 6a of the Revised School Code ("Code"), the Central Michigan University Board of Trustees ("University Board") has considered and has approved the issuance of a contract to Greater Heights Academy ("the Academy");

NOW, THEREFORE, pursuant to the Code, the University Board issues a contract conferring certain rights, franchises, privileges, and obligations and confirms the Academy's status as a public school academy. In addition, the parties agree that the issuance of this Contract is subject to the following terms and conditions:

ARTICLE I DEFINITIONS

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

- (a) "Academy" means the Michigan nonprofit corporation named Greater Heights Academy which is established as a public school academy pursuant to this Contract.
- (b) "Academy Board" means the Board of Directors of the Academy.
- (c) "Accountability Plan" means a Community District accountability plan established, implemented and administered by the State School Reform/Redesign Officer under section 390 of the Code, MCL 380.390.
- (d) "Applicable Law" means all state and federal law applicable to public school academies.
- (e) "Application" means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
- (f) "Code" means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.

- (g) "Community District" means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (h) "Conservator" means an individual appointed by the University President in accordance with Section 10.10 of these Terms and Conditions.
- (i) "Contract" means, in addition to the definition set forth in the Code, these Terms and Conditions, the Reauthorizing Resolution, the Method of Selection, Appointment, and Removal Resolution, the Schedules, the Educational Service Provider Policies, the Master Calendar and the Application.
- (j) "Director" means a person who is a member of the Academy Board of Directors.
- (k) "Educational Service Provider" or "ESP" means an educational management organization, or employee leasing company, as defined under section 503c of the Code, MCL 380.503c.
- (l) "Educational Service Provider Policies" means the Educational Service Provider Policies, as may be amended, issued by The Governor John Engler Center for Charter Schools at Central Michigan University.
- (m) "Management Agreement" or "ESP Agreement" means an agreement as defined under section 503c of the Code, MCL 380.503c.
- (n) "Master Calendar" means the Master Calendar of Reporting Requirements as annually issued by The Governor John Engler Center for Charter Schools at Central Michigan University setting forth reporting and document submission requirements for the Academy.
- (o) "Method of Selection, Appointment, and Removal Resolution" means the policy adopted by resolution of the University Board on September 18, 1998, and amended on February 15, 2018, establishing the standard method of selection and appointment, length of term, removal and suspension, number of directors and qualifications of academy board members for public school academies issued a Contract by the University Board.
- (p) "Reauthorizing Resolution" means the resolution adopted by the University Board on April 19, 2018, approving the issuance of a Contract to the Academy.
- (q) "Schedules" means the following Contract documents of the Academy: Schedule 1: Restated Articles of Incorporation, Schedule 2: Amended Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight, Compliance and Reporting Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, Schedule 7: Required Information for Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (r) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (s) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.

- (t) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (u) "State School Reform/Redesign Officer" means the officer described in Section 1280c(9) of the Revised School Code, 1976 PA 451, MCL 380.1280c, and authorized to act as the superintendent of the State School Reform/Redesign District under Section 1280c(6)(b) of the Revised School Code, 1976 PA 451, MCL 380.1280c.
- (v) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2018, Issued by the Central Michigan University Board of Trustees Confirming the Status of Greater Heights Academy as a Public School Academy."
- (w) "The Governor John Engler Center for Charter Schools" or "The Center" means the office designated by the University Board as the initial point of contact for public school academy applicants and public school academies authorized by the University Board. The Center is also responsible for administering the University Board's responsibilities with respect to the Contract.
- (x) "The Governor John Engler Center for Charter Schools Director" or "The Center Director" means the person designated at the University to administer the operations of the Center.
- (y) "University" means Central Michigan University, established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.551 et seq.
- (z) "University Board" means the Central Michigan University Board of Trustees.
- (aa) "University Charter Schools Hearing Panel" or "Hearing Panel" means such persons as designated by the University President.
- (bb) "University President" means the President of Central Michigan University or his or her designee. In section 1.1(z) above, "University President" means the President of Central Michigan University.

Section 1.2. Captions. The captions and headings used in this Contract are for convenience only and shall not be used in construing the provisions of this Contract.

Section 1.3. Gender and Number. The use of any gender in this Contract shall be deemed to be or include the other genders, including neuter, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

Section 1.4. Statutory Definitions. Statutory terms defined in the Code shall have the same meaning in this Contract.

Section 1.5. Schedules. All Schedules to this Contract are incorporated into, and made part of, this Contract.

Section 1.6. Application. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. To the extent there is a difference between the Contract and the Application, the Contract shall control.

Section 1.7. Conflicting Contract Provisions. In the event that there is a conflict between language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) The Method of Selection, Appointment, and Removal Resolution shall control over any other conflicting language in the Contract; (ii) the Reauthorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in The Method of Selection, Appointment, and Removal Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in The Method of Selection, Appointment, and Removal Resolution and the Reauthorizing Resolution; and (iv) the Restated Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection, Appointment, and Removal Resolution, Reauthorizing Resolution and these Terms and Conditions.

ARTICLE II RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

Section 2.1. Constitutional Status of Central Michigan University. Central Michigan University is a constitutionally established body corporate operating as a state public university. The University Board is an authorizing body as defined by the Code. In approving this Contract, the University Board voluntarily exercises additional powers given to the University under the Code. Nothing in this Contract shall be deemed to be any waiver of Central Michigan University's powers or independent status and the Academy shall not be deemed to be a part of Central Michigan University. If applicable, the University Board has provided to the State School Reform/Redesign Officer the accreditation notice required under the Code.

Section 2.2. Independent 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 nonprofit corporation. It is not a division or part of Central Michigan University. The relationship between the Academy and the University Board is based solely on the applicable provisions of the Code and the terms of this Contract or other agreements between the University Board and the Academy.

Section 2.3. Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be pledged for the payment of any Academy contract, mortgage, loan or other instrument of indebtedness.

Section 2.4. Academy Has No Power To Obligate or Bind the State of Michigan, the University Board or the University. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, the University Board or the University, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, the University Board or the University in any way guarantee, are

financially obligated, or are in any way responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy.

Section 2.5. Academy Site Is Former Site of Closed Community District School; State School Reform/Redesign Officer Approval Required. If the Academy's proposed site is located within the geographical boundaries of a Community District and is a site that was a former site of a Community District school closed by the State School Reform/Redesign Office within the last 3 school years, then the University Board shall not issue the Contract unless (a) the new Academy site has a substantially different leadership structure and curricular offering than the previous Community District school that operated at the site; and (b) the State School Reform/Redesign Officer has approved the Academy's use of the site. A copy of the State School Reform/Redesign Officer's approval shall be provided to the Center.

Section 2.6. New Public School Academies Located Within the Boundaries of a Community District. If the circumstances listed below in (a) and (b) or (c) apply to the Academy's site, the Academy represents to the University Board, intending that the University Board rely on such representation as a precondition to issuing a contract for a new public school academy, that the Academy will have a substantially different governance, leadership and curriculum than the public school previously operating at the site:

- (a) The Academy's proposed site is the same location as a public school that (i) is currently on the list of the public schools in this State that the State School Reform/ Redesign Office has determined to be among the lowest achieving 5% of all public schools, under Section 1280c(1) of the Code; or (ii) has been on the list during the immediately preceding 3 school years.
- (b) If an Accountability System has been in effect for at least 3 full school years, the Academy's proposed site is at the same location as a public school that has been assigned a grade of "F" under the Accountability System for 3 of the preceding 5 school years; or
- (c) The Academy's proposed site is the same location of another public school academy, urban high school academy, school of excellence or strict discipline academy whose contract was revoked or terminated by an authorizing body.

Section 2.7. Community District Accountability Plan. If any part of the Academy's proposed site is located within the geographical boundaries of a Community District, then the Academy shall comply with the Accountability Plan. This provision shall not apply if a statewide accountability system is enacted into law replacing the Accountability Plan.

ARTICLE III ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY

Section 3.1. University Board Resolutions. The University Board has adopted a resolution, hereinafter The Method of Selection, Appointment, and Removal Resolution, providing for the method of selection and appointment, length of term, removal and suspension, number of Directors and the qualifications of Directors. The University Board has adopted a Reauthorization Resolution which approves the issuance of this Contract. The Reauthorization Resolution and the Method of Selection, Appointment, and Removal Resolution are hereby incorporated into this Contract. The University Board may, from time to time, amend the Method of Selection, Appointment, and Removal Resolution changing the method of selection, length of term, number of Directors and the qualifications of Directors. Any subsequent resolution of the University Board changing the Method of Selection, Appointment, and Removal Resolution shall automatically be incorporated into this Contract without the need for an amendment under Article IX of the Terms and Conditions.

Section 3.2. University Board as Fiscal Agent for the Academy. The University Board is the fiscal agent for the Academy. As fiscal agent, the University Board assumes no responsibility for the financial condition of the Academy. The University Board is not liable for any debt or liability incurred by or on behalf of the Academy Board, or for any expenditure approved by or on behalf of the Academy Board. Except as provided in the Oversight, Compliance and Reporting Agreement and Article X of these Terms and Conditions, the University Board shall promptly, within ten (10) business days of receipt, forward to the Academy all state school aid funds or other public or private funds received by the University Board for the benefit of the Academy. The responsibilities of the University Board, the State of Michigan, and the Academy are set forth in the Fiscal Agent Agreement incorporated herein as Schedule 3.

Section 3.3. Oversight Responsibilities of the University Board. The University Board has the responsibility to oversee the Academy's compliance with the Contract and all Applicable Law. The responsibilities of the Academy and the University Board are set forth in the Oversight, Compliance and Reporting Agreement and incorporated herein as Schedule 4.

Section 3.4. University Board Administrative Fee. The Academy shall pay the University Board an administrative fee to compensate the University Board for overseeing the Academy's compliance with the Contract and all Applicable Law.

Section 3.5. University Board Approval of Condemnation. In the event that the Academy desires to acquire property pursuant to the Uniform Condemnation Procedures Act or other applicable statutes, it shall obtain express written permission for such acquisition from the University Board. The Academy shall submit a written request to the Center describing the proposed acquisition and the purpose for which the Academy desires to acquire the property. Provided the Academy Board submits the written request to the Center at least sixty (60) days before the University Board's next regular meeting, the University Board may vote on whether to give express written permission for the acquisition at its next regular meeting.

Section 3.6. Authorization to Employ or Contract. The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. The Academy Board shall prohibit any individual from being employed by the Academy or an Educational Service Provider, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages, benefits, and applicable taxes; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees.

The Academy Board may contract with an Educational Service Provider to provide comprehensive educational, administrative, management, or instructional services or staff to the Academy. Before entering into a Management Agreement with an Educational Service Provider, the Academy Board shall first comply with the Educational Service Provider Policies issued by the Center. Any Management Agreement entered into by the Academy shall also comply with Section 11.2 and 12.10 of these Terms and Conditions. A copy of the Management Agreement between the Academy Board and the Educational Service Provider shall be incorporated into this Contract under Schedule 5 and in accordance with Article IX, as applicable.

Section 3.7. Teacher Certification and Teaching Methods. Except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule. The Academy may use noncertificated individuals to teach as follows:

- (a) The Academy may use, as a classroom teacher in any grade, a faculty member who is employed full-time by the University and who has been granted institutional tenure, or has been designated as being on tenure track by the University.
- (b) In any other situation in which a school district is permitted under the Code to use noncertificated teachers.

The Academy may develop and implement new teaching techniques or methods or significant revisions to known teaching techniques or methods, and shall report those to the Center and state board to be made available to the public. The Academy may use any instructional technique or delivery method that may be used by a school district.

Section 3.8. Administrator and Teacher Evaluation Systems. The Academy Board shall adopt, implement and maintain a rigorous, transparent, and fair performance evaluation system for its teachers and school administrators that complies with Applicable Law. If the Academy enters into an agreement with an Educational Service Provider, the Academy Board shall ensure that the Educational Service Provider complies with this section.

Section 3.9. Reimbursement of University Board Services. The University Board shall be reimbursed for the actual cost of University services associated with responding to third party subpoenas and freedom of information act (FOIA) requests under the following circumstances:

If the University receives a subpoena or FOIA request 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 a third party, the University may charge the Academy for the actual cost of the services associated with the University's response to the subpoena or FOIA request(s) (including actual attorney's fees in fulfilling the request). The parties agree that the Academy may reduce or avoid the obligation to pay for services by the University Board associated with such responses by directly producing Academy documents to the requesting party.

ARTICLE IV REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

Section 4.1. Limitation on Actions in Performance of Governmental Functions. The Academy shall act exclusively as a governmental entity and shall not undertake any action inconsistent with its status as a body corporate authorized to receive state school aid funds pursuant to Section 11 of Article IX of the State Constitution of 1963.

Section 4.2. Other Permitted Activities.

- (a) Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Except as provided for the agreements identified below in paragraph (b) of this Section 4.2, the Academy may enter into agreements with other public schools, governmental units, businesses, community and nonprofit organizations

where such agreements contribute to the effectiveness of the Academy or advance education in this state.

- (b) The Academy shall submit to the Center for prior review the following agreements:
 - (i) In accordance with the Center’s Educational Service Provider Policies, as may be amended, a draft copy of any Educational Service Provider Management Agreement and any amendments to such Management Agreements;
 - (ii) In accordance with the Master Calendar, a draft copy of any Academy deed or lease, amendments to existing leases or any new leasing agreements for any Academy facility; and
 - (iii) In accordance with the Master Calendar, draft long-term or short-term financing closing documents and intercept requests.

Section 4.3. Academy Board Members Serve In Their Individual Capacity. All Directors of the Academy Board shall serve in their individual capacity, and not as a representative or designee of any other person or entity. A person who does not serve in their individual capacity, or who serves as a representative or designee of another person or entity, shall be deemed ineligible to continue to serve as a Director of the Academy Board. A Director who violates this section shall be removed from office, in accordance with the removal provisions found in the Method of Selection, Appointment and Removal Resolution and Contract Schedule 2: Amended Bylaws.

Section 4.4. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, being MCL 15.181 et seq. of the Michigan Compiled Laws, and the Contracts of Public Servants with Public Entities statute, being MCL 15.321 et seq. of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited conflicts of interest for purposes of this Contract:

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company that has an agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school; and
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University.
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any school building leased or subleased to the Academy.

Section 4.5. Prohibition of Identified Family Relationships. The Academy Board shall prohibit specifically identified family relationships pursuant to applicable law and the Terms and Conditions of

this Contract. Language in this Section controls over section 1203 of the Code. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited familial relationships for the purposes of this Contract:

- (a) No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner:
 - (i) Is employed by the Academy;
 - (ii) Works at or is assigned to the Academy;
 - (iii) Has an ownership, officer, policymaking, managerial, administrative non-clerical, or other significant role with the Academy's Educational Service Provider or employee leasing company; or
 - (iv) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy.
- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this sub-section, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner.

Section 4.6. Oath of Public Office. Before entering upon the duties of a public school board member, each Academy Board member shall take the constitutional oath of office as required by the Code and as set forth in the Method of Selection, Appointment and Removal Resolution.

ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Nonprofit Corporation. The Academy shall be organized and operate as a public school academy corporation organized under the Michigan Nonprofit Corporation Act, as amended, Act No. 162 of the Public Acts of 1982, being Sections 450.2101 to 450.3192 of the Michigan Compiled Laws. Notwithstanding any provision of the Michigan Nonprofit Corporation Act, as amended, the Academy shall not take any action inconsistent with the provisions of Part 6A of the Code or other Applicable Law.

Section 5.2. Articles of Incorporation. The Restated Articles of Incorporation of the Academy, as set forth in Schedule 1, shall be the Articles of Incorporation of the Academy.

Section 5.3. Bylaws. The Amended Bylaws of the Academy, as set forth in Schedule 2, 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 Schedule 7a.

The Academy shall have four officers: President, Vice-President, Secretary and Treasurer. The officer positions shall be filled by persons who are members of the Academy Board. A description of their duties is included in Schedule 2.

Section 6.2. Educational Goal and Related Measures. The Academy shall achieve or demonstrate measurable progress for all groups of pupils toward the achievement of the educational goal and related measures identified in Schedule 7b and the results of the academic assessments identified in Schedule 7e. Upon request, the Academy shall provide the Center with a written report, along with supporting data, assessing the Academy's progress toward achieving this goal.

Section 6.3. Educational Programs. The Academy shall implement, deliver and support the educational programs identified in Schedule 7c.

Section 6.4. Curriculum. The Academy shall implement, deliver and support the curriculum identified in Schedule 7d.

Section 6.5. Methods of Pupil Assessment. The Academy shall properly administer the academic assessments identified in Schedule 7e and in accordance with the requirements detailed in the Master Calendar annually issued by the Center. The Academy shall provide the Center direct access to the results of these assessments, along with any other measures of academic achievement reasonably requested by the Center.

Section 6.6. Application and Enrollment of Students. The Academy shall comply with the application and enrollment requirements identified in Schedule 7f.

Section 6.7. School Calendar and School Day Schedule. The Academy shall comply with the school calendar and school day schedule requirements as set forth in Schedule 7g.

Section 6.8. Age or Grade Range of Pupils. The Academy shall comply with the age or grade ranges as stated in Schedule 7h.

Section 6.9. Collective Bargaining Agreements. Collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 6.10. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles, and accounting system requirements that comply with the State School Aid Act of 1979, as amended, the Uniform Budgeting and Accounting Act, MCL 141.421, *et seq.*, and applicable State Board and Michigan Department of Education rules.

Section 6.11. Annual Financial Statement Audit. The Academy shall conduct an annual financial statement audit prepared and reviewed by an independent certified public accountant. The Academy shall submit the annual financial statement audit and auditor's management letter to the Center in accordance with the Master Calendar. The Academy Board shall provide to the Center a copy of any responses to the auditor's management letter in accordance with the Master Calendar.

Section 6.12. Address and Description of Physical Plant. The address and description of the physical plant for the Academy is set forth in Schedule 6. With the approval of the University Board, the Academy Board may operate the same configuration of age or grade levels at more than one (1) site if each configuration of age or grade levels and each site identified in Schedule 6 are under the direction and control of the Academy Board. University Board consideration regarding requests to add additional site(s)

shall include, but not be limited to, the Academy Board's demonstration that it meets all statutory requirements under the Code.

Section 6.13. 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 Central Michigan University.

Section 6.14. Disqualified Organizational or Contractual Affiliations. The Academy shall comply with all state and federal law applicable to public schools concerning church-state issues. To the extent disqualified under the state or federal constitutions, the Academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization. Nothing in this Section shall be deemed to diminish or enlarge the civil and political rights, privileges and capacities of any person on account of his or her religious belief.

Section 6.15. Method for Monitoring Academy's Compliance with Applicable Law and its Targeted Educational Outcomes. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Oversight, Compliance and Reporting Agreement set forth as Schedule 4. In addition to the University Board's oversight responsibilities and other Academy compliance and reporting requirements set forth in this Contract, the Academy's compliance with the annual Master Calendar shall serve as one means by which the University will monitor the Academy's compliance with Applicable Law.

Section 6.16. Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft copy of the agreement to the Center for review. Any matriculation agreement entered into by the Academy shall be added to the Schedules through a contract amendment approved in accordance with the Contract. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

Section 6.17. Postings of Accreditation Status. The Academy shall post notices to the Academy's homepage of its website disclosing the accreditation status of each school as required by the Code.

ARTICLE VII TUITION PROHIBITED

Section 7.1. Tuition Prohibited; Fees and Expenses. The Academy shall not charge tuition. The Academy may impose fees and require payment of expenses for activities of the Academy where such fees and payments are not prohibited by law.

ARTICLE VIII COMPLIANCE WITH STATE AND FEDERAL LAWS

Section 8.1. State Laws. The Academy shall comply with applicable state laws. Nothing in this Contract shall be deemed to apply any other state law to the Academy.

Section 8.2. Federal Laws. The Academy shall comply with applicable federal laws. Nothing in this Contract shall be deemed to apply any other federal law to the Academy.

ARTICLE IX AMENDMENT

Section 9.1. Amendments. The University Board and the Academy acknowledge that the operation and administration of a public school academy and the improvement of educational outcomes over time will require appropriate amendment of this Contract. In order to assure a proper balance between the need for independent development of the Academy and the statutory responsibilities of the University Board as an authorizing body, the parties have established a flexible process for amending this Contract.

Section 9.2. Process for Amendment Initiated by the Academy. The Academy, by a majority vote of its Board of Directors, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The proposal will be made to the University Board through its designee. The University Board delegates to the Center Director the review and approval of changes or amendments to this Contract. In the event that a proposed change is not accepted by the Center Director, the University Board may consider and vote upon a change proposed by the Academy following an opportunity for a presentation to the University Board by the Academy.

Section 9.3. Process for Amendment Initiated by the University Board. The University Board, or an authorized designee, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The University Board delegates to the Center Director the review and approval of changes or amendments to this Contract. The Academy Board may delegate to a Director of the Academy the review and negotiation of changes or amendments to this Contract. The Contract shall be amended as requested by the University Board upon a majority vote of the Academy Board.

Section 9.4. Final Approval of Amendments. Amendments to this Contract take effect only after they have been approved by the Academy Board and by the University Board or the Center Director. If the proposed amendment conflicts with any of the University Board's general policies on public school academies, the proposed amendment shall take effect only after approval by the Academy Board and the University Board.

Section 9.5. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations of either the Academy or the University Board, this Contract shall be altered or amended to reflect the change in existing law as of the effective date of such change. To the extent possible, the responsibilities and obligations of the Academy and the University Board shall conform to and be carried out in accordance with the change in Applicable Law.

Section 9.6. Emergency Action on Behalf of University Board. Notwithstanding any other provision of this Contract to the contrary, the contents of this Section shall govern in the event of an emergency situation that arises between meetings of the University Board. An emergency situation shall be deemed to occur if the University President, in his or her sole discretion, determines that the facts and circumstances warrant that emergency action take place before the next meeting of the University Board. Upon the determination that an emergency situation exists, the University President may temporarily take action on behalf of the University Board with regard to the Academy or the Contract, so long as such action is in the best interest of the University Board and the University President consults with the University Board Chairperson prior to taking the intended actions. When acting during an emergency situation, the University President shall have the authority to act in place of the University Board, and such emergency action shall only be effective in the interim before the earlier of (a) rejection of the emergency action by the Chairperson of the University Board; or (b) the next meeting of the University Board. The University President shall immediately report such action to the University Board for confirmation at the

next meeting so that the emergency action continues or, upon confirmation by the University Board, becomes permanent.

ARTICLE X CONTRACT REVOCATION, TERMINATION, AND SUSPENSION

Section 10.1. Statutory Grounds for Revocation. In addition to the other grounds for revocation in Section 10.2 and the automatic revocation in Section 10.3 of these Terms and Conditions, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.7, upon a determination that one or more of the following has occurred:

- (a) Failure of the Academy to demonstrate improved pupil academic achievement for all groups of pupils or abide by and meet the educational goal and related measures set forth in this Contract;
- (b) Failure of the Academy to comply with all Applicable Law;
- (c) Failure of the Academy to meet generally accepted public sector accounting principles and to demonstrate sound fiscal stewardship; or
- (d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.2. Other Grounds for Revocation. In addition to the statutory grounds for revocation set forth in Section 10.1 and the grounds for an automatic revocation set forth in Section 10.3, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.7, upon a determination that one or more of the following has occurred:

- (a) The Academy fails to achieve or demonstrate measurable progress toward achieving the educational goal and related measures identified in this Contract;
- (b) The Academy fails to properly implement, consistently deliver, and support the educational programs or curriculum identified in this Contract;
- (c) The Academy is insolvent, has been adjudged bankrupt, or has operated for two or more school fiscal years with a fund balance deficit;
- (d) The Academy has insufficient enrollment to successfully operate a public school academy, or the Academy has lost more than fifty percent (50%) of its student enrollment from the previous school year;
- (e) The Academy fails to fulfill the compliance and reporting requirements or defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract or, during the term of this Contract, it is discovered by the Center that the Academy failed to fulfill the compliance and reporting requirements or there was a violation of a prior Contract issued by the University Board;
- (f) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services without first obtaining the Center's approval;

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

Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed Or Placed In State School Reform/Redesign District; Voluntary Joint Termination of Contract Based On Economic Hardship. Except as otherwise provided in this Section 10.3, if the University Board is notified by the State School Reform/Redesign Officer that either (i) an Academy site is subject to closure under section 507 of the Code, MCL 380.507 ("State's Automatic Closure Notice"), or (ii) an Academy site is being placed in the State School Reform/Redesign District ("State's Reform District Notice") pursuant to section 1280c(6) of the Code, MCL 380.1280c, then this Contract shall automatically be amended to eliminate the Academy's authority to operate certain age and grade levels at the site or sites identified in the State's Automatic Closure Notice or the State's Reform District Notice. If the State's Automatic Closure Notice or State's Reform District Notice includes all of the Academy's existing sites, then this Contract shall automatically be terminated at the end of the current school year in which either the State's Automatic Closure Notice or the State's Reform District Notice is received without any further action of the University Board or the Academy. If the Center Director determines, in his or her discretion, that either the closure of one or more Academy sites, or the placement of one or more Academy sites in the State School Reform/Redesign District, creates a significant economic hardship for the Academy as a going concern, then the Center Director may recommend that the University Board terminate the Contract at the end of the current school year. The University Board's revocation procedures set forth in Section 10.7(c) do not apply to an automatic termination initiated by the State School Reform/Redesign Officer or a termination by the University Board under this Section 10.3.

Following receipt of the State's Automatic Closure Notice or the State's Reform District Notice, the Center Director shall forward a copy of the notice to the Academy Board and request a meeting with the Academy Board representatives to discuss the Academy's plans and procedures for the elimination of certain age or grade levels at the identified site or sites, or if all of the Academy's existing sites are included in that notice, then wind-up and dissolution of the Academy corporation at the current school year. All Academy inquiries and requests for reconsideration of the State's Automatic Closure Notice or the State's Reform District Notice, including the granting of any hardship exemption rescinding the State's Automatic Closure Notice, shall be directed to the State School Reform/Redesign Officer, in a form and manner determined by the State School Reform/Redesign Office or the Michigan Department of Technology Management and Budget.

If the State School Reform/Redesign Officer rescinds the State's Automatic Closure Notice or the State's Reform District Notice for an Academy site or sites, the Academy is not required to close the identified site(s), but shall present to the Center a proposed Contract amendment incorporating the State School Reform/Redesign Officer's school improvement plan, if applicable, for the identified site(s).

Section 10.4. Material Breach of Contract; Termination of Contract By University Board Caused By State School Reform/Redesign Officer Order. If the University Board receives notice that (i) an order has been issued by the State School Reform/Redesign Officer under Section 1280c(2) of the Code, MCL 380.1280c(2), placing an Academy site or sites under the supervision of the State School Reform/Redesign Officer; or (ii) an order is issued by the State School Reform/Redesign Officer appointing a Chief Executive Officer to take control of an Academy site or sites pursuant to Section

1280c(7) of the Code, MCL 380.1280c(7), the Center Director may, at his or her discretion, deem such actions a material breach of this Contract. If the Center Director determines that the issuance of such an order constitutes a material breach of this Contract, the Center Director shall notify the Academy of the material breach and request a meeting with Academy Board representatives to discuss the matter. To remedy the material breach, the Academy shall work toward the development of a corrective action plan within thirty (30) days that is acceptable to the Center Director. In addition to other matters, the corrective action plan shall include the Academy's redesign plan, if applicable, prepared pursuant to section 1280c of the Code. The development of a corrective action plan under this Section 10.4 shall not in any way limit the rights of the University Board to revoke, terminate, or suspend this Contract. If the Center Director determines that the Academy is unable to develop a corrective action plan that can remedy the material breach and that is acceptable to the University, the Center Director shall recommend that the University Board terminate the Contract at the end of the current school year. If the University Board approves to terminate the Contract under this Section 10.4, the Contract shall be terminated at the end of the current school year without any further action of either party. If this Contract is terminated pursuant to this Section 10.4, the termination and revocation procedures in Section 10.6 and Section 10.7 shall not apply.

Section 10.5. Grounds and Procedures for Academy Termination of Contract. The Academy Board, by majority vote of its Directors, may, at any time and for any reason, request termination of this Contract. The Academy Board's request for termination shall be made to the Center Director not less than six (6) calendar months in advance of the Academy's proposed effective date of termination. Upon receipt of an Academy request for termination, the Center Director shall present the Academy Board's request for termination to the University Board. A copy of the Academy Board's resolution approving of the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the Academy Board's request for termination. Upon receipt of the Academy Board's request for termination, the University Board shall consider and vote on the proposed termination request. The University Board may, in its sole discretion, waive the six (6) month advance notice requirement for terminating this Contract.

Section 10.6. Grounds and Procedures for University Termination of Contract. The University Board, in its sole discretion, reserves the right to terminate the Contract (i) for any reason or for no reason provided that such termination shall not take place less than six (6) months from the date of the University Board's action; or (ii) if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then such termination shall take effect at the end of the current Academy fiscal year. Following University Board approval, the Center Director shall provide notice of the termination to the Academy. If during the period between the University Board action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the Contract may be revoked or suspended sooner pursuant to this Article X. If this Contract is terminated pursuant to this Section 10.6, the revocation procedures in Section 10.7 shall not apply.

Section 10.7. University Board Procedures for Revoking Contract. Except for the automatic revocation and procedures initiated by the State of Michigan set forth in Section 10.3, the University Board's process for revoking the Contract is as follows:

- (a) Notice of Intent to Revoke. The Center Director, upon reasonable belief that grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.

- (b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the Center Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the Center Director prior to a review of the Academy Board's response.
- (c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, the Center Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the Center Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the Center Director shall develop a plan for correcting the non-compliance ("Plan of Correction") which may include Reconstitution per 10.7(d) of these Terms and Conditions. In developing a Plan of Correction, the Center Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be closed if the Center Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction.
- (d) University Board's Contract Reconstitution Provision. The Center Director may reconstitute the Academy in an effort to improve student educational performance or to avoid interruption of the educational process. Reconstitution may include, but is not limited to, one of the following actions: (i) removal of 1 or more members of the Academy Board; (ii) termination of at-will board appointments of 1 or more Academy Board members in accordance with The Method of Selection, Appointment and Removal Resolution; (iii) withdrawing approval of a contract under Section 506 of the Code; or (iv) the appointment of a new Academy Board of Directors or a conservator/trustee to take over operations of the Academy.

Except as otherwise provided in this subsection, reconstitution of the Academy does not restrict the State School Reform/Redesign Officer from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s). If, however, the Academy is located within the boundaries of a Community District and an Accountability Plan is in place, the Center shall notify the State School Reform/Redesign Officer that the Plan of Correction includes a reconstitution of the Academy to ensure that the Academy is not subject to automatic closure by the State School Reform/Redesign Officer under section 507 of the Code, MCL 380.507.

- (e) Request for Revocation Hearing. The Center Director may initiate a revocation hearing before the University Charter Schools Hearing Panel if the Center Director determines that any of the following has occurred:

- (i) the Academy Board has failed to respond to the Notice of Intent to Revoke as set forth in Section 10.7(b);
- (ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;
- (iii) the Academy Board's response admits violations of the Contract or Applicable Law which the Center Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the Center Director determines that a Plan of Correction cannot be formulated;
- (iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;
- (v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.7(c);
- (vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
- (vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The Center Director shall send a copy of the request for revocation hearing to the Academy Board at the same time the request is sent to the Hearing Panel. The request for revocation shall identify the reasons for revoking the Contract.

- (f) Hearing before the University Charter Schools Hearing Panel. Within thirty (30) days of receipt of a request for revocation hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the notice of hearing to the Center and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the Center Director's request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the Center Director and shall not last more than three hours. The hearing shall be transcribed and the cost shall be divided equally between the University and the Academy. The Center Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel may, however, question the Center Director and the Academy Board. Within thirty (30) days of the revocation hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. For good cause, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the Center and the Academy Board at the same time that the recommendation is sent to the University Board.
- (g) University Board Decision. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify,

reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available to it copies of the Hearing Panel's recommendation and the transcript from the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the Center, the Academy Board and the Michigan Department of Education.

- (h) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board.
- (i) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be withheld by the University Board or returned to the Michigan Department of Treasury upon request.

Section 10.8. Contract Suspension. The University Board's process for suspending the Contract is as follows:

- (a) The Center Director Action. If the Center Director determines, in his or her sole discretion, that certain conditions or circumstances exist such that the Academy Board:
 - (i) has placed staff or students at risk;
 - (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property;
 - (iii) has lost its right to occupancy of the physical facilities described in Schedule 6, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities;
 - (iv) has failed to secure or has lost the necessary fire, health, and safety approvals as required by Schedule 6;
 - (v) has willfully or intentionally violated this Contract or Applicable Law; or
 - (vi) has violated Section 10.2(g) or (h), then the Center Director may immediately suspend the Contract, pending completion of the procedures set forth in Section 10.7. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.7 shall be expedited as much as possible.
- (b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the Center Director to suspend the Contract, shall be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury upon the State's request.
- (c) Immediate Revocation Proceeding. If the Academy Board, after receiving a notice of Contract suspension from the Center Director, continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a revocation hearing in

accordance with the procedures set forth in section 10.7(e) of this Contract. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the Center and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with sections 10.7(f) through (h).

Section 10.9. Conservator; Appointment By University President. Notwithstanding any other provision of the Contract, in the event that the University President, in his or her sole discretion, determines that the health, safety and welfare of Academy students, property or funds are at risk, the University President, after consulting with the University Board Chairperson, may appoint a person to serve as the Conservator of the Academy. Upon appointment, the Conservator shall have all the powers and authority of the Academy Board under this Contract and Applicable Law. The University President shall appoint the Conservator for a definite term which may be extended in writing at his or her sole discretion. During the appointment, the Academy Board members and their terms in office are suspended and all powers of the Academy Board are suspended. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. During their appointment, the Conservator shall have the following powers:

- (a) take into his or her possession all Academy property and records, including financial, board, employment and student records;
- (b) institute and defend actions by or on behalf of the Academy;
- (c) continue the business of the Academy including entering into contracts, borrowing money, and pledging, mortgaging, or otherwise encumbering the property of the Academy as security for the repayment of loans. However, the power shall be subject to any provisions and restrictions in any existing credit documents;
- (d) hire, fire and discipline employees of the Academy;
- (e) settle or compromise with any debtor or creditor of the Academy, including any taxing authority;
- (f) review all outstanding agreements to which the Academy is a party and to take those actions which the Academy Board may have exercised to pay, extend, rescind, renegotiate or settle such agreements as needed; and
- (g) perform all acts necessary and appropriate to fulfill the Academy's purposes as set forth under this Contract or Applicable Law.

Section 10.10 Academy Dissolution Account. If the University Board terminates, revokes or fails to issue a new Contract to the Academy, the Center Director shall notify the Academy that, beginning thirty (30) days after notification of the University Board's decision, the University Board shall direct up to \$10,000 from each subsequent State School Aid Fund payment, not to exceed a combined total of \$30,000, to a separate Academy account ("Academy Dissolution Account") to be used exclusively to pay the costs associated with the wind up and dissolution responsibilities of the Academy. Within five (5) business days of the Center Director's notice, the Academy Board Treasurer shall provide the Center Director, in a form and manner determined by the Center, with account detail information and authorization to direct such funds to the Academy Dissolution Account. The Academy Dissolution Account shall be under the sole care, custody and control of the Academy Board, and such funds shall not be used by the Academy to pay any other Academy debt or obligation until such time as all the wind-up

and dissolution expenses have been satisfied.

**ARTICLE XI
PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES**

Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan. The Academy agrees to comply with all of the following:

- (a) The Academy Board is responsible for establishing, approving, and amending an annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421, et seq. The Academy Board shall submit to the Center a copy of its annual budget for the upcoming fiscal year in accordance with the Master Calendar. The budget must detail budgeted expenditures at the object level as described in the Michigan Department of Education's Michigan School Accounting Manual. In addition, the Academy Board is responsible for approving all revisions and amendments to the annual budget. In accordance with the Master Calendar, revisions or amendments to the Academy's budget shall be submitted to the Center following Academy Board approval.
- (b) Unless exempted from transmitting under section 1219 of the Code, MCL 380.1219, the Academy, on or before July 7th of each school fiscal year, shall transmit to the Center for Educational Performance and Information ("CEPI") the budgetary assumptions used when adopting its annual budget pursuant to the Uniform Budgeting and Accounting Act, MCL 141.421 et seq.
- (c) The Academy shall not adopt or operate under a deficit budget, or incur an operating deficit in a fund during any fiscal year. At any time during the term of this Contract, the Academy shall not have an existing deficit fund balance, incur a deficit fund balance, or adopts a current year budget that projects a deficit fund balance. If the Academy has an existing deficit fund balance, incurs a deficit fund balance in the most recently completed school fiscal year, or adopts a current year budget that projects a deficit fund balance, all of the following apply:
 - i. The Academy shall notify the Superintendent and the State Treasurer immediately upon the occurrence of the circumstance, and provide a copy of the notice to the Center.
 - ii. Within 30 days after making notification under subdivision (i), the Academy shall submit to the Superintendent in the form and manner prescribed by the Department an amended budget for the current school fiscal year and a deficit elimination plan approved by the Academy Board, with a copy to the State Treasurer. The Academy shall transmit a copy of the amended budget and the deficit elimination plan to the Center.
 - iii. After the Superintendent approves Academy's deficit elimination plan, the Academy shall post the deficit elimination plan on the Academy's website.
- (d) If the Academy is required by the State Treasurer to submit an enhanced deficit elimination plan under section 1220 of the Code, MCL 380.1220, the Academy shall do all of the following:
 - i. The enhanced deficit elimination plan shall be approved by the Academy Board before submission.
 - ii. After the State Treasurer approves an enhanced deficit elimination plan for the Academy, the Academy shall post the enhanced deficit elimination plan on the Academy's website.

- iii. As required, submit to the Superintendent and State Treasurer an enhanced monthly monitoring reports in a form and manner prescribed by the State Treasurer and post such monthly reports on the Academy's website.

Section 11.2. Insurance. The Academy Board shall secure and maintain in its own name, as the "first named insured," insurance coverage as required by the University's insurance carrier.

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The Academy may join with other public school academies to obtain insurance if the Academy Board finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured. The Academy shall list the University on the insurance policies as an additional insured as required by the University's insurance carrier. The coverage provided to the University as an additional covered person or organization will be primary and non-contributory with the University's insurance carrier. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy for any reason other than nonpayment which would require a ten (10) day advance notice to the University. In addition, the Academy shall provide the Center copies of all insurance policies required by this Contract.

When changing insurance programs or carriers, the Academy must provide copies of the proposed policies to the Center at least thirty (30) days prior to the proposed change. The Academy shall not cancel or change its existing carrier without the prior review of the Center.

The University's insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for the authorization and oversight of the Academy. In the event that the University's insurance carrier requests additional changes in coverage identified in this Section 11.2, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University's insurance carrier within thirty (30) days after notice of the insurance coverage change.

The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity. Other insurance policies and higher minimums may be required depending upon academic offerings and program requirements.

Pursuant to Section 3.6 of these Terms and Conditions, the University requires that any Educational Service Provider or employee leasing company that enters into a contract with the Academy must obtain insurance coverage similar to the insurance coverage that is currently required for the Academy. Accordingly, any agreement between the Academy and an Educational Service Provider or employee leasing company shall contain a provision requiring the Educational Service Provider or employee leasing company to comply with the coverage requirements recommended by the University's insurance carrier. Furthermore, the agreement between the Educational Service Provider or employee leasing company and the Academy shall contain a provision stating that "in the event that the University's insurance carrier recommends any change in coverage by the Educational Service Provider or employee leasing company, the Educational Service Provider or employee leasing company agrees to comply with any changes in the type and amount of coverage as requested by the University or the University's insurance carrier within thirty (30) days after notice of the insurance coverage change."

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy hereby covenants not to sue the University Board, the University or any of its Trustees, officers, employees, agents or representatives for any matters that arise under this Contract. The University 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 University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuance, non-issuance, oversight, revocation, termination or suspension of this Contract.

Section 11.4. Lease or Deed for Proposed Site. The Academy shall provide to the Center copies of its proposed lease or deed for the premises in which the Academy shall operate. Following the Center's review, a copy of the Academy's lease or deed shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.5. Certificate(s) of Use and Occupancy. The Academy Board shall: (i) ensure that the Academy's physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy certificates for the Academy's physical facilities. The Academy Board shall not occupy or use any facility until approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs, Bureau of Construction Codes. Copies of these Certificate(s) of Use and Occupancy shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.6. Criminal Background and History Checks; Disclosure of Unprofessional Conduct. The Academy shall comply with section 1230 and 1230a of the Code concerning criminal background and criminal history checks for its teachers, school administrator(s), and for any other position requiring State Board approval. In addition, the Academy shall comply with section 1230b of the Code concerning the disclosure of unprofessional conduct by persons applying for Academy employment. This Section 11.6 shall apply to such persons irrespective of whether they are employed by the Academy or employed by another entity contracting with the Academy.

Section 11.7. Special Education. Pursuant to Section 1701a of the Code, the Academy shall comply with Article III, Part 29 of the Code, MCL 380.1701 et seq., concerning the provision of special education programs and services at the Academy as referenced in Contract Schedule 7c. Upon receipt, the Academy shall notify the Center of any due process or state complaint filed against the Academy.

Section 11.8. Information Available to the Public and the Center.

- (a) Information to be provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including without limitation information in Schedule 8, available to the public and the Center.
- (b) Information to be provided by Educational Service Provider. The agreement between the Academy and the Educational Service Provider shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including the information in Schedule 8, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under paragraph 11.8 (a) above.

**ARTICLE XII
GENERAL TERMS**

Section 12.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or electronic mail; 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 address or person as the respective party may designate by notice delivered pursuant hereto:

If to the University Board: The Governor John Engler Center for Charter Schools
Attn: Executive Director
Central Michigan University
EHS 200
Mt. Pleasant, MI 48859

General Counsel: General Counsel
Central Michigan University
1303 West Campus Drive
Mt. Pleasant, MI 48859

Chief Financial Officer: Vice President Finance & Admin. Services
Central Michigan University
104 Warriner Hall
Mt. Pleasant, MI 48859

If to the Academy: Academy Board President
Greater Heights Academy
3196 West Pasadena Avenue
Flint, MI 48504

Section 12.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of 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 12.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

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

Section 12.5. Assignment. This Contract is not assignable by the Academy.

Section 12.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent

shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute consent to, waiver of, or excuse for any different or subsequent breach or default.

Section 12.7. Governing Law. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.8. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.9. Term of Contract. This Contract is for a fixed term and shall terminate at the end of the Contract term without any further action of either the University Board or the Academy. This Contract shall commence on the date first set forth above and shall remain in full force and effect for a period of three (3) academic years and shall terminate on June 30, 2021, unless sooner revoked, terminated, or suspended pursuant to Article X of these Terms and Conditions. Pursuant to University Board policy, the standards by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:

Is the Academy's academic program successful?

Is the Academy's organization viable?

Is the Academy demonstrating good faith in following the terms of its charter and applicable law?

The Center shall establish the process and timeline for the issuance of a new contract. The standards for the issuance of a new Contract shall include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria established by the University Board as the most important factor of whether to issue or not issue a new Contract. Consistent with the Code, the University Board in its sole discretion may elect to issue or not issue a new contract to the Academy.

Section 12.10. Indemnification of University. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the Terms and Conditions of this Contract, the Academy agrees to indemnify, defend and hold harmless the University Board, the University and its officers, employees, agents or representatives from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees) settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's approval of the public school academy application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for or operation of a public school, or which are incurred as a result of the reliance by the University Board, the University and its officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the Academy's failure to comply with this Contract or Applicable Law. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.11. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.12. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.13. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board. 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 12.14. Non-agency. It is understood that the Academy is not the agent of the University.

Section 12.15. University Board or the Center's General Policies on Public School Academies Shall Apply. Notwithstanding any provision of this Contract to the contrary, and with the exception of existing University Board or the Center policies regarding public school academies which shall apply immediately, University Board or the Center general policies clarifying procedure and requirements applicable to public school academies under this Contract, as from time to time adopted or amended, will automatically apply to the Academy, provided they are not inconsistent with provisions of this Contract. Before issuing general policies under this section, the University Board or the Center shall provide a draft of the proposed policies to the Academy Board. The Academy Board shall have at least thirty (30) days to provide comment to the Center on the proposed policies before such policies shall become effective.

Section 12.16. Survival of Provisions. The terms, provisions, and representations contained in Section 11.2, Section 11.3, Section 11.8, Section 12.10, Section 12.13 and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.17. Termination of Responsibilities. Upon termination or revocation of the Contract, the University Board or its designee shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract. Upon termination or revocation of the Contract, the Academy may amend its articles of incorporation or bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the articles of incorporation with regard to the disposition of assets upon dissolution.

Section 12.18. Disposition of Academy Assets Upon Termination or Revocation of Contract. Following termination or revocation of the Contract, the Academy shall follow the applicable wind-up and dissolution provisions set forth in the Academy's articles of incorporation and in accordance with the Code.

Section 12.19. Student Privacy. In order to protect the privacy of students enrolled at the Academy, the Academy Board shall not:

- (a) sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of a pupil's education records. This subsection does not apply to any of the following situations:

- i. for students enrolled in the Academy, providing such information to an ESP that has a contract with the Academy and whose contract has not been disapproved by the University;
 - ii. providing the information as necessary for standardized testing that measures a student's academic progress and achievement; or
 - iii. providing the information as necessary to a person that is providing educational or educational support services to the student under a contract with either the Academy or an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the University.
- (b) The terms "education records" and "personally identifiable information" shall have the same meaning as defined in MCL 380.1136.
- i. Present the opt-out form to each student's parent or guardian within the first thirty (30) days of the school year and at other times upon request.
 - ii. If an opt-out form is signed and submitted to the Academy by a student's parent or guardian, then the Academy shall not include the student's directory information in any of the Uses that have been opted out of in the opt-out form.
- (c) The terms "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.20. Disclosure of Information to Parents and Legal Guardians.

- (a) Within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose without charge to the student's parent or legal guardian any personally identifiable information concerning the student that is collected or created by the Academy as part of the student's education records.
- (b) Except as otherwise provided in this subsection (b) and within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose to a student's parent or legal guardian without charge any personally identifiable information provided to any person, agency or organization. The Academy's disclosure shall include the specific information that was disclosed, the name and contact information of each person, agency, or organization to which the information has been disclosed; and the legitimate reason that the person, agency, or organization had in obtaining the information. The parental disclosure requirement does not apply to information that is provided:
- i. to the Department or CEPI;
 - ii. to the student's parent or legal guardian;
 - iii. by the Academy to the University Board, University, Center or to the ESP with which the Academy has a management agreement that has not been disapproved by the University;
 - iv. by the Academy to the Academy's intermediate school district or another intermediate school district providing services to Academy or the Academy's students pursuant to a written agreement;
 - v. to the Academy by the Academy's intermediate school district or another immediate school district providing services to pupils enrolled in the Academy pursuant to a written agreement;

- vi. to the Academy by the University Board, University, Center;
 - vii. to a person, agency, or organization with written consent from the student's parent or legal guardian, or from the student if the student is 18 years of age;
 - viii. to a person, agency, or organization seeking or receiving records in accordance with an order, subpoena, or ex parte order issued by a court of competent jurisdiction;
 - ix. to a person, agency, or organization as necessary for standardized testing that measures a student's academic progress and achievement; or
 - x. in the absence of, or in compliance with, a properly executed opt-out form, as adopted by the Academy in compliance with section 1136(6) of the Code, pertaining to uses for which the Academy commonly would disclose a pupil's "directory information."
- (c) If the Academy considers it necessary to make redacted copies of all or part of a student's education records in order to protect personally identifiable information of another student, the Academy shall not charge the parent or legal guardian for the cost of those redacted copies.
- (d) The terms "education records," "personally identifiable information," and "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.21. List of Uses for Student Directory Information; Opt Out Form; Notice to Student's Parent or Legal Guardian. The Academy shall do all of the following:

- (a) Develop a list of uses (the "Uses") for which the Academy commonly would disclose a student's directory information; and
- (b) Develop an opt-out form that lists all of the Uses and allows a student's parent or guardian to elect not to have the student's directory information disclosed for one (1) or more Uses.

Section 12.22. Partnership Agreement. If an Academy site is listed as a Priority School on the list of lowest performing schools prepared by the Michigan Department of Education, and the Superintendent proposes a Partnership Agreement with the Academy, the Academy shall work with the Center to finalize an agreement that is acceptable to the Michigan Department of Education, the Academy and the Center. The Partnership Agreement shall be incorporated into this Contract by amendment pursuant to Article IX of these Terms and Conditions and shall be included as Schedule 9. The Contract amendment shall also include any other amendments to this Contract that are required to ensure the Partnership Agreement is consistent with this Contract.

As the designated representative of the Central Michigan University Board of Trustees, I hereby issue this Contract to the Academy on the date set forth above.

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
William H. Weideman, Chair

Date: _____

As the authorized representative of the Academy, I hereby certify that the Academy is able to comply with the Contract and all Applicable Law, and that the Academy, through its governing board, has approved and agreed to comply with and be bound by the terms and conditions of this Contract and All Applicable Law.

GREATER HEIGHTS ACADEMY

By: Mari Lee _____
Board President

Date: 6/25/18 _____

As the designated representative of the Central Michigan University Board of Trustees, I hereby issue this Contract to the Academy on the date set forth above.

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: William H Weideman
William H. Weideman, Chair

Date: 6/22/18

As the authorized representative of the Academy, I hereby certify that the Academy is able to comply with the Contract and all Applicable Law, and that the Academy, through its governing board, has approved and agreed to comply with and be bound by the terms and conditions of this Contract and All Applicable Law.

GREATER HEIGHTS ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

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CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION

Adjusted to Agree with Bureau Records ~~ID#~~

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU			
Date Received DEC 13 2017			
		This document is effective on the date filed, unless a subsequent effective date within 90-days after received date is stated in the document.	
Name Gregory Meihn		TranInfo:1 22528440-1 12/11/17 Chk#: 96 Amt: \$60.00 ID: GREATER HEIGHTS ACADEMY EFFECTIVE DATE:	
Address 130 Nine Mile Rd			
City	State		Zip
Ferndale	MI		48220

71171L

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

OF

GREATER HEIGHTS ACADEMY**

FILED
JAN 04 2018
ADMINISTRATOR
CORPORATIONS DIVISION

Pursuant to the provisions of the Michigan Nonprofit Corporation Act (Act 162) of 1982, as amended (the "Act"), being MCL 450.2101 et seq. and Revised School Code (the "Code") as amended, being Sections 380.501 to 380.507 of the Michigan Compiled Laws, the undersigned corporation executes the following Restated Articles:

The present name of the corporation is: Greater Heights Academy.

The corporation identification number ("CID") assigned by the Bureau is: **800 932 803**

The corporation has used no other names.

The date of filing the original Articles of Incorporation was: April 16, 2012.

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

ARTICLE I

The name of the corporation is: Greater Heights Academy.

UR

The authorizing body for the corporation is: Central Michigan University Board of Trustees.

ARTICLE II

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

1. The corporation is organized for the purpose of operating as a public school academy in the State of Michigan pursuant to the Code.

2. The corporation, including all activities incident to its purposes, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Restated Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

ARTICLE III

The corporation is organized on a non-stock basis.

Description:

The corporation is to be financed under the following general plan:

- a. State school aid payments received pursuant to the State School Aid Act of 1979 or any successor law.
- b. Federal funds.
- c. Donations.
- d. Fees and charges permitted to be charged by public school academies.
- e. Other funds lawfully received.

The corporation is organized on a directorship basis.

ARTICLE IV

The name of the resident agent at the registered office is Gregory Meihn.

The address of its registered office in Michigan is: 130 Nine Mile Rd., Ferndale, MI 48220.

The mailing address of the registered office in Michigan is the same.

ARTICLE V

The corporation is a governmental entity.

ARTICLE VI

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

ARTICLE VII

Before execution of a Contract to charter a public school academy between the corporation and Central Michigan University Board of Trustees (the "University Board"), the method of selection, length of term, and the number of members of the Board of Directors of the corporation shall be approved by a resolution of the University Board as required by the Code.

ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

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

To the extent permitted by law, upon the dissolution of the corporation, the board shall after paying or making provision for the payment of all of the liabilities of the corporation, dispose of all of the assets of the corporation to the University Board for forwarding to the state school aid fund established under article IX, section 11 of the Constitution of the State of Michigan of 1963, as amended.

ARTICLE XI

These Restated Articles of Incorporation shall not be amended except by the process provided in Article IX of the Terms and Conditions incorporated as part of the Contract. This process is as follows:

The corporation, by a majority vote of its Board of Directors, may, at any time, propose specific changes to these Restated Articles of Incorporation or may propose a meeting to discuss potential revision to these Restated Articles of Incorporation. The proposal will be made to the University Board through its designee. The University Board delegates to The Governor John Engler Center for Charter Schools' ("The Center") Executive Director the review and approval of changes or amendments to these Restated Articles of Incorporation. In the event that a proposed change is not accepted by The Center's Executive Director, the University Board shall consider and vote upon a change proposed by the corporation following an opportunity for a written and oral presentation to the University Board by the corporation.

At any time and for any reason, the University Board or an authorized designee may propose specific changes to these Restated Articles of Incorporation or may propose a meeting to discuss potential revision. The corporation's Board of Directors may delegate to an officer of the corporation the review and negotiation of changes or amendments to these Restated Articles of Incorporation. The Restated Articles of Incorporation shall be amended as requested by the University Board or an authorized designee upon a majority vote of the corporation's Board of Directors.

Amendments to these Restated Articles of Incorporation take effect only after they have been approved by the corporation's Board of Directors and by the University Board or The Center's Executive Director, and the amendments are filed with the Michigan Department of Licensing and Regulatory Affairs. In addition, the corporation shall file with the amendment a copy of the University Board's or The Center's Executive Director's approval of the amendment.

Upon termination or revocation of the Contract, the Academy may amend its articles of incorporation as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the articles of incorporation with regard to the disposition of assets upon dissolution.

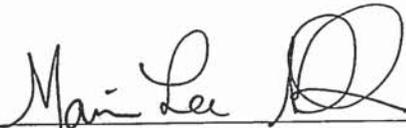
ARTICLE XII

The definitions set forth in the Terms and Conditions incorporated as part of the Contract shall have the same meaning in these Restated Articles of Incorporation.

ADOPTION OF ARTICLES

These Restated Articles of Incorporation were duly adopted on the 29 day of August, 2017, in accordance with the provisions of Section 641 of the Act. These Restated Articles of Incorporation restate, integrate and do further amend the provisions of the Articles of Incorporation and were duly adopted by the directors. The necessary number of votes were cast in favor of these Restated Articles of Incorporation.

Signed this 29 day of August, 2017.

By: 
Mr. Marvin Miller, President

CONTRACT SCHEDULE 2

AMENDED BYLAWS

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GREATER HEIGHTS ACADEMY
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AMENDED BYLAWS
OF
GREATER HEIGHTS ACADEMY

ARTICLE I

NAME

This organization shall be called Greater Heights Academy (the "Academy" or the "corporation").

ARTICLE II

FORM OF ACADEMY

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

ARTICLE III

OFFICES

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

Section 2. Registered Office. The registered office of the Academy may be the same as the principal office of the Academy, but in any event must be located in the State of Michigan, and be the business office of the resident agent, as required by the Michigan Non-Profit Corporation Act. Changes in the resident agent and registered address of the Academy must be reported to the Michigan Department of Licensing and Regulatory Affairs and to The Governor John Engler Center for Charter Schools ("the Center.")

ARTICLE IV

BOARD OF DIRECTORS

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

Section 2. Method of Selection and Appointment. The Central Michigan University Board of Trustees ("University Board") shall prescribe the method of appointment for members of an Academy's Board of Directors. The Center Director is authorized to develop and administer an academy board

selection and appointment process that includes an *Application for Public School Academy Board Appointment* and is in accord with these policies:

- a. The University Board shall appoint the initial and subsequent Academy Board of Directors by resolution, except as prescribed by subparagraph d. The Center Director shall recommend qualified individuals to the University Board.
- b. The Academy Board of Directors, by resolution and majority vote, shall nominate its subsequent members, except as provided otherwise. The Academy Board of Directors shall recommend to the Center Director at least one nominee for each vacancy. Nominees shall submit the *Application for Public School Academy Board Appointment* for review by the Center. The Center Director may or may not recommend the appointment of a nominee submitted by the Academy board. If the Center Director does not recommend the appointment of a nominee submitted by the Academy Board, he/she may select and recommend another nominee or may request the Academy Board submit a new nominee for consideration.
- c. An individual appointed to fill a vacancy created other than by the expiration of a term shall be appointed for the unexpired term of that vacant position.
- d. Under exigent conditions, and with the approval of the University Board's chair and the president, the Center Director may appoint a qualified individual to an Academy's board of directors. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under this provision.

Section 3. Length of Term. The Director of an Academy Board shall serve at the pleasure of the University Board. Terms of the initial positions of the Academy Board of Directors shall be staggered in accordance with *The Academy Board of Directors Table of Staggered Terms and Appointments* established and administered by the Center Director. Subsequent appointments shall be for a term of office not to exceed four (4) years, except as prescribed by *The Academy Board of Directors Table of Staggered Terms and Appointments*.

Section 4. Number of Director Positions. The number of director positions on the Academy Board shall not be less than five (5) nor more than nine (9) as determined by the University Board. If the Academy Board fails to maintain its full membership by making appropriate and timely nominations, the Center Director may deem that failure an exigent condition.

Section 5. Qualifications of Academy Board Members. To be qualified to serve on an Academy's Board of Directors, a person shall, among other things: (a) be a citizen of the United States; (b) be a resident of the State of Michigan; (c) submit all materials requested by the Center including, but not limited to, the *Application for Public School Academy Board Appointment* which must include authorization to process a criminal background check; and (d) annually submit a conflict of interest disclosure as prescribed by the Center.

The members of the Academy Board shall not include (a) employees of the Academy; (b) any director, officer, or employee of a service provider that contracts with the Academy; (c) a Central Michigan University official or employee, as a representative of Central Michigan University.

Section 6. Oath of Public Office. All members of the Academy Board must take the constitutional oath of office and sign the *Oath of Public Office* before beginning their service. The *Oath of Public Office* shall be filed with the Center.

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

Section 8. Removal and Suspension. If the University Board determines that an Academy Board member's service in office is no longer necessary, then the University Board may remove an Academy Board member with or without cause and shall specify the date when the Academy Board member's service ends. An Academy Board member may also be removed from office for cause by a two-thirds (2/3) vote of the Academy's Board.

With the approval of the University Board's chair and the University President, the Center Director may suspend an Academy Board member's service, if in his/her judgment the person's continued presence would constitute a risk to persons or property, or would seriously impair the operation of the Academy. Any suspension made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any suspensions made under this provision.

Section 9. Resignation. Any Director may resign at any time by providing written notice to the corporation or by communicating such intention (orally or in writing) to the Center. Notice of resignation will be effective upon receipt or at a subsequent time if designated in a written notice. A successor shall be appointed as provided in Section 2 of this Article.

Section 10. Board Vacancies. A Board of Director vacancy shall occur because of death, resignation, removal, failure to maintain residency in the State of Michigan, disqualification or as otherwise specified in the Code. Any vacancy shall be filled as provided in Section 2 of this Article.

Section 11. Compensation. A Director of the Academy shall serve as a volunteer Director. By resolution of the Board, the Directors may be reimbursed for their reasonable expenses incident to their duties.

ARTICLE V

MEETINGS

Section 1. Annual and Regular Meetings. The Academy Board shall hold an annual meeting each year. The Academy Board must provide, by resolution, the time and place, within the State of Michigan, for the holding of regular monthly meetings. The Academy Board shall provide notice of the annual and all regular meetings as required by the Open Meetings Act.

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

Section 3. Notice; Waiver. The Academy Board must comply with the notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each Director stating the time

and place of the meeting, delivered personally, mailed, sent by facsimile or electronic mail to the Director's business address. Any Director may waive notice of any meeting by written statement, facsimile or electronic mail sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. In order to legally transact business, the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A “quorum” shall be defined as follows:

<u># of Academy Board Positions</u>	<u># Required for Quorum</u>
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

Section 5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Academy Board. No member of the Board of Directors may vote by proxy, by way of a telephone conference or any other electronic means of communication.

Section 6. Open Meetings Act. All meetings of the Academy Board, shall at all times be in compliance with the Open Meetings Act.

Section 7. Presumption of Assent. A Director of the Academy Board who is present at a meeting of the Academy Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE VI

COMMITTEES

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

ARTICLE VII

OFFICERS OF THE BOARD

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

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

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

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

Section 5. President. The President of the Academy shall be a member of the Academy Board. The President of the corporation shall preside at all meetings of the Academy Board. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Academy Board attending the meeting shall preside. The President shall, in general, perform all duties incident to the office of President of the Board as may be prescribed by the Academy Board from time to time.

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

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

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

of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

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

Section 10. Salaries. Officers of the Board, as Directors of the corporation, may not be compensated for their services. By resolution of the Academy Board, officers may be reimbursed for reasonable expenses incident to their duties.

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

ARTICLE VIII

CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

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

Section 2. Loans. No loans shall be contracted on behalf of the Academy and no evidences of indebtedness shall be issued in its name unless authorized by a prior resolution of the Academy Board. Such authority shall be confined to specific instances. No loan, advance, overdraft or withdrawal by an officer or Director of the corporation, shall be made or permitted unless approved by the Academy Board. No loan entered into, by or on behalf of the Academy Board, shall in any way be considered a debt or obligation of Central Michigan University or impose any liability on Central Michigan University, its trustees, officers, employees or agents.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Academy, shall be signed by Academy Board members or Academy Board employees, which shall not include employees of the Academy Board's Educational Service Provider, and in such manner as shall from time to time be determined by resolution of the Academy Board.

Section 4. Deposits. All funds of the Academy shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Academy Board may select, provided that such financial institution is eligible to be a depository of surplus funds under Section 1221 of the Revised School Code, being Section 380.1221 of the Michigan Compiled Laws.

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

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

The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. However, the Academy Board shall prohibit any individual from being employed by the Academy, an educational service provider or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages, benefits, and applicable taxes; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The Academy Board may contract with an educational service provider or an employee leasing company to provide services or to provide personnel to perform services or work at the Academy. Before entering into an agreement with an educational service provider or an employee leasing company to perform services or to provide personnel to perform services or work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Center. A copy of the agreement between the Academy Board and the educational service provider or employee leasing company shall be included as part of Schedule 5.

The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Language in this Section controls over section 1203 of the Code. The following shall be deemed prohibited conflicts of interest:

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an educational service provider or an employee leasing company that has an agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any school building leased or subleased to the Academy.

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

- (a) Is employed by the Academy;
- (b) Works at or is assigned to the Academy;
- (c) Has an ownership, officer, policymaking, managerial, administrative non-clerical or other significant role with the Academy's educational service provider or employee leasing company; and
- (d) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy.

The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this sub-section, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner.

ARTICLE IX

INDEMNIFICATION

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

ARTICLE X

FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of July in each year.

ARTICLE XI

AMENDMENTS

These Amended Bylaws may be altered, amended or repealed and new Amended 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 of these Amended Bylaws and applicable law, and (b) the written approval of the changes or amendments by the Center Director. In the event that a proposed change is not accepted by the Center Director, the University Board may consider and vote upon a change proposed by the corporation following an opportunity for a written presentation to the University Board by the Academy Board. These Amended Bylaws and any amendments to them take effect only after they have been approved by both the Academy Board and by the Center Director.

Upon termination or revocation of the Contract, the Academy may amend its Bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the Bylaws with regard to the disposition of assets upon dissolution.

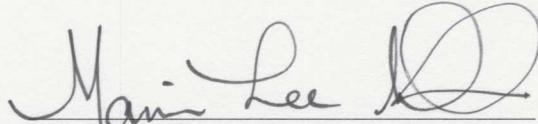
ARTICLE XII

TERMS AND CONDITIONS DEFINITIONS

The definitions set forth in the Terms and Conditions incorporated as part of the Contract shall have the same meaning in these Amended Bylaws.

CERTIFICATION

The Board certifies that these Amended Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 25th day of June, 2018.


Secretary

CONTRACT SCHEDULE 3
FISCAL AGENT AGREEMENT

SCHEDULE 3

FISCAL AGENT AGREEMENT

This Agreement is part of the Contract issued by the Central Michigan University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to Greater Heights Academy ("Academy"), a public school academy.

Preliminary Recitals

WHEREAS, pursuant to the Code and the Contract, the University Board, as authorizing body, is the fiscal agent for the Academy, and

WHEREAS, the University Board is required by law to forward any State School Aid Payments received from the State of Michigan ("State") on behalf of the Academy to the Academy,

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Academy Account" means an account established by the Academy Board for the receipt of State School Aid Payments at a bank, savings and loan association, or credit union which has not been deemed ineligible to be a depository of surplus funds under Section 6 Act No. 105 of the Public Acts of 1855, being Section 21.146 of the Michigan Compiled Laws.

"Agreement" means this Fiscal Agent Agreement.

"Fiscal Agent" means the University Board or an officer or employee of Central Michigan University as designated by the University Board.

"Other Funds" means any other public or private funds which the Academy receives and for which the University Board voluntarily agrees to receive and transfer to the Academy.

"State School Aid Payment" means any payment of money the Academy receives from the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963 or under the State School Aid Act of 1979, as amended.

"State" means the State of Michigan.

"State Treasurer" means the office responsible for issuing funds to public school academies for State School Aid Payments pursuant to the State School Aid Act of 1979, as amended.

ARTICLE II

FISCAL AGENT DUTIES

Section 2.1. Receipt of State School Aid Payments and Other Funds. The University Board is the Fiscal Agent for the Academy for the limited purpose of receiving State School Aid Payments. By separate agreement, the University Board and the Academy may also agree that the University will receive Other Funds for transfer to the Academy. The Fiscal Agent will receive State School Aid Payments from the State, as provided in Section 3.2.

Section 2.2. Transfer to Academy. Except as provided in Article X of the Terms and Conditions and in the Oversight Agreement, the Fiscal Agent shall transfer all State School Aid Payments and all Other Funds received on behalf of the Academy to the Academy within ten (10) business days of receipt or as otherwise required by the provisions of the State School Aid Act of 1979 or applicable State Board rules. The State School Aid Payments and all Other Funds shall be transferred into the Account designated by a resolution of the Board of Directors of the Academy and by a method of transfer acceptable to the Fiscal Agent.

Section 2.3. Limitation of Duties. The Fiscal Agent has no responsibilities or duties to verify the Academy's pupil membership count, as defined in the State School Aid Act of 1979, as amended, or to authorize, to approve or to determine the accuracy of the State Aid School Payments received on behalf of the Academy from the State Treasurer. The duties of the Fiscal Agent are limited to the receipt and transfer to the Academy of State School Aid Payments and Other Funds received by the Academy. The Fiscal Agent shall have no duty to monitor, account for or approve expenditures made by the Academy Board.

Section 2.4. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board (i) authorizes a direct intercept of a portion of its State School Aid Payments from the State to a third party account for the payment of Academy debts and liabilities; or (ii) assigns or directs that a portion of its State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, then Academy shall submit to The Governor John Engler Center for Charter Schools at Central Michigan University for review and consideration: (i) a copy of the Academy Board's resolution authorizing the direct intercept or the assignment or direction of State School Aid Payments; (ii) a State School Aid Payment Agreement and Direction document that is in a form and content acceptable to the Fiscal Agent; and (iii) other documents as required. The Center reserves the right to not acknowledge in writing any State School Aid Payment Agreement and Direction that is not in a form and content acceptable to the Fiscal Agent.

ARTICLE III

STATE DUTIES

Section 3.1 Eligibility for State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the eligibility of the Academy to receive State School Aid Payments. The State, through its Department of Education, has sole responsibility for determining the amount of State School Aid Payments, if any, the Academy shall be entitled to receive.

Section 3.2. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent by electronic funds transfer into an account specified by the Fiscal Agent, or by such other means deemed acceptable to the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

ARTICLE IV

ACADEMY DUTIES

Section 4.1. Compliance with State School Aid Act. In order to assure that funds are available for the education of pupils, an Academy shall comply with all applicable provisions of the State School Aid Act of 1979, as amended.

Section 4.2. Academy Account. The Academy is authorized to establish an Account in the name of the Academy. Signatories to the Account shall be current Academy Board members and/or Academy Board employees, which shall not include employees of the Academy Board's Educational Service Provider, as shall from time to time be determined by resolution of the Academy Board. The Academy Board is authorized to approve withdrawals and transfers from any Account established in the name of the Academy. Any authorization approved by the Academy Board for automatic withdrawals or transfers from an Academy Account may only be terminated or amended by the Academy Board.

Section 4.3. Expenditure of Funds. The Academy may expend funds that it receives from the State School Aid Fund for any purpose permitted by the State School Aid Act of 1979 and may enter into contracts and agreements determined by the Academy as consistent with the purposes for which the funds were appropriated.

Section 4.4. Mid-Year Transfers. Funding for students transferring into or out of the Academy during the school year shall be in accordance with the State School Aid Act of 1979 or applicable State Board rules.

Section 4.5. Repayment of Overpayment. The Academy shall be directly responsible for reimbursing the State for any overpayments of State School Aid Payments. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or may seek collection of the overpayment from the Academy.

ARTICLE V

RECORDS AND REPORTS

Section 5.1. Records. The Fiscal Agent shall keep books of record and account of all transactions relating to the receipts, disbursements, allocations and application of the State School Aid Payments and Other Funds received, deposited or transferred for the benefit of the Academy, and these books shall be available for inspection at reasonable hours and under reasonable conditions by the Academy and the State.

Section 5.2. Reports. Annually, the Fiscal Agent shall prepare and send to the Academy within thirty (30) days of September 1, a written report dated as of August 31. This report shall summarize all receipts, deposits and transfers made on behalf or for the benefit of the Academy during the period beginning on the latter of the date hereof or the date of the last such written report and ending on the date of the report, including without limitation, State School Aid Payments received on behalf of the Academy from the State Treasurer and any Other Funds which the University Board receives under this Agreement.

ARTICLE VI

CONCERNING THE FISCAL AGENT

Section 6.1. Representations. The Fiscal Agent represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it in this Agreement and that it will carry out all of its obligations under this Agreement.

Section 6.2. Limitation on Liability. The liability of the Fiscal Agent to transfer funds to the Academy shall be limited to the amount of State School Aid Payments as are from time to time delivered by the State and the amount of Other Funds as delivered by the source of those funds.

The Fiscal Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Fiscal Agent be responsible for the consequences of any error of judgment; and the Fiscal Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its gross negligence or willful default.

The Fiscal Agent shall not be liable for any deficiency in the State School Aid Payments received from the State Treasurer to which the Academy was properly entitled. The Fiscal Agent shall not be liable for any State School Aid overpayments made by the State Treasurer to the Academy for which the State subsequently seeks reimbursement.

Acknowledgment of Receipt

The undersigned, on behalf of the State of Michigan, Department of Treasury, acknowledges receipt of the foregoing Fiscal Agent Agreement that is part of the Contract issued by the Central Michigan University Board of Trustees to Greater Heights Academy.

BY: Mary G. Martin
Mary G. Martin, Director
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: May 1, 2018

CONTRACT SCHEDULE 4
OVERSIGHT, COMPLIANCE
AND REPORTING AGREEMENT

SCHEDULE 4

OVERSIGHT, COMPLIANCE AND REPORTING AGREEMENT

This Agreement is part of the Contract issued by the Central Michigan University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to Greater Heights Academy ("Academy"), a public school academy.

Preliminary Recitals

WHEREAS, the University Board, subject to the leadership and general supervision of the State Board of Education over all public education, is responsible for overseeing the Academy's compliance with the Contract and all Applicable Law.

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

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.1. Definitions. Unless otherwise provided, or unless the context requires otherwise, the following terms shall have the following definitions:

"Agreement" means this Oversight, Compliance and Reporting Agreement.

"Oversight Responsibilities" means the University Board's oversight responsibilities set forth in Section 2.1 of this Agreement.

"Compliance and Reporting Duties" means the Academy's duties set forth in Section 2.2 of this Agreement.

"State School Aid Payment" means any payment of money the Academy receives from the state school aid fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963 or under the State School Aid Act of 1979, as amended.

ARTICLE II

OVERSIGHT, COMPLIANCE AND REPORTING RESPONSIBILITIES

Section 2.1. Oversight Responsibilities. The Governor John Engler Center for Charter Schools ("The Center") at Central Michigan University, as it deems necessary to fulfill the University Board's Oversight Responsibilities, may undertake the following:

- a. Monitor and evaluate if the Academy Board is properly governing the Academy and following the Amended Bylaws set forth in the Contract.

- b. Monitor and evaluate the Academy's academic performance and progress toward achieving the educational goal and related measures set forth in Contract Schedule 7b.
- c. Monitor and evaluate the Academy's implementation, delivery, and support of the educational program and curriculum as set forth in Contract Schedules 7c and 7d, respectively.
- d. Monitor and evaluate the Academy's application and enrollment procedures as set forth in Contract Schedule 7f.
- e. Monitor and evaluate the Academy's organizational and financial viability.
- f. Monitor and evaluate the Academy's fiscal stewardship and use of public resources.
- g. Monitor and evaluate the records, internal controls or operations of the Academy.
- h. Monitor and evaluate if the Academy is staffed with qualified personnel and that appropriate background checks have been conducted.
- i. Monitor and evaluate if the Academy is providing a safe learning environment.
- j. Request evidence that the Academy has obtained the necessary permits and certificates to operate as a public school from the applicable governmental agencies, including, without limitation, the Michigan Department of Licensing and Regulatory Affairs' Bureau of Construction Codes and local health departments.
- k. Conduct comprehensive on-site reviews to assess and/or evaluate the Academy's performance.
- l. Monitor and evaluate if the Academy is demonstrating good faith in complying with the Contract, the Revised School Code, and all other Applicable Law.
- m. Request periodic reports from the Academy regarding any aspect of its operation, including, but not limited to, information identified in Schedule 8 of the Contract.
- n. Initiate action to amend, revoke, terminate or suspend the Contract.
- o. Provide information and support to the Academy.

Section 2.2. Compliance and Reporting Duties. The Academy agrees to fulfill the following Compliance and Reporting Duties:

- a. Adopt and properly maintain governing board policies in accordance with Applicable Law.
- b. Comply with the reporting and document submission requirements set forth in the Master Calendar of Reporting Requirements issued annually by the Center.
- c. Comply with any Academy specific reporting and document submission requirements established by the Center.
- d. Comply with the insurance requirements set forth in Article XI, Section 11.2 of the Terms and Conditions of the Contract.
- e. Comply with the Center's Educational Service Provider Policies, as may be amended.
- f. Report any litigation or formal proceedings to the Center, including, but not limited to, litigation initiated by or against the Academy alleging violation of any Applicable Law. If the University is a named party, notify the general counsel for the University Board as set forth in Article XII, Section 12.1 of the Terms and Conditions.
- g. The Academy shall not occupy or use any school facility set forth in Schedule 6 of the Contract until such facility has received all fire, health and safety approvals required by Applicable Law and has been approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs' Bureau of Construction Codes.
- h. Permit the Center to inspect the records, internal controls, operations or premises of the Academy at any reasonable time.
- i. Authorize the Center to perform audit and evaluation studies using Academy data including, but not limited to, personally identifiable information about the Academy's students and staff submitted by the Academy to agencies including, but not limited to, Center for Educational Performance and Information ("CEPI"), Office of Educational Assessment and Accountability ("OEAA") and the Michigan Department of Education ("MDE"). Pursuant to this authorization, the Center shall abide by the regulations that govern the use of student data within the Family Educational Rights and Privacy Act (FERPA - 34 CFR Part 99), the Michigan Identity Theft Protection Act of 2004, and the Privacy Act of 1974.
- j. Upon request, the Academy Board shall provide the Center with a written report, along with supporting data, assessing the Academy's progress toward achieving the educational goal and related measures outlined in Contract Schedule 7b.
- k. Upon request, provide the Center with copies or view access to data, documents or information submitted to MDE, the Superintendent of Public Instruction, the State Board of Education, CEPI or any other state or federal agency.

1. If the Academy operates an online or other distance learning program, it shall submit a monthly report to the Michigan Department of Education, in the form and manner prescribed by the Michigan Department of Education, that reports the number of pupils enrolled in the online or other distance learning program, during the immediately preceding month.

Section 2.3. Waiver of Compliance and Reporting Duties. The University Board, or the Center Director as its authorized designee, may modify or waive any of the Academy's Compliance and Reporting Duties.

ARTICLE III

RECORDS AND REPORTS

Section 3.1. Records. The Academy will keep complete and accurate records and reports of its governance and operations. These records and reports shall be available for inspection by the Center at reasonable hours and under reasonable conditions.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Administrative Fee. The Academy agrees to pay to the University Board an administrative fee of 3% of the Academy's State School Aid Payments. This fee shall be retained by the University Board from each State School Aid Payment received for forwarding to the Academy. This fee shall compensate the University Board for overseeing the Academy's compliance with the Contract and all Applicable Law and other related activities for which compensation is permissible. By agreement between the Center and the Academy, the University may charge additional fees beyond the administrative fees for services rendered.

Section 4.2. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Academy and the University Board by this Agreement.

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article III, Section 3.6., the Academy is authorized to employ or contract for personnel according to the position information outlined in this schedule. Before entering into an agreement with an Educational Service Provider, as defined in the Terms and Conditions of this Contract, to provide comprehensive educational, administrative, management or instructional services or staff to the Academy, the Academy Board must first comply with the Educational Service Provider Policies adopted by the Center.

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Administrator and Teacher Evaluation Systems	5-1
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Position Responsibilities	5-1
School Administrator(s)	5-1
Instructional Staff	5-2
Non-Instructional Staff	5-2
Educational Service Provider Agreement	5-3

Qualifications. The Academy shall comply with all applicable law regarding requirements affecting personnel employed by or assigned to the Academy including (but not limited to): qualifications, evaluation systems, criminal background checks and unprofessional conduct disclosures. All administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing education requirements as described in MCL 380.1246. Except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule.

Administrator and Teacher Evaluation Systems. The Academy Board shall adopt and implement for all teachers and school administrators a rigorous, transparent, and fair performance evaluation system that complies with the Code. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider adopts a performance evaluation system that complies with MCL 380.1249.

Performance Evaluation System. Beginning with the 2018-2019 school year and continuing on during the term of this Contract, the Academy shall not assign a pupil to be taught in the same subject area for 2 consecutive years by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations per the Code. If the Academy is unable to comply with this provision of the Code and plans to assign a pupil to be taught in the same subject area for 2 consecutive years by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations per the Code, the Academy Board shall notify the pupil's parent or legal guardian that the pupil has been assigned to be taught in the same subject area for a second consecutive year by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations. The notification shall be in writing, shall be delivered to the parent or legal guardian not later than July 15th immediately preceding the beginning of the school year for which the pupil is assigned to the teacher, and shall include an explanation of why the pupil is assigned to the teacher. MCL 380.1249a.

Teacher and Administrator Job Performance Criteria. The Academy Board shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation. 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 student growth as measured by assessments and other objective criteria. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider complies with this section. MCL 380.1250.

Reporting Structure

- Four positions are employed directly by the Academy Board; and
- Applicable positions that are employed by MM1, Inc., are outlined in the Educational Service Provider Agreement included in this Schedule.

Position Responsibilities

Following are the categories into which Academy staff fall. Descriptions for all positions employed by or assigned to the Academy are available at the Academy.

School Administrator(s)

As stated above, all administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing

education requirements as described in MCL 380.1246. In addition to the position titles identified in MCL 380.1246, the Michigan Department of Education (“MDE”) will deem an administrator working at a district or school level to be “administering instructional programs” if the person’s position description or day-to-day duties include any or all of the following elements *:

1. Responsibility for curriculum. This includes final or executive decisions which directly impact what should be taught to students and how it should be delivered, as well as what learning outcomes are expected, often following a philosophy of research, best practices, and continuous improvement providing equitable access to all students.
2. Responsibility for overseeing district or school improvement plan design or implementation. This includes a vision and a method for execution of plans regarding incorporating student assessment, using student performance and school safety data to drive decision-making, the use of information technology to support improvement, professional development, and overall student achievement.
3. Oversight of instructional policies. This includes the creation, modification, and recommendation of final policy regarding any aspect of how teachers implement, deliver, and support curriculum. Whether or not making specific financial decisions in support of these policies is part of the oversight role, this person still has final decision-making responsibility for instruction.
4. Executive-level reporting on academic progress to a governing authority. This includes providing updates, documentation, data, or presentations in an official or executive capacity to a governing body regarding progress on student learning goals—whether or not these reports are tied to expenditures related to the successful delivery of the instruction.
5. Supervision and evaluation of direct reports responsible for instruction. This includes providing executive leadership for employees who report to the individual, and providing direction to establish work priorities and decision-making. This involves evaluation of educator efficacy as well as general work performance of staff.

(*This statement and numbered items that follow it were taken directly from the February 23, 2017, Memorandum issued by the MDE.)

Instructional Staff

As stated above, except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule. Individuals that are considered instructional staff are responsible for implementing the Academy’s curriculum, developing assessments and monitoring student progress. Instructional staff whose main responsibility is working with students with disabilities must modify instructional techniques in order to enhance learning for all students.

Non-Instructional Staff

The staff that fall into this category are not required to hold an administrator certificate or a teaching certificate. The individuals in this category support the Academy’s pursuit of its mission, vision, and educational goals.

MM1, Inc.

Employee Management Service Agreement

INDEPENDENT CONTRACT AGREEMENT

This Independent Contractor Agreement (the “Agreement”) is made and entered into as of June 25, 2018 by and between **MM1, Inc.** (“MM1”), whose headquarters or principal place of business is located at 3170 Old Farm Lane, Commerce Twp., Michigan 48390 and **GREATER HEIGHTS ACADEMY**, located at 3196 W. Pasadena Ave., Flint, MI 48504 (the “Academy”) a Michigan public school academy formed under Part 6(A) of the Revised School Code (the “Code”), as amended, being MCL §380.501 to §380.507. This Agreement is supplemented by an Addendum attached hereto and made a part hereof and dated as of even date herewith (the “Addendum”). Notwithstanding anything in this Agreement to the contrary, to the extent there is a conflict between the language of this Agreement and the Addendum, the language of the Addendum shall control.

The Academy is a charter school organized as a public school academy under the Code. The Academy has been issued a contract (the “Contract”) by **CENTRAL MICHIGAN UNIVERSITY** (the “Authorizer”) to organize and operate a public school academy. The Authorizer is the statutory authorizing body. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

MM1 represents and warrants that it is a duly organized Michigan for-profit corporation, in good standing, and that MM1 (its officers, employees and agents) has the educational background, managerial experience, expertise, training, capacity, qualifications, and financial resources to provide the Services contemplated under this Agreement through its affiliated network of service providers, MM1 provides human resource related administrative services and employees to the Academy.

The Academy and MM1 desire to enter into an independent contracting relationship whereby MM1 will be engaged to provide the human resource personnel and administrative services as set forth in this Agreement (the “Services”). This Agreement between the Academy and MM1 Services sets forth the understandings with respect to the relationship between them, the scope of their relationship and the limitations on the relationship between the parties.

The Academy and MM1 Services further state that MM1 Services shall have full and unfettered authority to hire and terminate worksite employees to fulfill the contractual terms and conditions as set forth herein, without any involvement, control, or direction of the Academy.

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

I. SERVICES

- 1.1 MM1 agrees to contract to the Academy and the Academy agrees to contract from MM1 the Worksite Employees on the terms and conditions in this Agreement. “Worksite Employees” means all employees assigned to fulfill the Academy worksite job positions, excluding the Academy Director, Academy Assistant Director, Director of Finance, and Director of Operations who shall be employees of the Academy as addressed in the Addendum to this Agreement. MM1 shall also provide and control and be responsible for all human resources

and personnel administrative services, payroll, benefits and related administrative functions for Worksite Employees.

- 1.2 The Academy shall retain control over its business operations, instructional activity and all other matters, including but not limited to: the curriculum, books, equipment and educational supplies; state funding; finances and budgeting; parent relations; student achievement and guidance; student discipline; food; building and property management; transportation; sports and extracurricular activities, public relations; and the day to day working conditions of the Worksite Employees. The Academy shall employ an Academy Director who will work on-site at the Academy and report directly and only to the Academy Board. MM1 shall have no authority to hire, direct, supervise, evaluate, discipline, or fire the Academy Director.
- 1.3 The Academy and MM1 will consult with each other on personnel related issues; however, the personnel are exclusively MM1 employees and MM1 has exclusive and complete control and decision making authority over these areas. Whenever a timely response is requested (or is by its nature required), MM1 and the Academy agree to respond to any communication from the other as soon as possible but in no event more than forty-eight (48) hours from the origination of any such communication. Further, MM1 shall designate a contact person who is available to respond to Academy communication within such period.

II. TERM OF AGREEMENT

- 2.1 **Effective Date.** MM1 shall provide services commencing on July 1, 2018 (“Effective Date”). This Agreement shall remain in full force and effect through and including June 30, 2019 (“Term”), subject to a continued Contract from the Academy Board, continued state per pupil funding and the termination provisions contained in Section 2.2 below. The maximum term of this Agreement shall not exceed the length of the Charter the Agreement, and this Agreement shall be terminated at the end of the sixty (60) day written notice of termination period.
- 2.2 **Termination.** This Agreement shall remain in full force and effect until one of the following occurs:
 - (a) In the event one party shall be in Default under Section 6.6, the other party may immediately terminate this Agreement.
 - (b) During the Term of this Agreement, either party may terminate the Agreement with sixty (60) days written notice of intent to terminate and this Agreement shall be terminated at the end of the sixty (60) day written notice of termination period.
 - (c) If the Academy’s Charter Contract issued by the Central Michigan University (“CMU”) Board of Trustees is revoked, terminated or a new Charter Contract is not issued to the Academy after expiration of the Academy’s Charter Contract, this Agreement shall automatically terminate on the same date as the Academy’s Charter Contract is revoked, terminated or expires without further action of the parties.
 - (d) This Agreement shall automatically terminate in the event of a State-mandated shut down of the Academy.
- 2.3 **Dissolution / Bankruptcy.** This Agreement shall terminate automatically without notice to the Academy if a petition in Bankruptcy Court is filed by or against the Academy, shall have been voluntarily or involuntarily adjudicated bankrupt by any Court of competent jurisdiction, or if a petition is filed for reorganization of the Academy, or if a receiver shall have been appointed for all or a substantial part of the Academy’s business.

- 2.4 **Amendment Caused By Academy Site Closure or Reconstitution.** In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the State School Reform/Redesign Officer under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and Section 10.4 of the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and MM1 shall have no recourse against the Academy or the University Board/Authorizer for implementing such site closure or reconstitution.
- 2.5 **Obligation upon Termination.** On the termination of this Agreement by any party for any reason:
- (a) MM1 shall immediately notify in writing each Worksite Employee that his/her employment relationship with MM1 has been terminated, and
 - (b) The Academy shall immediately notify in writing each Worksite Employee that this Agreement has been terminated. The Academy shall reimburse MM1 for all Worksite Employee compensation and reimbursements pursuant to Section 3, if any, due through the date of termination of this Agreement.
 - (c) Upon termination or expiration of this Agreement, MM1 will assist in the transition to a new provider, self-management or dissolution in accordance with the Authorizer's Educational Service Provider Policies in conjunction with the scope of services of this Agreement.
- 2.6 **Timing of Termination.** The Academy and MM1 agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school year. If a breach cannot be remedied, the Academy and MM1 agree to work cooperatively to transition management and operations of the school without disrupting the school's operation. MM1 shall perform this transition in accordance with the Authorizer's Educational Service Provider Policies in conjunction with the scope of services of this Agreement.

III. PAYMENTS & FEES

- 3.1 **Initial Fee.** MM1 has agreed to waive the Initial Fee.
- 3.2 **Human Resources Management Service Fees.** The Academy shall pay all Human Resources Management Service Fees set forth in Schedule A for the Services rendered by MM1 pursuant to this Agreement (the "Fees"). All other fees that may be subject to this Agreement are also set forth by Schedule A. For new employees hired after execution of this Agreement (as opposed to the Effective Date), the Academy agrees to pay MM1 an Employee Processing Fee of fifteen (\$15) dollars per Worksite Employee as set forth in Schedule A.
- (a) The Academy's payment obligation shall continue during normal periods of Worksite Employee absence for vacation, sick leave, legal holidays and emergency situations.
 - (b) The Fees shall be payable during the entire Term of this Agreement and any unpaid fee shall be immediately due upon termination of this Agreement.
- 3.3 **Payment.** Payment shall be processed by wire transfer or by Automated Clearing House debit. Payments are due no later than the payroll check date unless the Academy chooses direct deposit for their paychecks ("Due Date"). In that case, payments are due two business days prior to the payroll check date.
- 3.4 **Reimbursements.** In addition to the Service Fees detailed in Schedule A, the Academy shall amend its budget and reimburse MM1 for any and all additional costs and expenses requested

and approved by the Greater Heights Academy Board of Directors (“Academy Board”) in writing in advance, and increases in Pass-Through Costs (see Schedule A) mandated by state law or regulation. Any increases in Fixed Costs (See Schedule A) shall be borne and paid by MM1, without reimbursement from the Academy. The Academy acknowledges that MM1 is the employer of record and in addition to the fees received by MM1 pursuant to this Agreement, MM1 shall retain all federal and state tax benefits, credits or deductions in consideration of services rendered to the Academy pursuant to this Agreement, including but not limited to IRS Sec 125 Plan benefits and savings. Further, the Academy shall reimburse MM1 for any benefits premium unnecessarily incurred by MM1 because a Worksite Employee is laid off or terminated during a benefit month (i.e., the prepaid cost of the premium for the remainder of the month following termination). In the event this Agreement is terminated by MM1, and the Academy has not fully paid all Fees and payments owing as of the date of termination, the Academy shall immediately pay MM1 for any Fees owing, payroll, benefit payments or other costs incurred with respect to Employees owing as of the date of termination. In the event MM1 procures equipment, materials or supplies on behalf of or as agent for the Academy such items shall be the property of the Academy provided MM1 is reimbursed for such costs without administrative charge.

- 3.5 **Late Payments.** All payments not made or sent by the Academy on or before the due date shall be subject to a late charge of three (3%) percent of the amount due. Checks returned from the Academy’s bank will be subject to the late payment charge of fifty (\$50.00) dollars plus any additional costs incurred by MM1. All amounts shall bear interest at the rate of one and one half (1 ½ %) percent per month, or portion thereof that such amounts remain unpaid.
- 3.6 **Modification.** Any required adjustment to Federal, State or local taxes shall be effective on the date of such adjustment or change. In the event MM1 fails to include the additional cost on the next invoice when due the same shall be due retroactive to the date of change, as mandated, and shall be due by the Academy upon receipt of the next invoice.
- 3.7 **Verification by the Academy.** The Academy will provide MM1 a true, correct and complete list of the Academy’s most recent payroll. MM1, through its Liaison, will verify all time submissions of Worksite Employees. If the Academy believes that there is an error in the Worksite Employees submitted time or payment, it shall be the responsibility of the Academy to communicate and provide written notice of the error. Until corrected, the Academy shall not deduct any amount from payment of its current invoice as a credit or setoff. Errors, upon verification, shall be corrected by an adjustment on the next invoice.
- 3.8 **Continuing Liabilities.** In the event that this Agreement is terminated, by either party, the Academy shall be responsible for any insurance or employment liabilities prepaid or incurred by MM1 with respect to the Worksite Employees in the ordinary course on a pro rata basis through the date of termination. Such charges shall be paid by the Academy to MM1 upon receipt of an invoice for such amounts.
- 3.9 **Unemployment Insurance Expense Reimbursement.** In the event of the sale, dissolution, liquidation, reorganization or closing of the Academy’s business which causes MM1 to terminate or lay-off any Worksite Employee assigned to the Academy under this Agreement, the Academy agrees to promptly reimburse MM1 for claims paid for Worksite Employees and related charges incurred by MM1 with respect to such employees prior to such sale, dissolution, liquidation, reorganization or closing of the Academy’s business.
- 3.10 **Workers Compensation Injury Reporting.** In order for MM1 to pro-actively manage workers compensation claims for the benefit of MM1 and the Academy, all work related injuries must be reported by the Academy to MM1 on a First Report of Occupational Injury form (supplied by MM1) within twenty-four (24) hours of injury. A fee of one hundred twenty-five dollars (\$125.00) will be charged to the Academy for each work related injury not properly reported within forty-eight (48) hours of occurrence, after the first failure to report within forty-eight (48) hours.

IV. WORK ENVIRONMENT & RELATED MATTERS

- 4.1 **Worksite Employees.** With MM1's guidance, the Academy shall comply with all safety, health and work laws, regulations and rules at its own expense. With MM1's guidance, the Academy shall also comply with all safe work practices and use of protective equipment required by federal, state or local law at the worksite locations. Accordingly, MM1 shall consult with the Academy, and the Academy shall have certain risks and responsibilities including but not limited to, premises liability, safety risks attendant to the ownership of premises and equipment (which are traditionally assigned to the owner of a business, location, or equipment).
- 4.2 **The Academy Responsibilities.** The Academy shall at its expense (i) comply with all applicable health and safety laws, regulations, ordinances, directives, and rules of controlling Federal, State and local government and (ii) will immediately report all employee accidents and injuries to MM1 by completing an Injury Report Form provided by MM1 within twenty-four (24) hours after the accident. The Academy shall provide or ensure use of all personal protective equipment, as required by Federal, State or Local law, regulation, ordinance, directive, or rule or as deemed necessary by MM1. MM1, MM1's workers compensation carrier and MM1's liability insurance carrier shall have the right to inspect the Academy's place of business at all times to insure compliance with this Section and with the terms of this Agreement. MM1, through its Liaison, shall be responsible for providing records of hours worked by the Worksite Employees. The Academy shall reimburse MM1 for any overtime pay that is or becomes due to or owed to any Worksite Employee.
- 4.3 **Annual Budget Preparation.** The Board will cause to be prepared an annual budget that shall conform to the State accounting manual and the Uniform Budgeting and Accounting Act, MCL 141.421 et seq. and in a form satisfactory to the Board and in compliance with the Charter Contract. The budget shall contain reasonable detail as requested by the Board and as necessary to comply with the General Accepted Accounting Practices (GAAP) standards. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy including, but not limited to, the projected cost of all services and programs provided by the Academy, rent and lease payments, debt service, maintenance and repairs to Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Academy. The proposed budget shall be submitted to the Board for approval not later than thirty (30) days prior to the date when the approved budget is required to be submitted to the Charter Board under the Contract. Upon approval by the Academy Board, copies of the budget will be given to MM1 personnel.
- 4.4 **Budget Reserve.** The Academy Board shall be responsible for determining the budget reserve amount to be included as part of the Academy's annual budget. Under Michigan law, the parties acknowledge and agree that the budget reserve may not be less than five percent (5%) of the State School Aid received by the Academy. The Academy shall be responsible for implementing fiscal policies that will assist the Academy in attaining a minimum five percent (5%) fund balance.
- 4.5 **Records.** All financial, educational and student records and related documents prepared by MM1 or otherwise created in connection with the rendering of services at the Academy's offices are the property of the Academy and shall be prepared in accordance with practices and procedures determined by MM1 and the Academy. Such records shall be maintained in secured files on the premises of MM1, and the Academy shall have access to such records at all reasonable times as authorized by law. The Academy may make copies of records necessary for it to perform its duties and obligations under this Agreement. MM1 shall make any and all reports with regard to its employees required by applicable law and shall assist the Academy in timely complying with any and all compliance and reporting obligations it may have to the

Michigan and United States Departments of Education, the Charter Board or as otherwise mandated by applicable laws, rules and regulations.

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

V. REPRESENTATIONS & WARRANTIES OF THE ACADEMY

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

- 5.1 **Authorization.** The Academy has been duly authorized to execute and deliver this Agreement. The Academy's execution and performance of this Agreement will not, to the best of the Academy's knowledge, with or without the giving of notice or the passage of time or both, (a) violate the provisions of any law, rule or regulation applicable to the Academy; (b) violate any judgment, decree, order or award of any court, governmental body or arbitrator; or (c) violate the provisions of any separate contract, agreement or arrangement to which the Academy is bound.
- 5.2 **The Academy Employee Plans.** Except as communicated to MMI in writing prior to the execution of this Agreement:
- (a) **List of the Academy Employee Plans.** The Academy has supplied MMI with true and complete list of all pension, 401(k) benefit, profit-sharing, retirement, deferred compensation, welfare, insurance disability, bonus, vacation pay or severance pay and other similar plans, programs and agreements ("Academy Employee Plan") relating to the Worksite Employee(s). The Academy has delivered to MMI true and complete copies of all the Academy Employee Plans which have been reduced to writing, and all modifications for each Academy Employee Plan.
 - (b) **Retiree Benefits.** No Academy Employee Plan provides health or life insurance benefits for retirees.
 - (c) **Claims.** To the best of Academy's knowledge, there are no threatened or pending claims, suits or other proceedings by any of the Academy's former employees, plan participants, beneficiaries or spouses of any of the above, the IRS, the Pension Benefit Guaranty Corporation, or any other person or entity involving any Academy Employee Plan, including claims against the assets of any trust, involving any Academy Employee Plan or any right or benefits there under, other than ordinary pursuant to domestic orders.
 - (d) **Controlled Group.** The Academy is not a member of a "controlled group of corporations" as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended.
- 5.3 **Government Investigations.** The Academy has fully disclosed to MMI all government investigations, lawsuits or other adversary proceeding involving the Academy for five (5) years preceding the execution of this Agreement.
- 5.4 **Contracts and Commitments.** Prior to the execution of this Agreement, the Academy has provided MMI a true and correct copy of each of the following with respect to the Academy's former employees: all collective bargaining, trust, non-competition, employment and

consulting agreements, executive compensation, employee stock option and stock purchase, and group life, health and accident insurance and other similar plans, agreements, memoranda or understanding, arrangements or commitments regarding Academy employees to which the Academy is a party or by which the Academy is bound.

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

5.6 **Employer Relations.**

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

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

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

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

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

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

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

VI. COVENANTS OF PARTIES

- 6.1 **Criminal Background Checks.** MM1 and the Academy acknowledge that all Worksite Employees, or any other personnel provided by MM1 to the Academy must be in compliance with all the Academy policy, procedures, rules and regulations. The School Leader shall conduct criminal background checks on all MM1 employees that are assigned to the Academy and all subcontractors assigned to regularly and continuously work under contract at the Academy, as required by law. MM1 shall conduct unprofessional conduct checks on all of its employees that are assigned to the Academy. MM1 agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b and related provisions of the Code pertaining to criminal background checks and criminal conduct. MM1 shall require that the results of the unprofessional conduct check are received, reviewed and used (subject to a verification process) by the School Leader, acting on behalf of the Academy and /or Board, only as permitted by law to confirm that the individual does not have a criminal history and to evaluate the qualifications of the individual for his/her assignment. MM1 shall follow all applicable laws as it relates to this Section 6.2
- 6.2 **Liability Insurance.** The Academy shall furnish upon signing this Agreement and keep in full force and effect at all times during the Term of this Agreement general liability insurance in an amount not less than one million (\$1,000,000) dollars. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. MM1 and the Academy shall maintain such policies of insurance as required by the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) and the Academy's Charter Contract issued by the CMU Board of Trustees (the "Charter Contract") or Applicable Law. In the event that CMU or M.U.S.I.C. requests any change in coverage by MM1, MM1 agrees to comply with any change in the type or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change.
- 6.3 **Sexual Molestation/Abuse Coverage.** The Academy, MM1 and any subcontractor of the Academy or MM1 shall obtain and maintain a sexual molestation/sexual abuse policy of insurance relative to students as required by M.U.S.I.C. and the Contract.
- 6.4 **Motorist Insurance.** In the event that a MM1 employee is assigned to fill a job function requiring the employee to operate a vehicle for the Academy, the Academy shall furnish liability insurance. The policy shall insure against public liability for injury and property with a minimum combined single limit of five hundred thousand (\$500,000) dollars. The policy shall include uninsured motorist coverage with limits of no less than one hundred thousand (\$100,000) dollars. In states where "no-fault" laws apply, equivalent personal injury and property damage coverage shall be included. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. This coverage period shall survive this Agreement.
- 6.5 **Indemnification.**
- (a) **The Academy.** To the extent permitted by law, the Academy agrees to defend, indemnify and hold harmless MM1, its officers, directors, shareholders, agents and employees from any claims made by Worksite Employees for any claims, demands, losses, costs, fees, penalties, fines or damages arising from any actions, conduct or omissions of the Academy or its officers, directors, shareholders, agents or employees. Such claims shall include, but are not limited to, charges of discrimination brought through the State Department of Labor, the Equal Opportunity Commission, the Workers' Compensation Bureau (or such similar department, commission or board other than State), fees and lawsuits alleging failure to comply with Federal and State wage and hour laws, wrongful termination, discrimination, denial of due process or other employment-related causes of actions resulting from employee discipline or termination. The Academy shall defend and indemnify MM1, its officers, directors, shareholders, agents and employees from employee claims of sexual harassment by the Academy. The Academy shall be entitled to select its counsel and counsel for this

indemnification provision. The duty to defend includes the right to pay actual attorney's fees incurred in defending such claims, and the duty to indemnify includes the duty to pay any award imposed by an administrative agency, judgment or settlement against MM1.

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

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

6.6 **Default.** Either party shall be in "Default" under this Agreement if following ten (10) days written notice from the other (provided, however, such period shall be extended for an additional reasonable period if the default is of a non-monetary nature and is such that it cannot be cured within ten (10) days and the party has diligently commenced the curing of such default and is diligently pursuing the same to completion) the party has failed to cure a material breach of this Agreement or any bankruptcy, receivership or insolvency proceeding is instituted by or against the party. Any action or inaction by MM1 pertaining to this Agreement that is not cured within sixty (60) days of notice thereof which causes the Charter Contract to be revoked, terminated, suspended or to be put in jeopardy of revocation, termination or suspension by Central Michigan University is a material breach.

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

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

(b) The Academy shall, upon request by MM1, make available comparable employment opportunities to Worksite Employees eligible for reinstatement following leave as required by

the Family & Medical Leave Act (“FMLA”) or any comparable law, the Academy shall bear the sole cost of compliance for any Worksite Employee eligible for reinstatement under the FMLA unless such noncompliance is caused by MM1.

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

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

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

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

- 6.8 **Property Rights.** With exception of curriculum or educational materials developed or copyrighted by MM1, the Academy owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by the ESP at the direction of the Academy Board with Academy funds. MM1 recognizes that educational materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

VII. REPRESENTATIONS & WARRANTIES OF MM1

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

- 7.1 **Authorization.** MM1 has been duly authorized to execute and deliver this Agreement. MM1’s execution and performance of this Agreement will not, to the best of its knowledge, with or without the giving for the passage of time or both, violate the provisions of any law, rule or regulation applicable to MM1.
- 7.2 **Government Investigations.** MM1 has fully disclosed to the Academy all government investigations, lawsuits or other adversary proceeding involving MM1 for five (5) years preceding the execution of this Agreement.

- 7.3 **Compliance.** MMI is in compliance with all Federal, State and local laws respecting employment practices, terms and conditions of employment, wages and hours, and is not engaged in any discriminatory employment or unfair labor practice. There are no arrearages in the payment of wages, taxes or workers compensation assessment or penalties.
- 7.4 **Student Confidentiality.** Except as permitted under the Code, MMI shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy student's education records. If MMI receives information that is part of an Academy student's education records, MMI shall not sell or otherwise provide the information to any other person except as provided under the Code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.
- 7.5 **Breach of Personally Identifiable Information.** The parties agree that in the event either party becomes aware of a data breach of personally identifiable information or education records as defined in Section 1136 of the Code, MCL 380.1136 ("PII") with respect to information not suitable for public release, the other party shall be immediately notified in writing. The parties then shall mutually meet and confer with respective legal counsel to determine appropriate steps to be taken as required by state or federal law.
- 7.6 **Employee Non-Compete Agreement.** MMI agrees that no contract with employees leased to the Academy shall contain a non-compete clause prohibiting employment with other educational institutions or employee leasing companies.
- 7.7 **Payment Obligations of MMI.** MMI acknowledges that until this Agreement is terminated or expires, it shall fulfill its responsibility to pay salaries, benefits, payroll taxes, worker compensation, unemployment compensation and liability insurance for employees leased to the Academy or working on Academy operations irrespective of whether MMI receives any advancement of costs or payment of services from the Academy

VIII. MUTUAL OBLIGATIONS

- 8.1 **Waiver of Subrogation.** Each party releases and discharges the other party, and any officer, agent, employee or representative of such party, from any liability whatsoever arising from the loss, damage or injury, for any reason, for which insurance is carried by the insured party at the time of such loss, damage or injury, to the extent of any recovery by the insured party. Provided, however, this paragraph shall not apply if its application would invalidate insurance protection.
- 8.2 **Mutual Cooperation.** The parties agree that, except where conflicts prevent it, they shall render to each other reasonable assistance and shall cooperate in good faith with each other to ensure the proper and adequate defense of any claim, action, suit or proceeding brought by a third party.
- 8.3 **Confidentiality.** The parties agree to cooperate in such a manner as to preserve and uphold the confidentiality of all business records and the attorney-client and work-product privileges, subject to the Michigan Freedom of Information Act ("FOIA") and the disclosure provisions of the Code.

IX. MISCELLANEOUS

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

- 9.2 **Independent Contractor.** MM1 is an independent contractor of the Academy and neither party is the agent of the other. The Academy agrees to define "school official" in the Academy's annual notification of rights under 20 U.S.C. §1232g, 34 C.F.R. §99, the Family Educational Rights and Privacy Act ("FERPA") to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, who is under the direct control of the Academy with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. §99.33(a) governing the use and redisclosure of personally identifiable information from education records. The Academy designates MM1 and certain of its employees as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. MM1 and its employees agree to comply with FERPA and corresponding regulations applicable to school officials.
- 9.3 **Enrolling New Worksite Employee.**
- (a) **Selection of Worksite Employees.** MM1 shall engage new Worksite Employees only as set forth below. The Academy, through its Academy Director, shall recommend all job candidates to MM1 for interview and potential hiring, and shall not offer employment to any individual without consent of MM1. MM1 shall employ and assign to the Academy all such qualified and certified classroom teachers, instructors and support staff that the Academy, through its Academy Director, approves and deems necessary to accomplish the educational mission of the Academy, and as provided in the Academy's approved budget and as directed by the Academy Board. Based upon recommendations by the Academy, MM1 shall make the final selection of all Worksite Employees assigned to the Academy. MM1 shall comply with the Immigration Reform and Control Act.
- (b) **Hiring, Evaluating, Supervising, Disciplining and Firing.** MM1 shall have the complete and exclusive authority and control over hiring, evaluating, supervising, disciplining and firing of Worksite Employees.
- (c) **MM1 Requirements.** MM1, or its designated subcontractor (approved by the Academy) shall be responsible for performing all pre-employment, background, license and eligibility review and other screening and investigation required by federal, state or local law, including the Code, as if employed by the Academy directly. Employment records of Worksite Employees shall be made available to the Academy upon request for purposes of auditing such records for compliance with applicable law. An FBI and State Police records check as required by the Code shall be obtained by the Academy and paid for by the Academy regarding each Worksite Employee for whom such records check has not already been completed.
- 9.4 **Assignment/Amendment.** This Agreement may not be assigned by either party without prior written consent of the other party and prior notice to CMU. None of the terms and provisions of this Agreement may be modified or amended except by an instrument in writing executed by each party. Any modification or assignment of this Agreement must be done in a manner consistent with CMU's Educational Service Provider Policies.
- 9.5 **Severability.** If any provision of this Agreement should be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected thereby and the provision deemed invalid, illegal, or unenforceable shall be construed and enforced to the greatest extent legally possible.
- 9.6 **Waiver.** Failure by either party to require performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any subsequent breach nor prejudice either party with regard to any subsequent action.
- 9.7 **Section Headings.** The Section Headings of this Agreement are for the convenience of the parties only and in no way alter, modify, limit or restrict contractual obligations of the parties.

- 9.8 **Forms.** The Academy shall utilize forms provided by MM1 unless otherwise required by law or regulation.
- 9.9 **Notices.** Any notice or other communication required by this Agreement shall be sufficiently given in writing and delivered personally, sent by confirmed facsimile transmission, overnight air courier (postage prepaid), or by registered or certified mail (postage prepaid with return receipt requested) addressed as follows:

For the Academy, to:

Greater Heights Academy
3196 W. Pasadena Ave.
Flint, MI 48504

with a copy to:

Gregory M. Meihn, Partner
Foley & Mansfield, PLLP
130 E. Nine Mile Road
Ferndale, MI 48220

For MM1, to:

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

with a copy to:

David L. Steinberg, Esq.
David L. Steinberg, P.C.
27777 Franklin Road, Ste. 2500
Southfield, MI 48025-4519

- 9.10 **Entire Agreement.** This constitutes the entire agreement between the parties with regard to the subject matter herein. No prior oral or written agreement, practice or course of dealing between the parties relating to the subject matter herein shall supersede this Agreement.
- 9.11 **Authorization.** The individual executing this Agreement is authorized on behalf of the Academy to bind the Academy to the terms set forth herein.
- 9.12 **Compliance with Academy's Contract.** MM1 agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by the Central Michigan University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this ESP Agreement."

[Signatures appear on next page following]

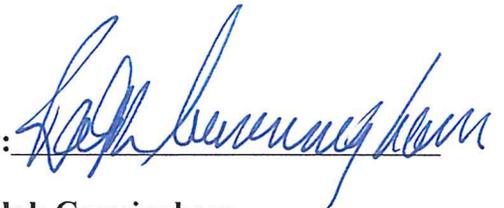
Greater Heights Academy
Board of Directors Member
3196 W. Pasadena Ave.
Flint, MI 48504

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

Greater Heights Academy,
a Michigan public school academy

MM1, Inc.,
a Michigan corporation

By: 
NAME: Mavin Miller
Its: Board of Directors Member
Dated: 6/25/18, 2018

By: 
Ralph Cunningham
Its: President
Dated: 6/20/2018, 2018

**ADDENDUM
TO EMPLOYEE MANAGEMENT SERVICES AGREEMENT DATED EFFECTIVE AS OF
JULY 1, 2018, BY AND BETWEEN GREATER HEIGHTS ACADEMY, A MICHIGAN
PUBLIC SCHOOL ACADEMY AND MM1, INC.**

This Addendum (this "Addendum") to the above-entitled Employee Management Services Agreement (the "Agreement") is effective the 1st day of July, 2018, by and between the Greater Heights Academy, a Michigan public school academy (the "Academy") and MM1, Inc., a Michigan Corporation ("MM1") with reference to the following:

RECITALS:

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

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

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

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

1. Academy Director, Academy Assistant Director, Director of Finance, and Director of Operations. The Academy shall employ its Director, Assistant Director, Director of Finance, and Director of Operations who will work on-site at the Academy and report directly and only to the Academy Board. The Academy Director, Assistant Director, Director of Finance, and Director of Operations are addressed in the Administrative Services Agreement executed contemporaneously herewith. MM1 shall have no authority to hire, direct, supervise, evaluate, discipline or fire the Academy Director Assistant Director, Director of Finance, or Director of Operations.

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

3. Personnel Requirements. The Academy, through its Academy Director, shall advise MM1 of the teachers, instructors, and administrators required by the Academy to perform its mission, as provided in the budget adopted by the Academy Board. Job descriptions and qualifications shall be consistent with Schedule 5 of the Charter Contract (as defined in the Agreement). MM1 shall comply with the Code with respect to the evaluation and compensation systems. (See Sections 1249 and 1250 of the Code). By July 15, 2018, the Academy Board shall adopt a personnel classification and pay plan and provide such plan to MM1. The Academy Board shall notify MM1 of any significant changes in the level of funding provided to the Academy.

4. Worksite Employee Handbook and Policies. MM1 shall provide the Academy with its handbook of personnel policies and procedures, which policies and procedures guide MM1 with respect to the discipline, layoff or termination of Worksite Employees. If a Worksite Employee has a problem or dispute regarding a co-worker, a student, parent, or any other matter, the Worksite Employee shall first bring the problem or dispute to the attention of the MM1 Liaison. If the problem

or dispute is not resolved in a reasonable time period, the Worksite Employee shall take the matter to MM1 and the Academy Director. If the issue continues and is related to a co-worker, the issue is to be resolved by MM1. If the issue continues and is related to a student or parent, the issue shall be referred to the Academy Board.

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

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

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

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

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

10. Payment. The Academy Board shall either pay or reimburse MM1 for approved fees or expenses upon properly presented documentation and approval by the Academy Board or a properly designated Academy Board member. The Academy Board may advance funds to MM1 for the fees or expenses associated with the Academy's operation provided that satisfactory documentation for the fees and expenses are supplied for Academy Board ratification. No corporate costs of MM1 shall be charged to, or reimbursed by, the Academy.

11. Academy Records. The financial, educational and student records pertaining to the Academy are Academy property and shall be kept confidential, subject to FOIA and the Code. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. Except as permitted under the Charter Contract and applicable law, this Agreement shall not restrict CMU's or the public's access to Academy records. All records should be kept in accordance with applicable State and Federal requirements.

12. Access to MM1 Records. All financial and other records of MM1 related to the Academy shall be made available to the Academy, the Authorizer upon request and the Academy's independent auditor, who shall be solely selected by the Academy Board.

13. Purchases. All equipment, materials and supplies purchased by MM1 on behalf of or as agent of the Academy, shall be and remain the property of the Academy. MM1 agrees to comply with the Code including, but not limited to, Sections 1267 and 1274 of the Code, MCL 380.1267 and MCL 380.1274, as if the Academy were making these purchases directly from a third party supplier. If MM1 procures equipment, materials and supplies at the request of or on behalf of the Academy, no added service charges or administrative fees shall be imposed.

14. Proprietary Rights. All curriculum and educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by MM1 at the direction of the Academy Board with Academy funds, shall be the sole proprietary property of the Academy. Those curriculum or educational materials previously developed or copyrighted by MM1, or that are developed by MM1 from funds from the Academy paid to MM1 as part of MM1's fee for services, shall be the sole proprietary property of MM1. All educational materials, from any source, as well as teaching techniques used by the Academy, are subject to disclosure under the Code and FOIA.

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

16. Marketing and Development. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program as approved by the Academy Board, and shall not include any costs for the marketing and development of the business of MM1.

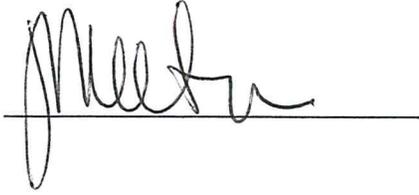
17. Performance Evaluation of MM1. The Academy Board may develop and implement a process for the review and evaluation of the performance by MM1 under the Agreement. The policies and procedures providing for any such evaluation process shall be provided in writing to MM1. The Academy Board shall communicate in writing to MM1 the results of any such performance review.

18. Compliance with Academy's Contract. MM1 agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by Central Michigan University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement. Any additional costs of compliance because of changes mandated by CMU will be borne by the Academy and MM1 equally, provided that any additional costs to MM1 shall be limited to its duties and obligations under this Agreement. The Academy and MM1 enter into this Agreement with the full understanding that the Educational Service Provider Policies, as amended June 1, 2018 (the "Policies") issued by CMU's Charter Schools Office may undergo revisions. The Academy and MM1 agree to amend the Agreement within sixty (60) days of the effective date of CMU's revised Educational Service Provider Policies to conform with such new policies, or as soon as mandated by CMU.

19. Required Disclosure. On an annual basis, MM1 shall provide the Academy Board all of the same information that a school district is required to disclose under section 18(2) of the State School Aid Act, MCL 388.1618(2), for the most recent school fiscal year in which the information is available. Within thirty (30) days of receiving the information under section 18(2), the Academy Board shall make this information publicly available on its website, in a form and manner prescribed by the Michigan Department of Education. MM1 shall be responsible to provide only the items MM1 is responsible for in conjunction with the scope of services in this Agreement.

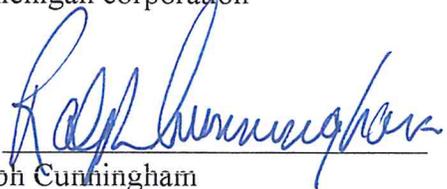
IN WITNESS WHEREOF, the parties hereto have executed this Addendum as of the date set forth above.

WITNESS:



A handwritten signature in blue ink, appearing to be 'Miller', written over a horizontal line.

MM1, INC.,
a Michigan corporation

BY: 
Ralph Cunningham
ITS: PRESIDENT

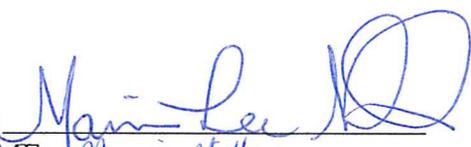
DATE: 6/20/2018, 2018

WITNESS:



A handwritten signature in blue ink, appearing to be 'M. Sawyer', written over a horizontal line.

GREATER HEIGHTS ACADEMY,
a Michigan public school academy

BY: 
NAME: Mavin Miller
ITS: BOARD OF DIRECTORS MEMBER

DATE: 6/25/18, 2018

SCHEDULE A
To Employee Management Service Agreement
Between MM1, Inc. and Greater Heights Academy

Pass-Through Costs/Reimbursements	Current Rates¹
Michigan Unemployment Tax	8.88%
Employer Portion of Social Security	6.20%
Employer Portion of Medicare	1.45%
Federal Unemployment Tax	0.06%

Fixed Workers Compensation Costs	Per \$100 of Earnings
Code: 8868 Teachers	.68%
Code: 8810 Clerical	.45%
Code: 9015 Bldg. Maintenance	6.99%
Code: 9058 Food Service	2.60%
Code:	

Fixed Fees	
Admin Fee, as a percentage of gross wages paid to Worksite Employees	4.0%
Employee Processing Fee (per new hire) ²	\$15.00

¹ Subject to change as mandated by state or federal law or regulation.

² Assessed only for new Worksite Employees hired after initial transfer and hire of Worksite Employees following execution of the Agreement.

CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

PHYSICAL PLANT DESCRIPTION

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.5, the Academy is authorized to operate at the physical facility or facilities outlined in this schedule. The Academy shall not occupy or use any facility until approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs' Bureau of Construction Codes and Bureau of Fire Services.

Physical Plant Description	6-1
Site Plan	6-3
Floor Plan.....	6-4
Second Amendment to Agreement of Lease with Option to Purchase.....	6-5
Assignment of Agreement of Lease with Option to Purchase.....	6-8
Agreement of Lease with Option to Purchase	6-10
Certificates of Use and Occupancy.....	6-66

1. Applicable Law requires that a public school academy application and contract must contain a description of and the address for the proposed physical plant in which the public school academy will be located. See MCL 380.502(3)(i) and 380.503(6)(f);

2. The address and a description of the site and physical plant (the "Site") of Greater Heights Academy (the "Academy") is as follows:

Address: 3196 W. Pasadena Ave.
Flint, MI 48504

Description: The Academy's Site consists of 13.34 acres of land in the northwest end of Flint in Mt. Morris Township. Located on the Site is a 32,100 square foot facility, one 24 x 30 outbuilding, a play structure, a pavilion, and a parking lot. The facility contains 14 classrooms, a computer lab, three intervention rooms, four student restrooms, two staff restrooms, office space, a conference room, teacher's lounge, kitchen and a gymnasium with a stage. A garage is attached to the back end of the facility.

Configuration of Grade Levels: Kindergarten through Sixth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Westwood Heights Schools
ISD: Genesee ISD

3. It is acknowledged and agreed that the following information about this Site is provided on the following pages, or must be provided to the satisfaction of the University Board or its designee, before the Academy may operate as a public school in this state.

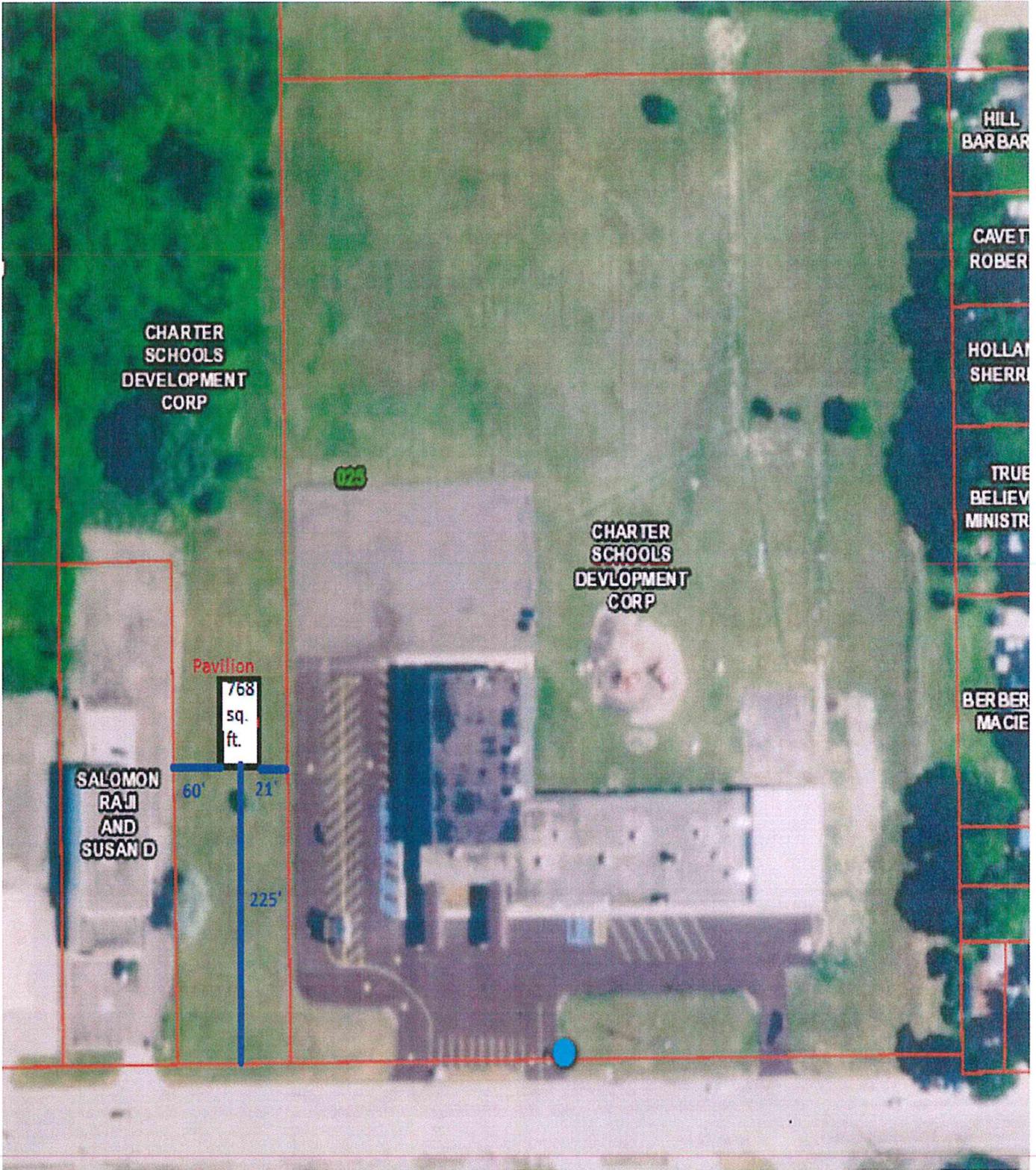
- A. Narrative description of physical facility
- B. Size of building
- C. Scaled floor plan
- D. Copy of executed lease or purchase agreement

4. In addition, the Academy and the University Board hereby acknowledge and agree that this Contract is being issued to the Academy with the understanding that the Academy cannot conduct classes as a public school academy in this state until it has obtained the necessary fire, health and safety approvals for the above-described physical facility. These approvals must be provided and be acceptable to the University Board or its designee prior to the Academy operating as a public school. In cases of disagreement, the Academy may not begin operations without the consent of the University Board or its designee.

5. If the Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the University Board must be amended pursuant to Article IX of the Terms and Conditions of Contract, to designate, describe, and agree

upon the Academy's physical facilities. The Academy must submit to the University Board or its designee complete information about the new site to be actually used. This information includes that described in paragraphs 2, 3 and 4 of this Schedule 6. It is acknowledged and agreed that the public school academy cannot conduct classes as a public school in this state until it has submitted all the information described above, to the satisfaction of the University Board or its designee, and the amendment regarding the new site has been executed.

6. Any change in the configuration of grade levels at the Site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions of Contract set forth above.



3196 W. Pasadena Ave.
Flint, MI 48504

**SECOND AMENDMENT TO AGREEMENT OF LEASE WITH OPTION TO
PURCHASE**

THIS SECOND AMENDMENT TO AGREEMENT OF LEASE WITH OPTION TO PURCHASE (together with both the Agreement of Lease with Option to Purchase and Assignment of Agreement of Lease with Option to Purchase shall collectively be referred to as "Lease") made as of the 17th day of Sept, 2015, by and between the **CHARTER SCHOOLS DEVELOPMENT CORPORATION**, a District of Columbia nonprofit corporation (hereinafter referred to as "**Landlord**"), and **GREATER HEIGHTS ACADEMY**, a Michigan nonprofit corporation (hereinafter referred to as "**Tenant**" or "**School**").

RECITALS:

A. On May 13, 2013, Landlord (through an affiliated limited liability company) leased to Tenant, certain real property consisting of approximately thirteen and 34/100 (13.34) acres and also known as 3196 West Pasadena Avenue, Flint, Michigan 48504 ("**Property**")

B. Landlord and Tenant desire to amend the Lease upon the terms and conditions as set forth herein.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties herein contained, and for other good and valuable consideration, the parties intending to be legally bound hereby covenant and agree to amend the Lease as follows:

1. All capitalized terms used herein shall have the same meaning as such terms in the Lease, unless otherwise defined in this Amendment. CSDCPC GHA, LLC shall be replaced in its entirety with Charter Schools Development Corporation, a District of Columbia nonprofit corporation. Landlord in all instances shall refer to Charter Schools Development Corporation.

2. In Section 2.A. the date of "June 30, 2023" shall be replaced with "June 30, 2025".

3. Section 3.A. shall be deleted in its entirety and replaced with the following:

"Base Rent. During the Lease Term, School covenants and agrees to pay to Landlord base annual rent ("**Base Annual Rent**") in eleven equal monthly installments payable from October through August ("**Base Monthly Rent**"). Base Annual Rent and Base Monthly Rent are sometimes hereinafter referred to as "**Base Rent**".

From July 1, 2015 through October 31, 2015, School shall pay Base Monthly Rent of \$11,978. From November 1, 2015 through the remainder of the lease term, Base Annual Rent shall be in an amount equal to one hundred twenty two percent (122%) of Landlord's Debt Service Coverage Payments for the Total Project Cost (both as hereinafter defined). As used herein, (i) the term "**Total Project Cost**" shall mean the aggregate of the actual, complete and

final “all-inclusive” out-of-pocket cost of Landlord to acquire the Property and complete the Landlord Work (collectively, the “**Project**”), including, but not limited to: the property acquisition costs and related closing costs; architectural, engineering and legal costs; application and permit fees and any other predevelopment soft costs associated with the design of plans to suit School’s needs and/or obtain the requisite governmental approvals for the Project; off-site improvements and horizontal on-site improvements; the hard costs of construction of the vertical improvements; all capitalized interest and other financing costs associated with the acquisition and development of the Project and any and all property taxes due and payable during the construction of the Landlord Work; capitalized rent described above; payments to third parties for title insurance and surveys and for operating expenses prior to the completion of the Landlord Work; and the cost of any interior “finishings” and building fixtures, but excluding moveable furnishings and equipment; and (ii) the term “**Debt Service Coverage Payments**” shall mean the sum of all the debt service payments for the Project, including payments with respect to the “**Financing**,” defined initially as the sum of: (a) a loan from Capital Impact Partners (the “**Senior Lender**”) in the form of an acquisition/construction loan to be secured by, among other things, a first lien on the Property (the “**Senior Financing**”); and (b) a loan from United Bank in an initial amount of approximately \$576,010, to be secured by, among other things, collateral in the form of a credit enhancement from Landlord (the “**Subordinate Financing**”), all as further described in the draft pro forma attached hereto as Exhibit C (the “**Pro Forma**”) and henceforth shall include any refinancing of the loans listed herein or any additional loans for improvements to the Property. All documents evidencing, securing or relating to the Financing are herein referred to collectively as the “**Financing Documents**”. The Developer’s Fee, as set forth in Section 4.C. is not included in the Total Project Cost if paid in full at the Lease Commencement Date, otherwise it shall be included in the Total Payment Cost.

By way of example only, and without establishing the Total Project Cost for the Project, assuming a Total Project Cost of \$2,016,010, at financing rates as set forth on Exhibit C, the Base Annual Rent beginning on November 1, 2015 is estimated to be \$275,161 and increasing, pursuant to the annual increase adjustment set forth in Subsections 4.B.

As noted herein, the Base Annual Rent shall adjust upon any and all adjustments of the Total Project Cost.”

4. Section 3.B. shall be deleted in its entirety and replaced with

“Effective on November 1 of each Lease Year after the 2015-2016 Lease Year, the Base Annual Rent shall be increased by the amount of one percent (1.00%) of the adjusted Base Annual Rent for the preceding Lease Year. This annual increase shall continue in full force and effect during any Renewal Term.”

5. All other terms and conditions of the Lease shall remain unchanged.

6. This Second Amendment to Agreement of Lease with Option to Purchase may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

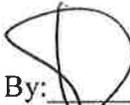
IN WITNESS WHEREOF, the Landlord and Tenant have caused this Lease to be executed by their duly authorized officers; all done as of the date first hereinbefore written.

ATTEST:



LANDLORD:

CHARTER SCHOOLS DEVELOPMENT CORPORATION

By: 

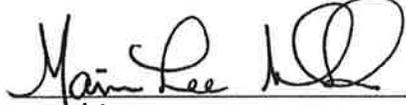
Name: Rebecca Secrest
Title: Vice President

ATTEST:



TENANT:

GREATER HEIGHTS ACADEMY

By: 

Name: MARVIN LEE MILLER
Title: BOARD PRESIDENT

ASSIGNMENT OF AGREEMENT OF LEASE WITH OPTION TO PURCHASE

THIS ASSIGNMENT OF AGREEMENT OF LEASE WITH OPTION TO PURCHASE (this "Assignment") is made as of the 31st day of December, 2013, by and between **CSDCPC GHA, LLC**, a Delaware limited liability company (hereinafter referred to as "Assignor"), **CHARTER SCHOOLS DEVELOPMENT CORPORATION** ("Assignee") and acknowledged by **GREATER HEIGHTS ACADEMY**, a Michigan nonprofit corporation and public school academy (hereinafter referred to as "School").

RECITALS:

A. Assignor purchased certain improved real property consisting of approximately thirteen and 34/100 (13.34) acres, situated in the City of Flint, Michigan and known as 3196 West Pasadena Avenue, Flint, Michigan 48504, together with all improvements thereon may collectively be referred to as the "Property" and leased the same to School ("Lease").

B. Assignor sold the Property to Assignee and Assignor wishes to assign all of its right, title and interest in the Lease to Assignee.

C. School acknowledges the sale and accepts the terms and fact of this Assignment.

NOW, THEREFORE, in consideration of the mutual promises herein and mutual covenants and agreements of the parties herein contained, and for other good and valuable consideration, the parties, intending to be legally bound, hereby covenant and agree as follows:

1. Assignor hereby assigns all rights, responsibilities, title and interest to the Lease to Assignor and Assignor accepts the same.
2. Assignee releases Assignor from any and all responsibilities arising or in connection with the Lease.
3. This Assignment may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

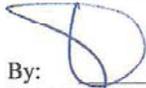
[Signatures Begin on Next Page]

IN WITNESS WHEREOF, Assignor and Assignee have caused this Assignment to be executed by their duly authorized officers; all done as of the date first hereinbefore written.

ASSIGNOR:

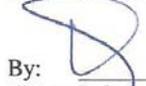
CSDCPC GHA, LLC

By: CSDC PROPERTY CORPORATION,
its sole member

By: 
Name: Rebecca Secrest
Title: Vice President

ASSIGNEE:

CHARTER SCHOOLS DEVELOPMENT
CORPORATION

By: 
Name: Rebecca Secrest
Title: Vice President

Acknowledged and accepted this 14 day of January, 2014

SCHOOL:

GREATER HEIGHTS ACADEMY

By: 
Name: MARVIN LEE MILLER
Title: BOARD PRESIDENT

AGREEMENT OF LEASE WITH OPTION TO PURCHASE

THIS AGREEMENT OF LEASE WITH OPTION TO PURCHASE (this “**Lease**”) is made as of the 13th day of May, 2013, by and between **CSDCPC GHA, LLC**, a Delaware limited liability company (hereinafter referred to as “**Landlord**”), and **GREATER HEIGHTS ACADEMY**, a Michigan nonprofit corporation and public school academy (hereinafter referred to as “**School**”).

RECITALS:

A. Landlord has contracted to purchase certain improved real property consisting of approximately thirteen and 34/100 (13.34) acres, situated in the City of Flint, Michigan and known as 3196 West Pasadena Avenue, Flint, Michigan 48504, as more particularly described on Exhibit A attached hereto and made a part hereof, together with all improvements thereon may collectively be referred to as the “**Property**”.

B. Landlord shall construct certain improvements on the Property, as agreed to by School, (collectively, the “**Improvements**”) such construction work is more particularly described in Section 1.C. of this Lease and Exhibit B attached hereto and made a part hereof.

C. Contingent upon Landlord’s successful closing on the purchase of the Property, School desires to lease the Property from Landlord, and Landlord desires to lease the Property to School, for the rentals and upon the terms and conditions herein set forth.

D. Landlord and School desire to confirm in writing the terms of their agreement and understanding pertaining to the foregoing lease of the Property.

NOW, THEREFORE, in consideration of the rents herein reserved by Landlord to be paid by School, and the mutual covenants and agreements of the parties herein contained, and for other good and valuable consideration, the parties, intending to be legally bound, hereby covenant and agree as follows:

1. PREMISES.

A. Premises. Subject to the terms and provisions contained in this Lease and contingent upon Landlord’s purchase of the Property, Landlord hereby exclusively rents, demises and leases to School and School does hereby take, hire and lease from Landlord for the Lease Term (as hereinafter defined), and at the rentals and other terms, conditions and covenants more fully described below, the Property.

B. Applicable Law. Leasing to School of the Property is subject to all building restriction lines, other restrictions and rights imposed on the Property or held therein by governmental authorities having jurisdiction thereof, and is subject to all applicable governmental laws, codes and regulations.

C. Delivery of Premises. Landlord shall cause to be completed, at its sole cost and expense, certain improvements and alterations to prepare the Property for School's use and occupancy, as more fully described in the Scope of Work on Exhibit B attached hereto (the "**Landlord Work**"). Landlord shall obtain requisite permits and bids, which shall be consistent with the accepted Scope of Work on Exhibit B. All bids for the Landlord Work shall be shared with School upon request by School. Landlord shall perform improvements to the Premises substantially in accordance with the plans prepared by Bouma Construction, dated _____ (the "Plans"), a copy of which is attached hereto as Exhibit C-1 and in accordance with the Scope of Work attached hereto as Exhibit B. Any material changes to the Plans shall also be approved by School, with such approval not to be unreasonably conditioned, withheld or delayed. School shall provide its approval or specific comments to such changes to the Plans with ten (10) days of receipt thereof. Failure of School to provide specific comments within ten (10) days shall be deemed an acceptance of such changes to the Plans. For purposes of this Lease, changes to the Plans that do not materially change the cost of Landlord's Work shall not be deemed "material". In no event shall any such approval by School constitute any warranty by School to Landlord as to the adequacy of the design, workmanship or quality of any work or materials or impose any liability upon School in connection with the performance of the Landlord Work. Landlord expressly represents and warrants to School that, as of the "Lease Commencement Date" (as hereinafter defined), the Landlord Work shall be substantially complete and shall conform to the Plans and to all applicable governmental laws, statutes, ordinances, rules and regulations including building, fire, life and safety codes, as such are required or imposed by applicable law. Landlord shall require that its contractors, subcontractors and manufacturers provide industry standard warranties on all building systems, roof, structural elements and general workmanship. Landlord shall assign all warranties to School. Landlord shall retain, in its sole discretion, a general contractor for the Landlord Work. Landlord shall be responsible for project management of the Landlord Work.

D. Improvements. The title to all alterations and improvements physically attached to the Property made, furnished or installed at or by the expense of either Landlord or School shall vest in Landlord upon the installation thereof. Improvements independently made by School ("**School's Work**"), if any, shall be performed in accordance with plans and specifications prepared on behalf of School and approved by Landlord, by a contractor approved in writing by Landlord, such approval not to be unreasonably withheld, conditioned or delayed. In no event shall any such approval by Landlord constitute any warranty by Landlord to School as to the adequacy of the design, workmanship or quality of any work or materials for School's intended use or impose any liability upon Landlord in connection with the performance of School's Work. Notwithstanding the foregoing, improvements to the Property costing less than \$25,000 in the aggregate may be made by School without Landlord's consent. School shall cause School's Work to be performed in accordance with such other reasonable conditions as Landlord may impose during performance of School's Work including a requirement that School's Work not interfere with the Landlord Work.

2. TERM OF LEASE.

A. Term. This Lease shall commence on the later of (i) such time as Landlord shall have substantially completed the Landlord Work at the Property, and Landlord's contractors have received permanent or temporary Certificates of Occupancy with the City of Flint, in accordance with the terms of this Lease or (ii) August 1, 2013 (the "**Lease Commencement Date**") and shall conclude on June 30, 2023, unless this Lease earlier terminates or expires by its terms (the "**Initial Term**"). The phrase "**Lease Year**," as used herein, shall mean each successive period of twelve (12) full consecutive calendar months during the term hereof running from July 1st through June 30th of each year, however the First Lease Year shall commence on the Lease Commencement Date and conclude on June 30, 2014. All rentals and other amounts payable by School under this Lease for the First Lease Year shall be pro-rated on a per diem basis and paid monthly for the months of October through July, and for any subsequent period consisting of less than a full Lease Year shall be pro-rated on a per diem basis and paid monthly. However, this Lease shall terminate without penalty if the School's charter contract is terminated or expires.

School agrees to vacate the Property at the end of the Lease Term (as hereinafter defined) hereof in the condition required under this Lease.

B. Renewal Term. Provided no Event of Default (as hereinafter defined) or event which, with the giving of notice or the passage of time, or both, would constitute an Event of Default, has occurred and is continuing hereunder, School shall have the option to renew this Lease for two (2) additional five-year periods beyond the Lease Term (each a "**Renewal Term**") at the same terms as set forth herein. The Initial Term and any applicable Renewal Term shall be referred to herein as the "**Lease Term**".

C. Marketing.

Prior to the Lease Commencement Date, Landlord shall provide School access to the Property for the purpose of School providing tours to prospective students and families, provided 48 hours advance notice is given to Landlord and that Landlord believes that such tours will not impair construction of the Landlord Work and that such tours can be conducted in a safe manner.

D. Hold Over.

(1) If School shall, with the knowledge and consent of Landlord, remain in possession of any of the Property after expiration of the Lease Term, and if Landlord accepts Rent (as hereinafter defined) from School for any period after such expiration, then School shall become a tenant by the month, commencing on the day next following the last day of the Lease Term, such monthly hold-over tenancy to be at the same Base Monthly Rent (as hereinafter defined) that applied during the month immediately preceding such holdover, and upon all other terms hereof, except that during such monthly hold-over tenancy, School shall give to Landlord at least thirty (30) days' prior written notice of any intention to quit the Property, and School shall be entitled to at least thirty (30) days' prior written notice from Landlord demanding School to quit the Property, except in the event of nonpayment of Rent in advance or the breach of any other covenant by School, in which event School shall not be entitled to any notice to quit, the

statutory notice (if any) and all other notices to quit being hereby expressly waived by School, to the extent permitted by applicable law.

(2) If School holds over after expiration of the Lease Term without Landlord's written consent, then (i) Landlord, at its option, may forthwith re-enter and recover possession of the Property by any legal process in force, School hereby waiving all notices to quit to the extent such waivers are permitted by applicable law, and School shall be deemed to be in default hereunder, and (ii) School shall pay to Landlord, in advance on the first (1st) day of each calendar month in any such holdover tenancy, monthly use and occupancy payments for the Property in an amount equal to one hundred twenty-five percent (125%) of the Base Monthly Rent applicable during the month immediately preceding such holdover. The aforesaid use and occupancy payments shall not be deemed to preclude Landlord from the recovery of any actual damages that it may suffer by reason of School's wrongful holdover.

E. Termination Confirmation. If this Lease is terminated pursuant to any provision hereof, School agrees to join with Landlord, promptly on Landlord's written request, in executing a memorandum confirming such termination. The provisions contained in this Subsection E together with the obligation of School to pay Landlord any Base Rent or Additional Rent (as hereinafter defined) which has accrued during the Lease Term but remains unpaid at expiration or termination hereof, whether billed or unbilled as of such date, shall expressly survive the expiration or termination of the Lease Term.

3. RENTAL; SECURITY AND RENTAL DEPOSIT.

School hereby covenants and agrees to take and hold the Property, as lessee of Landlord, for the Initial Term and any applicable Renewal Terms, and School covenants and agrees to pay to Landlord rental for the Property as set forth below in this Section 3.

A. Base Rent. During the Lease Term, School covenants and agrees to pay to Landlord base annual rent ("**Base Annual Rent**") in eleven equal monthly installments payable from October through August ("**Base Monthly Rent**"). Notwithstanding the foregoing, during the First Lease Year, School shall commence its Base Monthly Rent payments on the first day of November and the amounts that would have been due for September and October shall be capitalized into the Total Project Cost. Base Annual Rent and Base Monthly Rent are sometimes hereinafter referred to as "**Base Rent**".

For the first and second Lease Years, Base Annual Rent shall be in an amount equal to one hundred twenty percent (120%) of Landlord's Debt Service Coverage Payments for the Total Project Cost (both as hereinafter defined). As used herein, (i) the term "**Total Project Cost**" shall mean the aggregate of the actual, complete and final "all-inclusive" out-of-pocket cost of Landlord to acquire the Property and complete the Landlord Work (collectively, the "**Project**"), including, but not limited to: the property acquisition costs and related closing costs; architectural, engineering and legal costs; application and permit fees and any other predevelopment soft costs associated with the design of plans to suit School's needs and/or obtain the requisite governmental approvals for the Project; off-site improvements and horizontal

on-site improvements; the hard costs of construction of the vertical improvements; all capitalized interest and other financing costs associated with the acquisition and development of the Project and any and all property taxes due and payable during the construction of the Landlord Work; capitalized rent described above; payments to third parties for title insurance and surveys and for operating expenses prior to the completion of the Landlord Work; and the cost of any interior “finishings” and building fixtures, but excluding moveable furnishings and equipment; and (ii) the term “**Debt Service Coverage Payments**” shall mean the sum of all the debt service payments for the Project, including payments with respect to the “**Financing**,” defined initially as the sum of: (a) a loan from NCB Capital Impact (the “**Senior Lender**”) in the form of an acquisition/construction loan to be secured by, among other things, a first lien on the Property (the “**Senior Financing**”); and (b) a loan from United Bank in an initial amount of approximately \$240,064, to be secured by, among other things, collateral in the form of a credit enhancement from Charter Schools Development Corporation (the “**Subordinate Financing**”), all as further described in the draft pro forma attached hereto as Exhibit C (the “**Pro Forma**”) and henceforth shall include any refinancing of the loans listed herein or any additional loans for improvements to the Property. All documents evidencing, securing or relating to the Financing are herein referred to collectively as the “**Financing Documents**”. The Developer’s Fee, as set forth in Section 4.C. is not included in the Total Project Cost if paid in full at the Lease Commencement Date, otherwise it shall be included in the Total Payment Cost.

By way of example only, and without establishing the Total Project Cost for the Project, assuming a Total Project Cost of \$1,090,064, at financing rates as set forth on Exhibit C, the Base Annual Rent for the First Lease Year at nine months is estimated to be \$98,822 and for the Second Lease Year is estimated to be \$131,763, and increasing, pursuant to the annual increase adjustment set forth in Subsections 4.B and 4.C. below, to at least \$135,716 for the Third Lease Year.

As noted herein, the Base Annual Rent shall adjust upon any and all adjustments of the Total Project Cost.

B. Annual Increase. Effective on the commencement of each Lease Year after the second Lease Year, the Base Annual Rent shall be increased by the amount of one percent (1.00%) of the adjusted Base Annual Rent for the preceding Lease Year. This annual increase shall continue in full force and effect during any Renewal Term.

C. Payments. On November 1, 2013, School shall pay to Landlord the first installment of Base Monthly Rent in an amount equal to one tenth of the Base Annual Rent prorated based on the number of days from the Lease Commencement Date to June 30, 2014. Thereafter on the first day of each month until through July, each installment of Base Monthly Rent, in the applicable amounts as above described, shall be due and payable without deduction, notice, setoff or demand (except as otherwise provided in this Lease) during the Lease Term. School agrees that it shall irrevocably direct its authorizer, Central Michigan University (“**Authorizer**”) to make all Rent payments owed by the School to Landlord from funds the Authorizer receives from the State of Michigan according to the Rent Payment Schedule to be included in the State School Aid Payment Agreement as its Exhibit A. The form of the State

School Aid Payment Agreement is attached hereto as Exhibit 1 to Exhibit D. School agrees not to change such directive without Landlord's approval and any such change without Landlord's approval would be an Event of Default hereunder. All Base Rent payable by School under this Lease shall be paid from the Operating Account and (ii) all other sums due all other amounts due hereunder ("**Additional Rent**"; Base Rent and Additional Rent being hereinafter collectively referred to as "**Rent**", where no distinction is required) such payment shall be paid by School through its company check.

D. Time; Partial Payments. Regarding all rentals and other sums, and all covenants, agreements and obligations, to be paid or performed hereunder by School, time is hereby agreed to be of the essence. No payment by School or receipt or acceptance by Landlord or its agent of a lesser amount than the Rent herein stipulated shall be deemed to be other than on account of the earliest due Rent, nor shall any endorsement or statement on any check or any letter accompanying any check in payment of Rent be deemed an accord and satisfaction; and instead, Landlord may accept such check or payment without prejudice to Landlord's rights to recover the balance of such Rent and/or to pursue any other remedies.

E. Security and Rental Deposit; Rent Reserve. Tenant shall pay a security and rental deposit ("**Deposit**") to Landlord in the amount equal to Twenty One Thousand Nine Hundred Sixty One Dollars (\$21,961.00). The Deposit shall be paid in four (4) installments of Five Thousand Four Hundred Ninety Dollars and Twenty Five Cents (\$5,490.25) each, the installments shall be due on November 1, 2013, December 1, 2013, January 1, 2014 and February 1, 2014. The Deposit will be held by Landlord subject to such conditions and restrictions (if any) required by Michigan law and may be used by Landlord for payment of delinquent Rent or for any other monetary obligations of Tenant to Landlord under the terms of this Lease. The Deposit shall not accrue interest in favor of Tenant. In addition to the Deposit, Tenant shall make five annual payments of Ten Thousand Two Hundred Dollars (\$10,200) on September 1, 2014, September 1, 2015, September 1, 2016, September 1, 2017 and September 1, 2018 to be held by Landlord as additional security for Rent due hereunder ("**Rent Reserve**").

F. Reporting and Filing Requirements. School shall provide Landlord with:

(i) As soon as available the annual Michigan Department of Education School Report Card for the Tenant.

(ii) By September 1st of each year, the Central Michigan University Academic Performance Report for the Tenant.

(iii) By March 1st of each year, the Central Michigan University Annual Scorecard of School Performance for the Tenant.

(iv) By October 31st of each year, the total enrollment at the Tenant separated by grade and indicating the percentage of students that qualify for Free or Reduced Price Lunch.

(v) When it becomes available, a copy of the School's Fiscal Performance Report.

(vi) When it becomes available, a copy of the School's Operational Performance Report.

(vii) Within thirty (30) days following its annual issuance, and in any event no later than one hundred eighty (150) days following the end of each fiscal year, a copy of School's annual audited financial statements, as produced by the School's independent, certified public accountant, which shall include the consolidated financial statements of School, to the extent that School does not consolidate its financial statements for each of its schools, then School shall submit such statements for each school;

(viii) As soon as available but in any event no later than the forty-five (45) days following the end of each fiscal quarter of School, a copy of School's quarterly financial statements certified by an authorized signer of School, as true and correct;

(ix) At least thirty (30) days prior to the commencement of each school year, a copy of School's annual operating budget(s), as approved by School's governing board and submitted to the Authorizer;

(x) A copy of any Notice of Intent to Revoke issued by the Authorizer shall be provided to Landlord by the School within ten (10) days of receipt of the same;

(xi) A copy of any other financial or other reports of a material nature delivered to School by the Authorizer, within ten (10) days of receipt of the same;

(xii) A copy of all other financial reports required by the City of Flint, the Authorizer, or the Michigan Department of Education in the prescribed form required; and

(xiii) Such additional information, reports and statements respecting the operations and financial condition of School and/or the Property as Landlord may reasonably request from time to time in writing, but no more than thirty (30) days following such request.

G. Charter School Funds. School shall assign to Landlord all right, title and interest of School in and to, all Distributions up to but not to exceed the Rent due hereunder (as defined in the Collateral Assignment) it receives from the Authorizer pursuant to that certain Collateral Assignment and Security Agreement of even date herewith between Landlord and School (the "**Collateral Assignment**"), the form of which is attached hereto as Exhibit D. School agrees to cooperate with Landlord and Senior Lender and subordinate Lenders and execute all documents reasonably requested to be executed by them in order to secure their loans to Landlord.

H. Additional Indebtedness; Capital Expenditures. During the Lease Term, School shall not incur any additional indebtedness, or make capital expenditures in excess of Fifty Thousand Dollars (\$50,000.00), in the aggregate, without the written consent of Landlord. Additionally, School shall not lease or purchase any real property without Landlord's approval.

J. Additional Covenants.

1. School shall maintain a Current Ratio of Current Assets to Current Liabilities of not less than **1.20:1.00**.

2. School shall maintain a Lease Coverage Ratio of no less than **1.25:1.00**. The term "Lease Coverage Ratio" means the sum of Tenant's net income, lease expense, taxes, depreciation, and amortization *divided by* the Tenant's lease expense.

3. The School shall annually prepare and submit budgets that cause the School to maintain a Current Ratio of Current Assets to Current Liabilities of not less than **1.20:1.00**.

4. The School shall annually prepare and submit budgets that cause the School to maintain a Lease Coverage Ratio of no less than **1.25:1.00**. The term "Lease Coverage Ratio" means the sum of Tenant's net income, lease expense, taxes, depreciation, and amortization *divided by* the Tenant's lease expense.

5. School shall notify Landlord in writing of any change in the composition of its board of directors/trustees and its senior management within ten (10) days of obtaining knowledge of such change. For the purposes hereof, the term "Senior Management" shall include the positions of Principal, Assistant Principal, Curriculum Director, Dean of Students, Business/Financial Management and Executive Director.

6. School has obtained a charter in the name of School to operate at the Property (the "Charter"). The Charter is valid and in good standing and is a five-year charter terminating in June, 2017 and School shall timely make application to the Charter School Authorizing Agency, Central Michigan University ("Granting Authority"), to renew the Charter prior to its expiration and at the required intervals thereafter in order to keep its Charter valid and remain in good standing with the Granting Authority.

7. School shall comply with the financial reporting requirements set forth herein by Landlord and provide such other financial information as Landlord may reasonably request.

8. School shall covenant and agree not to perform any act or enter into any agreement that shall cause any revocation or adverse modification of its application to be or status as a nonprofit charter school and organization described in Section 501(c)(3) of the Internal Revenue Code, or carry on or permit to be carried on in the Property or permit such facilities to be used in or for any trade or business the conduct of which is not substantially related to the exercise or performance by School of the purposes or functions constituting the basis for its exemption under Section 501(c)(3) of the Internal Revenue Code if such use of such facilities would result in the loss of Borrower's exempt status under Section 501(c)(3) of the Internal Revenue Code.

9. School shall covenant and affirm that: (i) School has been granted “charter school” status under the applicable laws of the State of Michigan and is entitled to operate a charter school at the Property; (ii) School has no reason to believe that School’s charter will not be renewed in accordance with and as required by applicable laws of the State of Michigan; (iii) School’s charter to operate such charter school is in full force and effect; (iv) School is in compliance with all applicable terms and provisions of its public school charter and all applicable laws and requirements of the State of Michigan and each Granting Authority relating to the ownership and operation of charter schools generally and School’s charter school specifically; and (v) each and every other charter of School is in good standing and has not been revoked nor is any revocation or suspension pending or threatened.

10. Without the prior written consent of Landlord, School shall not acquire any other real or personal property or enter into, amend, modify and/or extend any lease for other real or personal property, except that School shall be permitted to enter into capital leases relating to tangible personal property that will be located at the Property and used in school operations (the “Permitted Capital Leases”).

4. BUILDING MAINTENANCE; OPERATING EXPENSES; REAL ESTATE TAXES AND ASSESSMENTS.

This Lease shall be deemed and construed to be a “net lease”, and School shall pay to Landlord, net, throughout the Lease Term, the Rent, free of any charges, assessments, impositions or deductions of any kind and without abatement, deduction or set-off whatsoever.

A. Operating Expenses. Provided that Landlord obtains and assigns the warranties to the extent possible as set forth and in compliance with Subsection 1.C of this Lease for the Sherman Property, School shall be responsible for all of the maintenance, repair and replacement, at its expense, of all structural portions of the Building and all other buildings and improvements located within the Property, including the roof and floor slabs, brick replacement or repair, and all building equipment and systems such as HVAC, electrical and plumbing systems and equipment. To the extent that School fails to maintain, repair or replace such structural portions of the Building improvements and building equipment and systems, Landlord shall have the right to enter the Property and perform such work. All of Landlord’s reasonable out of pocket costs associated with the responsibilities listed above shall be included as Additional Rent. School shall also be responsible for all additional operations, repair and maintenance of the Property. To the extent it is commercially feasible, all utilities servicing the Property shall be listed and contracted with the utility provider in School’s name and School shall contract directly with vendors of its choice for the services defined as “Operating Expenses” below. To the extent it is not commercially feasible for School to contract directly with utility providers and other vendors for such services, School further covenants and agrees to pay to Landlord as Additional Rent during the Lease Term and during any holdover term or Renewal Term, the Operating Expenses and (if applicable) Real Estate Taxes as defined in Subsection 4.B. below.

(i) “**Operating Expenses**” shall mean any and all reasonable out-of-pocket expenses incurred by Landlord in connection with the management of the Property, and, except as specifically set forth above as the responsibility of School, the operation, maintenance and repair of the Property, including but not limited to: utilities; water and sewer charges; casualty and liability insurance; repairs and maintenance; snow removal; cleaning; repair and maintenance of grounds; service or management contracts; Landlord’s general overhead and administrative expenses attributable to the Property; landscaping expenses; any other items listed as “Operating Expenses” elsewhere in this Lease; and the cost of capital improvements made to the Property which are (a) required under any governmental law or regulation that was not required of the Property at the time this Lease was executed, excluding those matters completed as part of the Landlord Work or (b) installed to improve the operating efficiency of any system within the Property with the good faith intent to reduce Operating Expenses (the said items described in (a) and (b) being defined herein as “**Permitted Capital Improvements**”), provided that such Permitted Capital Improvements shall be amortized over their useful lives as reasonably determined by Landlord and agreed to by School.

(ii) It is anticipated that all Operating Expenses will be paid directly by School and that Landlord will not pay any such Operating Expenses; however, if during the Lease Term Landlord does pay any such Operating Expenses, School will reimburse Landlord within thirty (30) days of written demand, which demand shall include all information necessary to fully explain the Operating Expenses paid by Landlord for which reimbursement is sought.

B. Real Estate Taxes.

(i) It is the intent of the parties that the Property shall be used for public charter school purposes, and therefore, the Property may be exempted from the payment of Real Estate Taxes as may be assessed or levied pursuant to state and/or local law. Landlord shall file an application with the appropriate governmental authority to seek such exemption. In the event such exemption is denied for any reason, School agrees to promptly cooperate with Landlord, in connection with the application and any hearings or other process seeking such exemption. Also in the event that such exemption is denied or the Property is otherwise subject to Real Estate Taxes, School covenants and agrees to pay the Real Estate Taxes levied against the Property in accordance with the terms and provisions set forth below; provided, however, that in the event School does not pay the Real Estate Taxes when due, Landlord or its assignee may pay such Real Estate Taxes and the amount paid shall be included as Additional Rent.

(ii) For purposes of this Lease, “**Real Estate Taxes**” shall mean all taxes, rates and assessments, general and special and including also any increases in tax rate and/or in assessed valuation, which are now or at any time(s) hereafter levied, assessed or imposed with respect to the Property, or measured by the gross rentals payable under this Lease; and including without limitation real estate taxes, all personal property taxes applicable to the Property, and assessments of any and every kind and nature whatsoever, and all unincorporated and other business license and/or franchise taxes, and any levies which may at any time be imposed and/or collected by any governmental, quasi-governmental or corporate entity. Real Estate Taxes shall

also include all of the costs (including, without limitation, attorneys' fees) incurred by Landlord to sustain an existing exemption or assessment, reduce a proposed increase in assessment or (with the exception of the application referred to in Subsection 4(B)(i), above) in an attempt to obtain an exemption. If the system of real estate taxation shall be altered or varied and any new tax or levy shall be levied or imposed on the Property and/or on any other elements thereof and/or on Landlord, in addition to or in substitution for real estate taxes and/or personal property taxes levied on immovables, including, without limitation, taxes on rents, then in any such event any such new tax or levy shall be included as "Real Estate Taxes" for purposes of this Lease. If Real Estate Taxes are reduced by, or credited with, any abatement or exemption issued by a taxing authority to help finance or reimburse Landlord for costs incurred and actually paid by Landlord to comply with laws or otherwise, then Real Estate Taxes hereunder shall be computed without regard to such abatement or exemption. School further agrees to pay all taxes imposed during the Lease Term upon or against School, or against School's income or interest in this Lease, or against personal property of any kind owned or leased by School or placed in, upon or about the Property by School, including any penalty and interest assessed thereon in the event of late payment. In the event that the taxing authority includes or calculates, in the over-all taxes to be paid by Landlord, the value of improvements or betterments made or installed by School on the Property, or machinery, equipment, fixtures or other assets of School, then School also shall pay when due all taxes to the extent applicable to such items.

C. Developer's Fee.

CSDC shall earn a Developer's Fee, equal to seven and one half percent (7.5%) of the Total Project Cost less the portion of the Total Project Cost (the "**Developer's Fee**"). The Developer's Fee shall be deemed earned and shall be payable on the Lease Commencement Date. If not paid at Lease Commencement Date, School shall pay the Developer's Fee, in equal monthly installments equal to 2% of the prior year's monthly rent payment, beginning on the first day of the Third Lease Year and continuing thereafter until the Developer's Fee has been paid in full. Any unpaid portion of the Developer's Fee shall be due and payable on the date on which this Lease terminates, whether by early termination or by expiration of the Lease Term, in accordance with its terms.

5. USE OF PREMISES.

A. School covenants and agrees to use the Property only (i) for the operation of a public charter school, including grades kindergarten through grade twelve (12), infant through pre-kindergarten childcare, summer school, parent workshops and related administrative uses, and before and after school care (including the use or leasing of residential structures by or to anyone involved in the operation of the public charter school on the Property) and (ii) for educational purposes ancillary or complementary to the operation of the Property as a public charter school (collectively, the "**Permitted Use**"), and for no other purpose whatsoever. It is expressly recognized that adult activities shall not be conducted during normal school hours on the Property, with the exception of customary parent-teacher conferences, parent-teacher association or board meetings and other school-related parent participation activities. It is

expressly recognized that operation of a school may include sports, dances, concerts, and other special events, or community events or activities, depending on space availability.

B. Throughout the Lease Term, School shall maintain and renew its charters, and, as requested by Landlord from time to time, shall provide Landlord with written evidence, in form and content reasonably satisfactory to Landlord, that School's charters to operate its public charter schools remain in full force and effect and that School continues to be in compliance with all applicable laws and requirements of each authority relating to the ownership, funding and operation of charter schools generally and School further covenants and agrees that it will perform and comply with all applicable laws, regulations, terms, conditions and agreements necessary to maintain its Charter School (as such term is defined in Exhibit E attached hereto and made a part hereof) status, and its continued eligibility to receive all public funding for which it, as a public charter school in good standing, is entitled. School further covenants and agrees not to perform any act or enter into any agreement that (i) shall cause any revocation or adverse modification of or otherwise jeopardize School's charters to operate public charter schools; (ii) shall adversely affect the funding and operation of School as a public charter school in accordance with all laws, regulations and requirements applicable thereto; (iii) would threaten or not permit School to continue to receive public funding; or (iv) would or could result in the curtailment of or ban on student enrollment and/or participation in School's school programs.

Neither Landlord nor School shall perform any act or enter into any agreement that shall cause the revocation, or any adverse modification of its status, if such status is achieved, as an organization described in Section 501(c)(3) or (4) of the Internal Revenue Code, or carry on or permit to be carried on any trade or business, the conduct of which is not substantially related to the exercise or performance by Landlord or School, as applicable, of the purposes or functions constituting the basis for its exemption under Section 501(c)(3) or (4) of the Internal Revenue Code if such trade or business would result in the loss of Landlord's or School's exempt status, if such status is achieved, under Section 501(c)(3) or (4) of the Internal Revenue Code.

C. School agrees to comply with the rules and regulations listed under Exhibit F, attached hereto and made a part hereof.

6. UTILITIES AND SERVICES AND ALTERATIONS.

A. Utilities and Services. Landlord and School shall endeavor to have all utilities provided to the Property in School's name and with School responsible for all costs for the utilities. If this is not commercially feasible, Landlord, at School's sole cost and expense, shall furnish water, heat, air conditioning, gas, and electricity required for the use and occupancy of the Property at the actual cost charged by the utility providers. School shall be responsible for the normal and routine maintenance of the Property including janitorial services which shall also be the sole responsibility of School. In the event any governmental entity imposes mandatory or voluntary controls or guidelines on Landlord, the Property or the Building or any part thereof, relating to the use or conservation of energy, water, gas, oil and electricity, or in the event Landlord is required to make alterations to the Property or the Building in order to comply with

mandatory or voluntary controls or guidelines, Landlord may, in its sole discretion, comply with such mandatory or voluntary controls or guidelines or make such alterations to the Property or the Building. Such compliance in the making of such alterations shall in no event entitle School to any damages, release School of the obligation to pay the full Rent due hereunder or constitute a constructive or other eviction of School.

B. Maintenance and Security By School. School agrees at all times, at its own expense, to maintain the Property in a safe, neat, clean and sanitary condition, and in compliance with all applicable governmental laws, codes, orders, rules, regulations and requirements and all insurance regulations. School agrees that it shall be solely responsible to provide, at its sole cost and expense, to the extent such costs and expenses have not otherwise been assessed by Landlord as “Operating Expenses” or otherwise, all customary, daily janitorial/custodial services and security services.

7. ALTERATIONS, IMPROVEMENTS AND FIXTURES

A. School shall neither make nor allow any alterations, additions or improvements to the Property or any part thereof, including those that will or may affect the structure, the mechanical, electrical, plumbing or HVAC systems of the Building or any other improvements on the Property, without the prior written consent of Landlord, which consent shall not be unreasonably withheld, delayed or conditioned. All of such alterations, additions or improvements, structural or otherwise, must conform to all requirements of any and all applicable laws, codes and regulations, including any municipal laws or local ordinances. Notwithstanding anything in this Section 7 to the contrary, School may make non-structural alterations the cost of which on a per project basis does not exceed Twenty-Five Thousand Dollars (\$25,000.00) without obtaining Landlord’s prior written consent.

B. If Landlord gives consent as specified in Subsection 7(A) above, Landlord may impose, as a condition to such consent, such requirements as Landlord, in its reasonable discretion, may deem necessary or desirable, including without limitation, the right to approve the plans and specifications for any work and the right to impose requirements as to the manner in which or the time or times at which work may be performed. Landlord shall also have the right to approve the contractor or contractors who shall perform any alterations, repairs, additions or improvements in, to or about the Property and to post notices of non-responsibility and similar notices, as appropriate.

C. Except for liens securing the Financing, each party shall keep the Property free from any liens, including, without limitation, those arising out of any work performed on, or materials furnished to, the Property, or arising from any other obligation incurred by the party. In no event shall one party be deemed to be the agent of the other party and no contractor of either party shall by virtue of its contract be entitled to assert any mechanic’s lien against the Property. If any mechanic’s or materialmen’s lien is filed against the Property, for work claimed to have been done for or materials claimed to have been furnished to either party, such lien shall be discharged by the party against whom it was filed within thirty (30) days thereafter, at the party’s sole cost and expense, by the payment thereof or by filing any bond or commencing any

contest required by law to prevent enforcement of such lien. If the party responsible for such lien shall fail to discharge any such mechanic's or materialman's lien, the party shall automatically be in default and the other party may, at its option, discharge or adjust the next installment of Rent as appropriate; it being expressly covenanted and agreed that such discharge by one party shall not be deemed to waive or release the default of the other party in not discharging the same. To the extent permitted by law, each party shall indemnify and hold harmless the other party and the Property, from all expenses, liens, claims, actions or damages to person or property in connection with any such lien or the performance of such work or the furnishing of such materials. Each party shall be obligated to, and each party reserves the right to, post and maintain on the Property at any time such notices as shall, in the reasonable judgment of the party, be necessary to protect the party against liability for all such liens or actions.

D. Any alterations, additions or improvements of any kind to the Property or any part thereof, including the Building, except School's furniture and trade fixtures, shall at once become part of the realty and belong to Landlord and shall be surrendered with the Property, as a part thereof, at the end of the Lease Term; provided, however, that Landlord may, by written notice to School prior to issuance of Landlord's original consent to any alteration, addition, fixture or other improvement, require School to remove any alterations, additions, fixtures or other improvements made by School, and to repair any damage to the Property caused by such removal, all at School's sole expense.

E. Any article of personal property, including business and trade fixtures, which were installed by School at its sole expense, shall be and remain the property of School and may be removed by School at any time during the Lease Term provided that School repairs any damage to the Property caused by such removal.

8. INSURANCE AND INDEMNITY.

A. No Liability. Landlord shall not be liable to School, its students, employees, agents, contractors, business invitees, licensees, customers, clients, family members or guests, and School, on its own behalf and on behalf of the classes of people identified in this sentence, hereby waives all claims against Landlord for any entry into the Property, or for any damage, compensation or claim to or by any person or property in or about the Property or the approaches, entrances, streets, sidewalks or corridors thereto, by or from any cause whatsoever, including without limitation, damage caused by any defect in the Building, or by water leakage of any character from the roof, walls, basement or other portion of the Building, or caused by gas, fire, oil, electricity or any cause whatsoever in, on, or about the Property or any part thereof, unless any of the foregoing is caused by the negligence or willful misconduct of Landlord, its agents, employees, contractors or representatives, or is covered by any guarantee or warranty from any contractor of Landlord. School shall immediately notify Landlord of any defective condition material in nature in or about the Property that requires immediate attention. Landlord shall not be liable, and School hereby waives all claims, for damages that may be caused by Landlord in reentering and taking possession of the Property as herein provided, unless such damages are caused by Landlord's negligence or willful misconduct.

B. School's Indemnity. To the extent permitted by law, School agrees, except to the extent of any injury or damage resulting from the negligence or intentional acts of Landlord, its agents, employees, contractors or representatives, to indemnify, defend with counsel acceptable to Landlord, and hold Landlord and its agents harmless from and against any and all cost, damage, claim, liability or expense (including reasonable attorney's fees) incurred by or claimed against Landlord, for any injury or damage to any person or property whatsoever, occurring in, on or about the Property or any part thereof, or occurring in, on or about the Building or any facilities thereof (including, without limitation, lobbies, elevators, stairways, passageways or hallways), to the extent such injury or damage shall be caused by the neglect, fault, act or omission of any duty with respect to the same by School, its students, employees, agents, contractors, business invitees, licensees, customers, clients, family members and guests. Any cost, damage, claim, liability or expense incurred by Landlord for which School is obligated to reimburse Landlord hereunder shall be deemed Additional Rent.

C. School Insurance. School shall maintain in effect at all times during the Lease Term, the following insurance coverage:

(i) Liability Insurance. Commercial general liability insurance insuring School against liability for bodily injury, property damage (including loss of use of property) and personal injury at the Property. Such insurance shall name Landlord, and Landlord's lender(s) as additional insured. The initial amount of such insurance shall be \$1,000,000.00 per occurrence, \$2,000,000.00 in the aggregate, and a minimum \$5,000,000.00 umbrella. The liability insurance obtained by School under this Subsection 8.C. shall be primary. The amount and coverage of such insurance shall not limit School's liability nor relieve School of any other obligation under this Lease. School shall take all necessary actions to bind all activities on the Property to the insurance coverage.

(ii) Workers' Compensation Insurance. Workers' Compensation Insurance (including Employers' Liability Insurance) in the statutory amount covering all employees of School employed or providing services at the Property, providing such benefits as are required by the State of Michigan.

(iii) Automobile Liability Insurance. Liability insurance, including but not limited to passenger liability on all owned, and hired vehicles used in connection with the Property, with a combined single limit per occurrence of not less than \$1,000,000 per vehicle for injuries or death of one or more persons or loss or damage to property.

(iv) Personal Property Insurance. Personal Property Insurance covering School's personal property and trade fixtures from time to time in, on, or at the Property.

D. General Insurance Provisions.

(i) Any insurance that School shall be required to maintain under this Lease, shall include a provision which requires the insurance carrier to give notice to all certificate holders

(which shall include Landlord and Senior Lender) in accordance with policy provisions prior to any cancellation or material modification of such coverage. If any insurance company refuses to provide the required notice, School or its insurance broker shall notify Landlord of any cancellation or non-renewal of any insurance within seven (7) days of receipt of insurers' notification to that effect.

(ii) Prior to the earlier of School's entry into the Property or the Lease Commencement Date, School shall deliver to Landlord an insurance company certificate that School has obtained the insurance coverages required herein and, throughout the Lease Term, not less than thirty (30) days prior to the expiration or termination of any insurance, School shall deliver to Landlord renewal certificates therefor. If School shall fail to deliver any certificates or renewal certificates to Landlord or if any such policy shall be canceled or modified in a manner materially adverse to Landlord during the Lease Term without Landlord's written consent, Landlord may, after ten (10) days written notice to School and School's failure to cure the same, obtain such insurance, in which case School shall reimburse Landlord, as Additional Rent, for the cost of procuring such insurance within ten (10) days after receipt of a statement of the cost of such insurance.

(iii) School shall maintain all insurance required under this Lease with a company or companies having a General Policy Rating of A-VI or better, set forth in the most current issue of the Best Key Rating Guide. Landlord and School, on behalf of themselves and their insurers, each hereby waive any and all rights of recovery against the other, or against the members, officers, partners, employees, agents or representatives of the other, for loss of or damage to its property or the property of others under its control, if such loss or damage shall be covered by any insurance policy in force (whether or not described in this Lease) at the time of such loss or damage. All property insurance carried by either party shall contain a waiver of subrogation against the other party to the extent such right shall have been waived by the insured prior to the occurrence of loss or injury.

E. Landlord Insurance. During the Lease Term, Landlord shall (i) insure the Building (excluding, however, any property that School is obligated to insure under Section 8(C)(iv) above) against damage with All-Risk insurance Commercial General Liability insurance, in an amount not less than 100% of the full replacement cost, without deduction for depreciation, or as required by any mortgagee of Landlord; and (ii) carry rent loss insurance. Landlord may, but shall not be obligated to, obtain and carry any other form or forms of insurance as it or Landlord's mortgagees may reasonably determine advisable including, without limitation, insurance against hazardous materials. All premiums for the insurance policies provided in this Section 8 shall be deemed an Operating Expense of the Property and shall be paid by School in accordance with the provisions of Section 4 above to the extent such insurance costs relate to the Property leased hereunder by School. Notwithstanding any contribution by School to the cost of insurance premiums, as provided herein, School acknowledges that it has no right to receive any proceeds from any insurance policies carried by Landlord.

9. ASSIGNMENT AND SUBLETTING.

A. Except as provided herein, School shall not sublease, assign, mortgage, pledge, hypothecate or otherwise encumber this Lease or its leasehold interest in the Property in whole or in part, nor sublet the Property in whole or in part, without Landlord's prior written consent, which consent may not be unreasonably withheld, conditioned or delayed provided the use of the Property is consistent with Section 5. No consent of Landlord to any assignment, subletting or mortgaging by School shall waive the necessity for Landlord's prior written consent to any further assignment or subletting; and the terms and conditions of any consents thereto (if given) by Landlord shall bind School, its mortgagees, assignees and sub-lessees.

B. No assignment or subletting, nor any consent thereto by Landlord, shall (i) result in a change in the use of the Property from the Permitted Use specified in Section 5, (ii) terminate or reduce any liability of School under this Lease unless consented to by Landlord in writing, nor (iii) be deemed to waive the necessity of obtaining Landlord's prior written consent to any further assignment or subletting.

C. Any assignment or subletting shall be made subject to all terms and provisions of this Lease, and shall not extinguish or reduce any of Landlord's or School's obligations under this Lease, including without limitation the obligation of Landlord to provide to any permitted assignee or sublessee the services of Landlord required hereunder.

D. School shall pledge and collaterally assign to Landlord, rents or other payments received from any sublessee up to the amount of Rent due Landlord under this Lease. School shall also collaterally assign to Landlord any such sublease to permit Landlord to collect rent under such sublease upon the occurrence of an Event of Default hereunder.

10. SUBORDINATION.

Subject to the provisions of this Section, this Lease and all rights of School hereunder shall be subject and subordinate to the mortgages securing the Financing, and to any and all renewals, modifications, consolidations, replacements and extensions thereof. Notwithstanding the foregoing, School's obligation to subordinate its interest in the Property to the mortgages securing the Financing is expressly conditioned upon such holder's execution of a mutually acceptable subordination, non-disturbance and attornment agreement ("**SNDA**") pursuant to which such holder agrees not to disturb, impair or extinguish School's possession or School's Purchase Option upon such holder's acquiring title to the Property so long as School is not then in default under this Lease beyond all applicable cure periods, and agrees to attorn to such holder following such acquisition of title. Landlord shall deliver to School mutually acceptable SNDAs for the deeds of trust securing the Financing before the Lease Commencement Date. Notwithstanding the subordination of this Lease as aforesaid, any future mortgagee under any mortgage replacing (but not increasing) the Financing may, by giving School written notice thereof, require that School enter into a new SNDA for the benefit of such new lender, the terms of which shall be substantially similar to the SNDA entered into with the existing Financing lender. Subject to the terms of the SNDA, School covenants and agrees, in the event of foreclosure of any such mortgage or deed of trust, to attorn to the purchaser upon such foreclosure sale and to recognize such purchaser as the landlord under this Lease. School agrees

to execute in recordable form and deliver, at any time and from time to time, within twenty (20) days after request of Landlord or the holder of the Financing or any replacements thereof, any instrument which, in the reasonable judgment of Landlord, or the Financing lenders or any replacement lenders under the Financing, may be necessary or appropriate in any such foreclosure proceedings or otherwise to evidence such attornment. School further waives the provisions of any statute or rule of law, now or hereafter in force, which may give or purport to give School any right or election to terminate or otherwise adversely affect this Lease, and the obligations of School hereunder, as a result of any such foreclosure. Any mortgagee or purchaser at foreclosure, who requests such attornment shall not (a) be bound by any prepayment of Base Rent for more than thirty (30) days in advance of the due date of such Base Rent or which School might have paid for more than the current month to any prior lessor (including Landlord), so that Base Rent shall be payable after such deed of trust or mortgage foreclosure or termination of the ground or underlying lease, as the case may be, in case of a requested attornment as aforesaid, in accordance with the terms of this Lease as if such prepayment of Base Rent for more than one month in advance had not been made; (b) be bound by any amendment or modification to this Lease or by any waiver or forbearance on the part of any prior lessor (including Landlord) made or given without the written consent of Landlord's mortgagees; (c) be liable for any act or omission of any prior lessor (including Landlord); nor (d) be subject to any offsets or defenses which School might have against any prior lessor (including Landlord); and furthermore, Landlord's mortgagees shall be discharged of any responsibility hereunder to School which may have arisen (by reason of the mortgagee becoming a mortgagee in possession, a lessor or otherwise) after such mortgagee disposed of its interest in the Property. School hereby agrees not to look to Landlord's mortgagees, as mortgagees, mortgagees in possession, or successors in title to the Property or to any leasehold interest in the Property for accountability for any security deposit required or held by Landlord hereunder, unless and to the extent that such sums have actually been received by said mortgagees as security for School's performance of or under this Lease.

11. EMINENT DOMAIN.

School agrees that if the Property, or any part thereof, shall be taken, condemned or acquired for public or quasi-public use or purpose by any competent public or quasi-public authority (the "**Taking Authority**"), whether by condemnation proceedings, lease or purchase (collectively and individually a "taking"), then Landlord and School shall share the value of any recovery according to the value of their respective property interests as such interests existed on the date of the taking. If all or a substantial part of the Property be so taken or acquired, the term of this Lease shall, at Landlord's or School's option, cease and terminate from the date on which title to the Property vests in the Taking Authority. If this Lease is terminated under this Section 11, then all Rent and other sums payable by School hereunder shall be adjusted and paid by School to Landlord at the later to occur of (a) the date School vacates the Property in compliance with this Lease, or (b) the date on which title to the Property vests in the Taking Authority. For purposes hereof, a substantial part of the Property shall be deemed to have been taken if, in Landlord's and School's reasonable judgment, the remainder of the Property not so taken is not reasonably usable or is not reasonably and economically repairable. If less than a substantial part of the Property is taken (a "**partial taking**"), then this Lease shall remain in force as regards the

portion of the Property not so taken. In the event of such partial taking, Base Rent shall abate if, and so long as School is unable to use and occupy the Property during the course of repairs thereof, such abatement to be in proportion to the rentable area of the Property rendered unusable by School for the purposes herein permitted until Landlord has substantially completed the restoration work. In such event, Landlord shall, at its own expense (provided that this Lease has not been terminated hereunder and that Landlord receives sufficient funds from the Taking Authority to pay therefor), restore the remaining portion of the Property (excluding School's fixtures, furnishings, equipment, and alterations, collectively herein called "**School's Restoration Work**," all of which School's Restoration Work shall be repaired and restored by School at its own expense in conformity with the applicable terms of this Lease) to the extent reasonably feasible to render such remainder reasonably suitable for the purposes for which they are leased hereunder; and Landlord shall make such repairs (if any) to the remainder of the Property as may be reasonably necessary to enable School to operate the Property for the Permitted Use and to resume occupancy. School shall fully cooperate with Landlord in all such efforts, and School will not commence or perform School's Restoration Work until Landlord has completed its work (unless otherwise permitted by Landlord). However, School may at its option and discretion terminate this Lease, with Rent adjusted to the date of termination, if any partial taking involving at least thirty-five percent (35%) of the Property occurs or if the partial taking involves a lesser amount of the Property and School can no longer conduct business operations at the Property in a manner similar to that conducted by School prior to any such partial taking. Nothing herein contained shall preclude School (provided it is not in default under this Lease nor subject to any Events of Bankruptcy (as hereinafter defined)) from prosecuting, at its own expense claims directly against the Taking Authority for loss of business, damage to, cost of removal of, or for the value of, trade fixtures, furniture, equipment and other personal property belonging to School. If this Lease is terminated pursuant to this Section 11, then School agrees to vacate the Property in accordance with this Lease within seven (7) days after such termination is effective.

12. WAIVER OF CLAIMS AND SUBROGATION.

Anything herein contained to the contrary notwithstanding, Landlord and School do each hereby release the other from any and all claims of liability for any loss or damage to their respective properties caused by fire or any of the other casualties covered by the risks included in extended coverage insurance to the extent of insurance proceeds received. This limited mutual release is given notwithstanding that such fire or other casualty shall have resulted from the act, omission or negligence of Landlord or School or their respective agents, employees, licensees or contractors. Landlord and School agree to cause their respective insurance policies covering the Building and/or the Property and contents thereof to contain an appropriate endorsement whereby the insurer agrees that the insurance policy and coverage will not be invalidated by reason of the foregoing waiver of the right of recovery against Landlord or School, respectively, for loss occurring to the properties covered by such policies, and whereby such insurers also waive any right of subrogation against Landlord and School (as the case may be). Each party will, upon request, deliver to the other a certificate evidencing such waiver of subrogation by the insurer. However, the provisions of this Section 12 shall not be operative during any period of

time when such “waiver of subrogation” feature is not available from insurance companies licensed to do business in the State of Michigan at nominal cost or no cost.

13. DAMAGE BY FIRE OR CASUALTY.

If the Property shall at any time during the Lease Term be partially damaged by fire or other casualty, Landlord shall (except as otherwise herein provided) promptly repair and restore the portions of the Property damaged by such casualty (the “**Landlord Repairs**”), but excluding any School’s Restoration Work, to substantially the condition thereof that existed immediately prior to the occurrence of such damage (subject to delays reasonably necessitated by time needed to adjust, settle and compromise insurance claims and to obtain governmental licenses and permits for such work, and subject to the other conditions contained in this paragraph). However, if the Landlord Repairs are so extensive that the costs of repair exceed the insurance proceeds available to Landlord to pay for the restoration and repairs inclusive of any deductible, Landlord, at its option and exclusive discretion, shall have the right to terminate this Lease by giving School written notice to that effect within forty-five (45) days following such casualty, unless School either elects to purchase the Property pursuant to the Purchase Option or to make the needed repairs at its expense. In addition, in the event Landlord does not notify School in writing within such forty-five (45) day period that the Landlord Repairs will be completed within one hundred eighty (180) days following such casualty, School at its option and exclusive discretion, may terminate this Lease by giving Landlord written notice of such termination. In the event of any such partial damage or total destruction of the Building, the Base Rent and all Additional Rent shall be abated from the date of the damage until the date Landlord substantially completes the Landlord Repairs (excluding any School’s Restoration Work, the same to be repaired by and solely at the expense of School upon Landlord’s notification to School that the Landlord Repairs have been substantially completed); such Base Rent and Additional Rent abatement to be in proportion to the area of the Property rendered unusable by School for the purposes herein permitted during the period of such usability. However, if the Building is partially damaged by fire or other casualty to such extent that School is unable to conduct the Permitted Use therein, then during the course and until substantial completion of the Landlord Repairs, all Base Rent and Additional Rent payable hereunder shall abate on a pro rata basis for the portion of the Building that School is unable to use. In no event shall Landlord be obligated to perform or pay for or provide any repairs or replacements of School’s trade fixtures or equipment or any other School’s Restoration Work; it being agreed that School, at its own expense, shall perform all such repairs and replacements, whether necessitated by casualty damage or otherwise. Further, in no event shall Landlord be obligated to expend any sums in excess of the insurance proceeds (inclusive of any deductible) made available to Landlord on account of the fire or casualty for the purpose of such restoration. School and School Parties (as defined in Section 27(A) below) will not interfere with, delay or alter any Landlord Repairs; it being agreed that there shall be no Base Rent or Additional Rent abatement during any period while any violation of this provision delays Landlord Repairs. If this Lease is terminated by Landlord pursuant to this Section 13, and provided that School does not elect to exercise its Purchase Option or to make the necessary improvements itself, then School agrees to vacate the Property in accordance with this Lease within seven (7) days after the date such termination is effective. In the event that School either elects to exercise its Purchase Option or to make the

necessary repairs, then, to the extent permitted to do so under the Financing documents, Landlord shall assign to School all insurance proceeds that may cover the losses resulting from the casualty.

14. LOSSES OR DAMAGE TO PROPERTY.

All personal property and other equipment and items of any kind belonging to School or School Parties located in or about the Property, shall be there at the sole risk of School, and in no event shall Landlord have any liability for any loss, damage or theft thereof from any cause whatsoever (School hereby indemnifying Landlord against any and all suits, actions and claims in regard thereto to the extent permitted by law) unless the same is occasioned by the gross negligence or intentional act of Landlord, its agents, employees, contractors or representatives.

15. COMPLIANCE WITH GOVERNMENTAL ORDERS.

School shall, at its own expense, at all times during the term of this Lease and any Renewal Terms or holdover terms or while School is occupying all or any part of the Property, fully, properly and promptly cause its use of the Property to comply with and abide by all laws, orders, ordinances, rules, regulations and requirements, as the same now exist or as the same may hereafter be enacted, amended or promulgated, of any Federal, State of Michigan, or City of Flint authority, and/or any department or agency thereof, and of the Board of Fire Underwriters, or any similar organization having jurisdiction thereof, and all insurance regulations, relating to the Property and/or School's specific use and occupancy of the Property or to the operation of the public charter school at the Property (collectively herein referred to as "**Laws**"). Subsequent to the completion of the Landlord Work, at all times while this Lease is in force, School, at its own expense, will obtain and keep in force and display on the Property all certificates of use and occupancy, and other governmental permits, licenses and authorizations required for the Property and School's business, use and occupancy thereof and thereat, and School will provide Landlord copies of said certificates, licenses and permits within ten (10) days after Landlord's written request. Following completion of the Landlord Work, School, at its own expense, agrees to promptly comply with all federal, state, county and municipal laws now or hereafter in force involving handicapped persons and means of access for such persons and facilities for their use that involve their use of the Property or affect the use or occupancy of or the conduct of business in or at the Property. Landlord shall, at its own expense, ensure that the entire Property as of the date School first occupies any or all of the Property, fully, properly and promptly complies with and abides by all Laws of any Federal, State, or City of Flint authority and/or any department or agency thereof, including but not limited to any Laws pertaining to Hazardous Materials, environmental concerns, or disability access.

16. BANKRUPTCY.

A. Events of Bankruptcy. For purposes of this Lease, the following shall be deemed "**Events of Bankruptcy**" of School: (i) if School becomes "insolvent", as defined in Title 11 of the United States Code, entitled "Bankruptcy", 11 U.S.C. Section 101 et. seq., as amended from time to time (the "**Bankruptcy Code**"), or under the insolvency laws of the State of Michigan

(“**Insolvency Laws**”); (ii) if a receiver or custodian is appointed for any or all of School’s property or assets; (iii) if School files a voluntary petition under the Bankruptcy Code or Insolvency Laws; (iv) if there is filed an involuntary petition against School as the subject debtor under the Bankruptcy Code or Insolvency Laws that is not dismissed within sixty (60) days of filing, or results in issuance of an order for relief against the debtor; or (v) if School makes or consents to an assignment of its assets, in whole or in part, for the benefit of creditors, or a common law composition of creditors. Notwithstanding anything in this Section 16 to the contrary, the terms and provisions of this Section 16 shall be subject to the provisions of the Bankruptcy Code as then in force.

B. Landlord’s Option to Terminate Lease. Upon the occurrence of an Event of Bankruptcy, or if School takes advantage of any Insolvency Laws, Landlord, at its option and sole discretion, may terminate this Lease by written notice to School (subject, however, to applicable provisions of the Bankruptcy Code or Insolvency Laws during the pendency of any action thereunder involving School as the subject debtor). If this Lease is terminated under this Subsection, School shall immediately surrender and vacate the Property, waives all statutory and other notice to quit, and agrees that Landlord’s obligations under this Lease shall cease from such termination date, and Landlord may recover possession by process of law or in any other lawful manner. Furthermore, if this Lease is terminated under this Subsection, Landlord shall have all rights and remedies against School provided in case of the default of School in payment of Rent (subject, however, to applicable provisions of the Bankruptcy Code or Insolvency Laws).

C. Assumption of Lease. If School becomes the subject debtor in a case pending under the Bankruptcy Code, Landlord’s right to terminate this Lease under this Section 16 shall be subject to the applicable rights (if any) of the trustee in bankruptcy to assume or reject this Lease as then provided for in the Bankruptcy Code. However, the trustee in bankruptcy must give to Landlord and Landlord must receive proper written notice of the trustee’s assumption or rejection of this Lease within sixty (60) days after the date of the trustee’s appointment or such longer period if any provided by applicable law (the “**Assumption or Rejection Period**”); it being agreed that the failure of the trustee to give notice of such assumption hereof within the Assumption or Rejection Period shall conclusively and irrevocably constitute the trustee’s rejection of this Lease and waiver of any rights of the trustee to assume or assign this Lease. The trustee shall not have the right to assume or assign this Lease unless said trustee (i) promptly and fully cures all defaults under this Lease, (ii) promptly and fully compensates Landlord for all monetary damages incurred as a result of such default, and (iii) provides to Landlord “adequate assurance of future performance” (as defined herein below). Landlord and School hereby agree in advance that “adequate assurance of future performance”, as used in this Subsection, shall mean that all of the following minimum criteria must be met: (a) School shall deliver to Landlord a security deposit in an amount equal to three (3) months’ Base Rent at the rate applicable hereunder, which deposit Landlord may apply toward curing any defaults of School under this Lease, (b) School must pay to Landlord all Rent and other sums payable by School hereunder, including also therein its share (as estimated by Landlord) of the cost of all services (if any) provided by Landlord (whether directly or through agents or contractors, and whether or not the cost of such services is to be passed through to School), in advance of the performance or provision of such services, and (c) School must agree (by writing delivered to Landlord) that the

use of the Property as stated in this Lease will remain unchanged. In the event School is unable to (i) cure its defaults, (ii) reimburse Landlord for its monetary damages, (iii) pay the Rent due under this Lease or any other payments required of School under this Lease on time, or (iv) meet the criteria and obligations imposed by (a) through (c) above in this Subsection, then School hereby agrees in advance that School has not met its burden to provide adequate assurance of future performance, and this Lease may be terminated by Landlord in accordance with Section 16(B) hereof.

D. Damages. It is further stipulated and agreed that, in the event of the termination of this Lease by the happening of any such event described in this Section 16, Landlord shall forthwith, upon such termination, and any other provisions of this Lease to the contrary notwithstanding, become entitled to recover as and for damages caused by such termination of this Lease all amounts permitted by applicable law.

E. Consent to Lift Stay. In the event that this Lease is terminated by notice and School shall thereafter seek protection under the Bankruptcy Code or any equivalent state Insolvency Laws or regulations, School (if a debtor-in-possession) agrees to consent to any application by Landlord to terminate the automatic stay provisions of the Bankruptcy Code or any Insolvency Laws on the grounds that there is no equity in the Lease as a result of the pre-petition termination notice.

17. DEFAULTS AND REMEDIES.

A. The following occurrences shall be deemed an “**Event of Default**” hereunder: if (i) School shall fail to pay the Rent or Deposit, or any installments thereof as aforesaid, at the time the same shall become due and payable although no demand shall have been made for the same or any other sums payable under this Lease when and as due as herein provided, and if such monetary default is not cured by School within seven (7) days after written notice thereof is sent by Landlord to School (or if School commits more than two monetary defaults in any calendar year, and thereafter any additional monetary default occurs in that calendar year, whether or not Landlord has given School notice thereof); (ii) School violates or fails or neglects to keep and perform any of the other covenants, conditions and agreements herein contained on the part of School to be kept and performed, and if such non-monetary default (other than failure to maintain insurance required of School hereunder) is not cured by School within thirty (30) days after written notice thereof is sent by Landlord to School, as extended for such additional period (not to exceed an additional ninety (90) days) reasonably necessary to cure such default if School acts diligently to do so and holds Landlord harmless from all liability, loss, costs, damage and expense arising from such default and provided such default does not materially jeopardize the value, safety or structural integrity of the Building nor subject Landlord or its agents to any liability or expense; (iii) School fails to keep in force any insurance required of it under this Lease; (iv) the Property shall become abandoned, vacant or deserted; (v) School fails to remain a public Charter School in good standing under the laws of the State of Michigan or under any other applicable regulation pertaining to School, or if School fails to qualify or remain eligible for public funding provided such change in eligibility or good standing is not due to a change in Michigan law or regulation, and further provided that the same is not cured within thirty (30)

days of Landlord's written demand; or (vi) the Lease is terminated prior to the expiration of the Term of this Lease. In connection with all of the foregoing events, provided School has not duly exercised its Purchase Option prior to Landlord taking possession of the Property, at the sole option and discretion of Landlord (and in addition to and not in limitation of Landlord's right to distraint for rent, and other remedies), this Lease and School's right of possession shall, in accordance with the law, thereupon cease and terminate, and Landlord shall be entitled to the possession of the Property and to re-enter the same and remove all persons and property therefrom, without additional demand of Rent or demand of possession of the Property, and may forthwith proceed to recover possession of the Property by process of law. In the event of such re-entry by process of law, School nevertheless agrees to remain answerable for any and all damage, deficiency or loss of Rent that Landlord may sustain by such re-entry, including reasonable attorney's fees and court costs; and in such case, Landlord reserves the full power, which is hereby acceded to by School, to relet the Property at the risk and expense of School. However, Landlord's rights and School's obligations under this Lease shall not be affected or reduced by Landlord's inability to relet the Property. In no event shall Landlord be required to accept any prospective lessee submitted by School. Any such reletting shall be only to such party or parties as Landlord may approve in its reasonable discretion. Any such reletting may be of all or any part of the Property, and may be for a term or terms less than or greater than the then remaining portion of the term of this Lease, all at Landlord's exclusive discretion. Such relettings shall be on such terms, rental and conditions as Landlord may reasonably determine, and in no event will School have any right to any excess of such net rents collected from re-lettings over the sums payable by School hereunder. Whether or not Landlord elects to terminate this Lease under this Section 16, School shall remain liable for all damages, deficiencies, loss, costs and expenses Landlord may sustain, including without limitation deficiency in rent, reasonable attorneys' fees, court costs, brokerage commissions, and all reasonable expenses incurred in preparing the Property for re-letting (including any necessary alterations, none of which shall be deemed to release School from liability hereunder). In no event shall Landlord be liable for its inability to re-let or to collect rentals under re-lettings, nor shall School be released from liability (nor shall School's obligations and liability under this Lease be reduced in whole or part) by reason thereof. Any damage or loss of Rent sustained by Landlord may be recovered from School, at Landlord's option, at time of re-letting, or in separate actions as said damages become determinable from re-lettings, or in a single action deferred until expiration of the Lease Term (in which case the cause of action shall not accrue until the expiration of the Lease Term), or in a single action prior to the re-letting or termination or expiration hereof. Nothing herein contained shall prevent Landlord from proving in full damages for Rent accrued prior to the termination hereof and not paid, and from proving under any applicable laws any amounts allowed thereby, and recovering such sums. It is further agreed that if, under the provisions hereof, applicable summary process shall be served, and a compromise or settlement thereof shall be made, such compromise or settlement shall not constitute a waiver of any subsequent breach of any covenant, condition or agreement herein contained, and that no waiver by Landlord of any breach of any covenant, condition or agreement herein contained shall be deemed to occur unless and only to the extent that such waiver is in writing signed by Landlord, and no such waiver shall operate as a waiver of the covenant, condition or agreement itself, or of any subsequent breach thereof.

B. In addition to and not in limitation of the other remedies in this Lease provided, in the Event of Default, Landlord shall be entitled to the restraint by injunction of any violation or attempted or threatened violation of any of the terms, covenants, conditions, provisions or agreements of this Lease.

C. The remedies of Landlord and School provided for in this Lease are cumulative and are not intended to be exclusive of any other remedies to which Landlord or School may be lawfully entitled. The exercise by Landlord or School of any remedy to which it is entitled shall not preclude or hinder the exercise of any other such remedy, nor constitute an election of remedies.

D. A defaulting party agrees to promptly on demand reimburse the other party for any expenses, including but not limited to court costs and reasonable attorneys' fees which the non-defaulting party may incur in enforcing its rights under this Lease, including, but not limited to, the collection of Rent, the securing of possession of the Property and the enforcement of the Purchase Option. In addition, if either party shall incur any charge or expense on behalf of the other party under the terms of this Lease because of such other party's failure to cure any Event of Default or other breach, then such charge or expense shall be repaid within fifteen (15) days after demand therefore.

E. If either party fails to fully, timely and properly pay and perform any covenants, duties, agreements, obligations or requirements that are payable by, imposed upon or otherwise required under any provision of this Lease, then the other party may, after giving at least ten (10) days' prior written notice (except that no notice shall be required in emergencies), make the payment or perform such matters, in which event the responsible party agrees to promptly reimburse the other party upon request all such payments and other costs and expenses incurred, together with interest on such amounts at the current Prime Rate (defined below) plus three percent (3%) per annum from the date the aforesaid expenses are advanced or incurred until repaid in full by the responsible party. No such sums advanced or work or other actions done or taken by a party shall relieve the other party, to any extent, from its covenants, duties, liabilities or obligations under this Lease, nor be deemed to be a waiver or acquiescence. The "**Prime Rate**" shall mean the "base rate" of interest per annum from time to time published by *The Wall Street Journal*, New York, New York, presently designated as the "Prime Rate" under the category of "Money Rates," as the same may fluctuate from time to time. In the event that the "Prime Rate" ceases to be published in *The Wall Street Journal*, then the Prime Rate hereunder shall thereafter be the prime rate publicly announced from time to time by CitiBank N.A. or its successor.

F. If Landlord shall fail to timely receive any installment or installments of Rent or any other amounts due and payable under this Lease, and if such failure is not corrected within seven (7) days after written notice thereof from Landlord, then School shall pay to Landlord, in addition to the rental or other sums so in default, a "late charge" in an amount equal to five cents (\$0.05) for each one dollar (\$1.00) so in default. Notwithstanding the foregoing, Landlord shall not be required to provide more than two such notices in any twelve month period, and any successive failure of Landlord to timely receive payment in such twelve month period after the

second such notice shall entitle Landlord to the aforesaid late charge without the necessity of further notice to School.

G. In the event that Landlord shall default in the performance of any covenant, condition or provision of this Lease, and such default remains uncured beyond any applicable cure period expressly provided herein or thirty (30) days, whichever is longer, from and after the date Landlord receives notice of such default from School (or such longer period (not to exceed an additional ninety (90) days) as may be reasonably required to cure such default with the exercise of due diligence and best efforts so long as Landlord promptly commences and diligently pursues such cure without interruption) (except in the case of emergency, in which case School shall have the immediate right to cure following notice to Landlord), School may, at its option, without waiving any claim for breach of Landlord's obligations, cure such default for Landlord at Landlord's expense, and Landlord shall reimburse School upon School's demand all reasonable costs and expenses incurred by School in curing Landlord's default. All such sums not reimbursed to School on demand shall accrue interest at the Prime Rate plus three percent (3%), and may be offset by School against Rent and other payments due under this Lease, if not paid within thirty (30) days. School shall have no right to terminate this Lease, however, unless Landlord violates School's quiet enjoyment of the Property; however in addition to the above, School may pursue any other legal remedy allowed at law or in equity, including injunctive relief and specific performance.

18. RIGHTS RESERVED BY LANDLORD.

Landlord reserves the right to itself, its agents, lenders, contractors and designees, to enter the Property at all reasonable times during normal business hours and at such other times as Landlord deems necessary and at any time in case of emergencies as follows: (i) for the making of inspections or repairs, as Landlord (without being obligated to perform) may deem necessary or desirable or for any other purposes involving the safety, protection or preservation of the Property or the Building; (ii) during the last six (6) months of the term hereof, to exhibit the Property to prospective tenants; and (iii) at all times during normal business hours, to exhibit the Property to existing lenders or to prospective mortgagees and purchasers. Landlord shall provide School at least two (2) business days' prior written notice of its desire for such access (except that no notice will be required in circumstances believed by Landlord to constitute an emergency). Landlord shall be accompanied by a School representative, to the extent School is able or desires to provide a representative, at all times during any visit to the Property during normal business hours. Landlord, upon ten (10) business days' prior written notice to School, may install and exhibit in or on the exterior of the Building or the Property "For Rent" signs and "Building For Sale" signs during the last six (6) months of the Lease Term, and School will not obstruct or interfere with such signs.

19. SURRENDER CONDITION.

By no later than the expiration or any termination of this Lease (unless and to the extent the Purchase Option has been exercised by School), School will surrender to Landlord possession of the Property, with all personal property owned by School removed from the

Property, and with the Property in good condition, appearance and repair, reasonable wear and tear excepted, broom clean, and free of occupants.

20. NOTICES.

All notices required under this Lease shall be given in writing and shall be deemed to be properly served by School if sent by first class certified or registered United States Mail, return receipt requested, postage prepaid, or by national overnight courier service, with delivery charges prepaid, addressed to Landlord at the address where Rent is then payable hereunder, with a copy to Macdonald + Macdonald PC, 10045 Red Run Boulevard, Suite 350, Owings Mills, MD 21117, Attention: Alan S. Macdonald, Esq. or to such other party and address as Landlord may from time to time designate in writing. Such notices shall be deemed to be properly served by Landlord if sent by first class certified or registered United States Mail, return receipt requested, postage prepaid, or by national overnight courier service, with delivery charges prepaid, addressed to School at _____, Attention: _____, with a copy to: _____, Attention: _____ or to such other party and address as School may from time to time designate in writing.

21. NON-WAIVER.

The failure of either party to insist, in any one or more instances, upon a strict performance by the other party of any of the covenants of this Lease, or to exercise any option herein contained, or to serve any notice, or to institute any action or summary proceedings, or otherwise to act as though this Lease had expired pursuant to any of the provisions of this Lease, shall not be construed as a waiver or relinquishment by such party for the present or future of such covenant or option, or right thereafter to serve notice and to have this Lease expire under any provision of this Lease, but such covenant or option shall continue and remain in full force and effect. The receipt by Landlord of Rent, with knowledge of the breach of any covenant hereof, shall not be deemed a waiver of such breach, and no waiver by Landlord of any provision hereof or breach thereof by School shall be deemed to have been made unless expressed in writing and signed by Landlord. The rights and remedies herein created are cumulative, and the use of one remedy shall not be taken to exclude or waive the right to the use of another.

22. ENTIRE AGREEMENT.

This instrument contains all the agreements made between the parties hereto, and is a complete integration of all of such parties' agreements and the parties shall not be bound by any oral or written agreements or correspondence not herein contained. This Lease may not be modified orally or in any other manner than by agreement in writing, signed by all the parties hereto or their respective successors in interest.

23. BINDING EFFECT OF AGREEMENT; SCHOOL'S RIGHT TO ACQUIRE PROPERTY.

A. Benefit of Successors. Except as otherwise expressly provided herein, the terms, covenants, conditions, obligations and agreements herein contained shall be binding upon Landlord and School and inure to the benefit of Landlord, School, and each of their respective heirs, executors, administrators, personal representatives, successors and assigns (subject however, to the restrictions upon School contained in Sections 9, 16 and 23(B) hereof).

B. Rights of School to Acquire Property.

(i) Option To Purchase Property. School will have the right at any time during the Lease Term to purchase Landlord's interest in the Property (the "**Purchase Option**") pursuant to the terms listed herein.

(a) Exercise of Property Purchase Option. School may exercise the Purchase Option by notifying Landlord in writing of its intention to exercise the Purchase Option ("**Purchase Option Notice**"). Closing of the purchase of the Property under the Purchase Option ("**Purchase Option Closing**") must take place within one hundred twenty (120) days of the date that the Purchase Option Notice is received by Landlord and prior to the end of the Lease Term.

(b) Purchase Option Price. The purchase option price for the Property under the Purchase Option (the "**Purchase Option Price**") shall be in an amount equal to the Total Project Cost plus the amount of any unpaid Developer's Fee and any past due Rent. Landlord shall provide School, within ten (10) days of School's written request, an annual accounting of the Total Project Cost and the Developer's Fee balance.

(ii) Assignment. The Purchase Option cannot be assigned by School to an entity that is not affiliated with School and, therefore, any assignment to a non-affiliated entity will not inure to the benefit of any such successor or assign of School, except with the written consent of Landlord, which consent may be granted or withheld in Landlord's sole and absolute discretion. Notwithstanding the above, School may assign such rights to an affiliated entity.

C. Purchase Option Closing. The Purchase Option Closing ("Closing") shall occur at the offices of the title company/escrow agent in the jurisdiction to be designated by School. The parties shall execute escrow instructions and such other documentation as shall be necessary to permit the close of escrow as contemplated herein. Within fifteen (15) days following the delivery of the Purchase Option Notice to Landlord pursuant to Subsection B(i) or B(ii), the parties shall execute a Purchase Agreement. Within thirty (30) days following the execution of the Purchase Agreement, School, at School's sole cost and expense, will obtain a current title commitment for an owner's title policy showing the status of title of the Property, as applicable, and all exceptions, including easements, restrictions, right-of-way, covenants, reservations and other conditions affecting the Property, committing the title company to issue its extended owner's title policy to School in the full amount of the purchase price for the Property at the close of escrow. School acknowledges receipt of the survey and title commitment for the

Property at the time of Landlord's purchase of the Property, and upon exercise of the Purchase Option, agrees to accept title to the Property subject only to the exceptions and notations found on that survey and the title commitment prepared by First American Title Insurance Company (file number _____), other than mortgages or deeds of trust liens referred to in the title commitment, which shall be released by Landlord at closing (collectively, the "**Permitted Exceptions**"). At the Purchase Option Closing, Landlord shall execute a warranty deed conveying title to the Property to School, subject only to the Permitted Exceptions. All closing costs and expenses associated with the purchase shall be shared equally by the parties.

D. Future Mortgages, Deeds of Trust and Liens. During the Lease Term, Landlord may permit new mortgages, deeds of trust or liens to be recorded against the Property; including (i) refinance the Financing (ii) finance improvements to the Property that may be requested by School in writing, with the understanding that Landlord shall have no obligation to agree to such financing, or other improvements to the Property deemed necessary by Landlord.

24. NO PERSONAL LIABILITY.

If Landlord shall sell, convey or otherwise transfer the Property or its interest therein, as permitted herein, and provided that at the time of such transfer Landlord is not in breach of any obligation imposed herein, and further provided that the new owner assumes all obligations of Landlord imposed herein, then Landlord shall be deemed released of all obligations accruing hereunder from and after the date of such transfer and the transferee shall be deemed the landlord hereunder. In all events, and at all times, Landlord's liability under this Lease shall be limited to its interest in the Property. Neither Landlord nor its agents shall have any personal liability in the event of any claim against Landlord arising out of or in connection with this Lease, the relationship of Landlord and School or School's use of the Property, except for acts of intentional and willful misconduct. In no event shall any officer, director, member, contractor or employee of Landlord or School, respectively, have any personal liability for any obligation, duty or covenant of Landlord or School, as applicable, under this Lease, the parties expressly recognizing that any such individuals are acting in a representative capacity only hereunder. Notwithstanding anything contained in this Lease to the contrary, School confirms that the covenants of Landlord are made and intended, not as personal covenants of the individual executing this Lease on behalf of Landlord, but solely in the exercise of the representative powers conferred upon the officer by Landlord. Neither School nor School's agents shall have any personal liability in the event of any claim against School arising out of or in connection with this Lease, the relationship of Landlord and School or School's use of the Property, except for acts of intentional and willful misconduct. Notwithstanding anything contained in this Lease to the contrary, School confirms that the covenants of School are made and intended, not as personal covenants of the individual executing this Lease on behalf of School, but solely in the exercise of the representative powers conferred upon the officer by School.

25. BROKERAGE.

School and Landlord warrant that no real estate broker has been involved in this transaction, nor shall any be entitled to a commission upon execution of this Lease. To the

extent permitted by law, each party to this Lease shall indemnify, defend and hold harmless the other party from and against any and all claims, actions or demands asserted against such other party by any real estate broker, finder or intermediary relating to any act of the indemnifying party in connection with this Lease. No brokerage commission shall be due to any real estate broker in the event School elects to exercise its Purchase Option.

26. SIGNS, EXTERIOR; NUISANCE.

School may install, subject to the conditions herein contained, exterior signage (the “**Permitted Signs**”) in compliance with all applicable laws. All such Permitted Signs must be of a size, color and design which are compatible with the appearance, color and design of the Building. All Permitted Signs shall comply with all applicable laws, codes and regulations, and insurance requirements. All costs of installing, maintaining, repairing and removing the Permitted Signs shall be paid by School. School shall keep all Permitted Signs in good condition, appearance and repair at all times, and will remove all such signs and repair all damage to the Building caused thereby prior to expiration or termination of this Lease. School will not paint, cut, disfigure or otherwise alter the brickwork, facades or other exterior portions of the Building, nor the roof, windows, doors or other elements of the Building, nor install any awnings or marquees, without Landlord’s prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned in each instance. School will not cause or permit any smoke, grease, oil, odors, vapors, or other substances, music, sounds, bright or flashing or blinking lights, vibrations or other activities or substances to emanate outside of the Premises, which do or might injure or disturb others or property of others, or which constitute a nuisance to others; and to the extent not expressly prohibited or restricted by law, School hereby holds Landlord harmless from any such activities and any suits, causes of action, claims, fines and prosecutions resulting therefrom.

27. HAZARDOUS MATERIALS.

A. School or any subtenant shall not transport, use, store, maintain, generate, manufacture, handle, dispose, release, discharge, spill or leak any “Hazardous Material” (as defined below), or permit any agent, employee, student, invitee or any other person or entity on the Property with the consent of School (“**School Parties**”) to engage in such activities on or about the Property. However, the foregoing provisions shall not prohibit the transportation to and from, and use, storage, maintenance and handling within, the Property of substances customarily and lawfully used in the business that School is permitted to conduct in the Property under this Lease (i.e., normal office use and school supplies typically used in the ordinary operation of a school in compliance with applicable Laws and insurance requirements and ordinary school science classes), but only as an incidental and minor part of such business, and provided: (i) such substances shall be properly and safely labeled, contained, used and stored only in small quantities reasonably necessary for such permitted use of the Property and the ordinary course of School’s business therein, strictly in accordance with applicable Laws, insurance requirements, and the manufacturers’ instructions therefor; (ii) such substances shall not be disposed of, released, discharged or permitted to spill or leak in or about the Property (and under no circumstances shall any Hazardous Material be disposed of within the drains or

plumbing facilities in or serving the Property or in any other public or private drain or sewer, regardless of quantity or concentration); (iii) if any applicable Law, insurance requirements, or Landlord's trash removal contractor requires that any such substances be disposed of separately from ordinary trash, School shall make arrangements at School's expense for such disposal in approved containers directly with a qualified and licensed disposal company at a lawful disposal site; (iv) any remaining such substances shall be completely, properly and lawfully removed from the Lease Premises upon expiration or earlier termination of this Lease; and (v) School shall comply with all Laws in connection with the removal and disposal of any such substances.

B. School shall immediately notify Landlord of (i) any inspection, enforcement, cleanup or other regulatory action taken or threatened by any regulatory authority with respect to any Hazardous Material on or from the Property or the migration thereof from or to other property; (ii) any demands or claims made or threatened by any party relating to any loss or injury claimed to have resulted from any Hazardous Material on or from the Property; (iii) any release, discharge, spill, leak, disposal or transportation of any Hazardous Material on or from the Property in violation of this Section, and any damage, loss or injury to persons, property or business resulting or claimed to have resulted therefrom; and (iv) any matters where School is required by Law to give a notice to any regulatory authority respecting any Hazardous Materials on or from the Property. Landlord shall have the right (but not the obligation) to notify regulatory authorities concerning actual and claimed violations of this Section. School shall immediately upon written request from time to time provide Landlord with copies of all Material Safety Data Sheets, permits, approvals, memos, reports, correspondence, complaints, demands, claims, subpoenas, requests, remediation and cleanup plans, and all papers of any kind filed with or by any regulatory authority and any other books, records or items pertaining to Hazardous Materials that are subject to the provisions of this Section.

C. If, during the Term of this Lease, any Hazardous Material is released, discharged or disposed of, or permitted to spill or leak by School or School Parties in violation of the foregoing provisions, School shall immediately and properly clean up and remove the Hazardous Materials from the Property and any other affected property and clean or replace any affected personal property (whether or not owned by Landlord) in compliance with applicable Laws and then prevailing industry practices and standards, at School's expense (without limiting Landlord's other remedies therefor). Such clean up and removal work ("**School Remedial Work**") shall be subject to the provisions of Section 6(C) of this Lease, including Landlord's prior written approval (except in emergencies), and any testing, investigation, feasibility and impact studies, and the preparation and implementation of any remedial action plan required by any court or regulatory authority having jurisdiction or reasonably required by Landlord. In connection therewith, School shall provide documentation evidencing that all School Remedial Work or other action required hereunder has been properly and lawfully completed (including a certificate addressed to Landlord from an environmental consultant reasonably acceptable to Landlord, in such detail and form as Landlord may reasonably require).

D. The term "Hazardous Materials" for purposes hereof shall include, but not be limited to: (i) any flammable, explosive, toxic, radioactive, biological, corrosive or otherwise hazardous chemical, substance, liquid, gas, device, form of energy, material or waste or

component thereof; (ii) petroleum-based products, diesel fuel, paints, solvents, lead, radioactive materials, cyanide, biohazards, infectious or medical waste and “sharps”, printing inks, acids, DDT, pesticides, ammonia compounds, and any other items which now or subsequently are found to have an adverse effect on the environment or the health and safety of persons or animals the release of which is regulated by Law, or the presence of which require investigation or remediation under any Law or governmental policy; and (iii) any item defined as a “hazardous substance”, “hazardous material”, “hazardous waste”, “regulated substance” or “toxic substance” under the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §9601, et seq., Hazardous Materials Transportation Act, 49 U.S.C. §1801, et seq., Resource Conservation and Recovery Act of 1976, 42 U.S.C. §6901 et seq., Clean Water Act, 33 U.S.C. §1251, et seq., Safe Drinking Water Act, 14 U.S.C. §300f, et seq., Toxic Substances Control Act, 15 U.S.C. §2601, et seq., Atomic Energy Act of 1954, 42 U.S.C. §2014 et seq., and any similar federal, State of Michigan or local Laws, and all regulations, guidelines, directives and other requirements thereunder, all as may be amended or supplemented from time to time. Hazardous Materials shall also expressly include asbestos containing materials.

E. School shall pay, prior to delinquency, any and all fees, taxes (including excise taxes), penalties and fines arising from or based on School’s or any School Parties’ activities involving Hazardous Materials on or about the Property, and shall not allow such obligations to become a lien or charge against the Property or Landlord. If School or any School Parties violates any provision of this Section with respect to any Hazardous Materials, Landlord may pursue such other remedies as may be available to Landlord under this Lease or applicable Law.

F. Landlord represents to School that, as of the date of this Lease, Landlord has not received any written notice of, and does not otherwise have actual knowledge of any Hazardous Materials at the Property in violation of any applicable Law. Landlord further represents and warrants, to Landlord’s actual knowledge, that no leak, spill, discharge, emission or disposal of Hazardous Materials in violation of applicable Law has occurred at, on or under the Property. Landlord agrees to indemnify, defend and hold School harmless from any claims by reason of (i) the breach by Landlord of its representations in this Section (F), unless such breach is caused by School or any School Parties or (ii) any spill, leak or discharge of Hazardous Materials by Landlord or any of its employees, agents and contractors in, on or under the Building or (iii) any spill, leak, airborne, or discharge of Hazardous Materials deemed by a qualified third party to have resulted from a condition existing prior to School’s first occupancy of the Property. Landlord shall not use Hazardous Materials in or about the Building except in the ordinary course of business of owning, managing, repairing and maintaining the Building as a school building and uses accessory thereto. Landlord further agrees that any such use of Hazardous Materials by Landlord in connection therewith shall be in compliance with all Laws. In the event (i) Hazardous Materials are discovered at the Property, (ii) the presence of such Hazardous Materials is found to be in violation of Laws, and (iii) neither the presence of such Hazardous Materials nor any contamination caused by such Hazardous Materials is caused by School or any School Parties, then Landlord, at Landlord’s sole expense, shall promptly commence to cure (or cause a cure to be made thereof) the violation of Law caused by the Hazardous Materials, and Landlord shall thereafter pursue such cure with reasonable diligence.

28. MISCELLANEOUS.

A. Severability. If any term or provision hereof, or any portion thereof, or the application thereof to any person(s) or circumstances shall, to any extent, be held by a court of competent jurisdiction to be invalid or unenforceable, then the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is so judicially held to be invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforceable to the fullest extent permitted by law.

B. Estoppels. Landlord and School agree, within ten (10) days after each request from the other party, to execute, acknowledge and deliver a statement in writing as reasonably requested and furnished by the other party certifying (if such in fact then is the case) that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as modified, and stating the modifications), and the date to which the Rent and other charges, if any, have been paid in advance, and the amount of any security deposit held by Landlord, and whether or not there is any existing default hereunder by Landlord or School known to School or Landlord, or notice of default served by Landlord or School (including the details of such defaults as known to School or Landlord), and any other matters the requesting party reasonably may specify; it being intended that any such statement delivered pursuant to this paragraph may be relied upon by the requesting party and by any prospective purchaser, mortgagee or assignee of any mortgage or holder of other interests in the Property.

C. Plural and Singular Context. Wherever required in the context, the singular number shall include the plural number, the plural number shall include the singular number, and the use of any gender shall be deemed to include all genders, as appropriate.

D. Governing Law. This Lease is made pursuant to, and shall be construed and enforced in accordance with, the laws of the State of Michigan. School and Landlord consent to be sued in an appropriate court in the State of Michigan and waive any claim of forum non conveniens or transfer of any action to any other court. The parties agree that the State of Michigan has a substantial relationship to the parties and to the underlying transaction.

E. Mediation. The parties agree to submit any dispute regarding this Lease to a third party mediator in the Flint metropolitan area prior to commencing any legal action to enforce the provisions of this Lease. The mediator shall be a person selected by the parties, or if the parties cannot agree, then the mediator shall be selected in accordance with the rules of the American Arbitration Association. The mediation shall occur within sixty (60) days of either party's written request. Both parties agree to use all reasonable efforts to complete such mediation in a timely manner; provided, however if notwithstanding the reasonable efforts of both parties to coordinate such mediation within such period of time, the mediation cannot be timely completed then the parties shall no longer be subject to the requirement to mediate. The costs associated with such mediation shall be shared equally by the parties.

F. No Joint Venture. Any intention to create a joint venture or partnership relation between the parties is hereby expressly disclaimed, it being agreed that their only relationship is that of lessor and lessee.

G. Jury Trial Waiver. Landlord and School each hereby waive all rights to trial by jury in any proceedings instituted by either party against the other concerning this Lease and/or the Property.

H. Recitals. The parties hereby incorporate into this Lease the recitals contained in the preamble.

I. Time. As used herein, the word “day” shall mean a calendar day, unless otherwise specified. “Business Day” shall mean a day which is not a Saturday, Sunday or legal holiday in the State of Michigan and any time period which expires on a day which is not a Business Day shall be deemed to be postponed until the next Business Day.

J. Captions. The captions in this Lease are inserted for convenience of reference only and do not define, describe or limit the scope of this Lease or any term hereof.

K. Marketing. Upon the execution of this Agreement, Landlord shall not market the Property for lease or sale except and unless School is in default hereunder or School does not exercise its Option to Purchase.

29. QUIET POSSESSION.

Landlord covenants that if and so long as there shall have occurred no Event of Default nor any Events of Bankruptcy affecting School, School shall hold, occupy and enjoy the Property during the term of this Lease, without hindrance or molestation by Landlord, but subject to all of the terms, conditions and provisions hereof. If Landlord’s ownership of the Property terminates as a result of foreclosure of any deed of trust or mortgage on its interest therein, or sale of the Property by Landlord, School’s possession of the Property under this Lease shall not be disturbed by such foreclosure or sale provided there is no Event of Default under this Lease and provided further that School shall not be subject to any Events of Bankruptcy.

30. DRAFT NOT BINDING.

Submission of this Lease in any number of drafts unexecuted by Landlord and School shall not constitute, nor shall any negotiations between Landlord and School constitute, a legally binding obligation of Landlord of any kind; it being agreed that this Lease shall only be binding upon Landlord when fully executed by Landlord and School with a counterpart fully executed original received by Landlord.

31. ARTICLES OF INCORPORATION; FINANCIAL STATEMENTS.

A. School represents and warrants that School has furnished Landlord a true and complete copy of School's Articles of Incorporation and that said Articles of Incorporation are in full force and effect and not modified, and that School, acting by its undersigned duly authorized officers, has the lawful right to execute, deliver and perform its obligations under this Lease, and this Lease represents the lawful obligation of School, and is binding upon and enforceable against School in accordance with the terms hereof. School further warrants that School is in good standing under the laws of the State of Michigan. School further represents and warrants that the financial statements of School and those of any subtenant of all or any part of the Property, furnished to Landlord are true and correct in all respects and accurately reflect the financial condition of School. The representations and warranties made by School in this Lease are material inducements to Landlord's execution of this Lease; and any material inaccuracy therein shall be deemed a default of School under this Lease. School represents and warrants that it has the lawful right to execute, deliver and perform its obligations under this Lease, and that its officers executing this Lease are duly authorized to do so and this Lease constitutes the lawful obligation of and is legally binding on School.

B. Landlord represents and warrants that Landlord, acting by its undersigned duly authorized officers, has the lawful right to execute, deliver and perform its obligations under this Lease, and this Lease represents the lawful obligation of Landlord, and is binding upon and enforceable against Landlord in accordance with the terms hereof. Landlord further warrants that it is in good standing under the laws of the District of Columbia. The representations and warranties made by Landlord in this Lease are material inducements to School's execution of this Lease; and any material inaccuracy therein shall be deemed a default of Landlord under this Lease. Landlord represents and warrants that it has the lawful right to execute, deliver and perform its obligations under this Lease, and that its officers executing this Lease are duly authorized to do so and this Lease constitutes the lawful obligation of and is legally binding on Landlord.

C. School agrees to furnish its financial statements and those of any subtenant of all or any part of the Property, including without limitation balance sheets and income and expense statements, reasonably requested by Landlord within thirty (30) Business Days of receiving such written request.

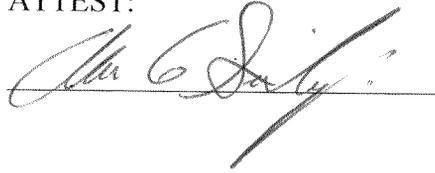
32. COUNTERPARTS.

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute one and the same instrument.

[Signatures Begin on Next Page]

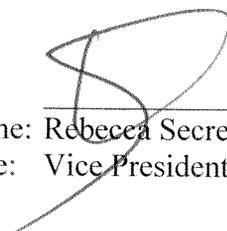
IN WITNESS WHEREOF, Landlord and School have caused this Lease to be executed by their duly authorized officers; all done as of the date first hereinbefore written.

ATTEST:



LANDLORD:

CSDC PROPERTY CORPORATION

By: 

Name: Rebecca Secrest

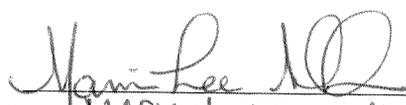
Title: Vice President

ATTEST:



SCHOOL:

GREATER HEIGHTS ACADEMY

By: 

Name: MARVIN LEE MILLER

Title: BOARD CHAIR

EXHIBIT A

PROPERTY DESCRIPTION

PARCEL 1:

Part of the Southwest 1/4 of the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, described as beginning at a point on the South line of said Section 34, which is South 88 degrees 05' 05" East 400.00 feet from the South 1/4 of said Section 34; thence continuing along said South line 88 degrees 05' 05" East, 596.38 feet to a point which is the intersection of the West line of the recorded plat of Washington Park Subdivision, as recorded in Liber 9 of Plats, Page(s) 37 and 38, Genesee County Records and said South line; thence North 01 degrees 47' 15" East 733.00 feet along said West line of Washington Park Subdivision to the Northwest corner of Lot 44 of said Washington Park Subdivision; thence North 88 degrees 05' 05" West 594.55 feet to a point which is 400.00 feet from the North and South 1/4 line of said Section 34; thence South 01 degrees 55' 50" West parallel to said North and South 1/4 line 733.00 feet to the point of beginning, according to Survey recorded in Liber 2106 of Deeds, Page(s) 809, Genesee County Records.

PARCEL 2:

A parcel of land in the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, Township of Mt. Morris, Genesee County, Michigan, described as follows: Beginning North 88 degrees 42' 15" East along the South line of Section 34, a distance of 300.0 feet from the South 1/4 of said Section 34; thence North 01 degrees 19' West parallel with the North and South 1/4 line of Section 34, a distance of 400.0 feet; thence South 88 degrees 42' 15" West parallel with the South line of Section 34, a distance of 100.0 feet; thence North 01 degrees 19' West parallel with the North and South 1/4 line of Section 34, a distance of 533.0 feet; thence North 88 degrees 42' 15" East parallel with the South line of Section 34, a distance of 200.34 feet; thence South 01 degrees 17' 45" East 933.0 feet to the South line of Section 34; thence South 88 degrees 42' 15" West along the South line of Section 34, a distance of 100.0 feet to the point of beginning. Commonly known as: 3196 West Pasadena Avenue, Flint, MI 48504.

GMP Exhibit
Renovations of existing facility
 Wednesday, April 24, 2013

EXHIBIT B

Description of Work	Responsibility	Notes	Bouma	Imagine
Acquisition & Due Diligence Budget				
Site Acquisition Cost	By Owner	Budget To Be Determined		
Environmental Assessments	By Owner	Budget To Be Determined		
Remediation/Abatement	By Owner	Budget To Be Determined		
Legal & Title Fees	By Owner	Budget To Be Determined		
Closing Costs	By Owner	Budget To Be Determined		
Construction Financing Costs	By Owner	Budget To Be Determined		
			SubTotal	\$0
Preconstruction & Professional Services Budget				
Site Design Consultants	By Owner		\$0	
Building Design Consultants	By Owner		\$0	
Geotechnical Engineering	By Owner		\$0	
Permits & Fees	By Owner		\$0	
Builders Risk Insurance	By Owner		\$0	
Preconstruction Services Fee	By Bouma		\$4,900	
			Subtotal	\$4,900
Site Work Budget				
Demolition	By Bouma		\$0	
Site Work	By Bouma		\$0	
Underground Utilities	By Bouma		\$0	
Paving & Surfacing	By Bouma		\$21,600	
Site Concrete	By Bouma		\$0	
Fence & Gates	By Bouma		\$0	
Landscaping	By Bouma		\$0	
Site Electrical	By Bouma		\$0	
			Subtotal	\$21,600
Building Construction Budget				
General Conditions			\$38,880	
Final Cleaning & Floor Wax			\$2,700	
Selective Demolition			\$0	
Pre-Cast Concrete			\$0	
Concrete			\$8,100	
Masonry			\$17,064	
Building Shell			\$0	
Misc. Steel			\$3,240	
General Trades			\$32,400	
Cabinets, Tops & Sills			\$3,132	
Insulation			\$0	
Stucco			\$0	
Roofing			\$19,440	
Siding, Soffit and Fascia			\$0	
Caulking			\$0	
Doors/Frames/Hwrd			\$9,607	
Windows Materials			\$0	
Glass & Glazing			\$20,466	
Metal Studs/Drywall			\$0	
Ceilings			\$0	
Flooring			\$0	
Painting			\$5,400	
Toilet Partitions & Accessories			\$1,620	
Elevator			\$0	

Fire Protection		\$0
Plumbing		\$0
HVAC & Plumbing		\$26,460
Electrical		\$55,706
Fire Alarm system		\$0
Subtotal	\$244,215	\$0

FF&E Budget

Marker & Tack Boards	By Owner	\$0
Room Identification Signage	By Owner	\$0
Classroom Cubbies & Casework	By Owner	\$0
Custom Casework	By Owner	\$0
Lockers	By Owner	\$0
Classroom Furnishings	By Owner	Budget To Be Determined \$0
Art, Science & Music Furnishings	By Owner	Budget To Be Determined \$0
Media Center Furnishings	By Owner	Budget To Be Determined \$0
Office Furnishings	By Owner	Budget To Be Determined \$0
Office Equipment	By Owner	Budget To Be Determined \$0
Kitchen Equipment	By Owner	Budget To Be Determined \$0
Gym Equipment	By Owner	\$0
Gym Divider Curtain	By Owner	\$0
Bleachers	By Owner	\$0
Playground Canopy	By Owner	\$0
Playground Equipment	By Owner	\$0
Exterior Signage	By Owner	\$0
Bike Racks	By Owner	\$0
Flag Pole	By Owner	\$0
Subtotal		\$0 \$0

School Technology & Security Budget

Network Servers/Computers	By Owner	Budget To Be Determined \$0
A/V Equipment	By Owner	Budget To Be Determined \$0
Phone/Voicemail/Paging System	By Owner	\$0
Clocks/Bells System	By Owner	\$0
Security System	By Owner	\$0
Phone / Data Cabling & Jacks	By Owner	\$0
Coax Cabling & Jacks	By Owner	\$0
Subtotal		\$0 \$0

Budget Subtotal

\$270,700 **\$0**

Overtime Allowance

\$0

Suggested Contingency

\$27,100

\$297,800	\$0
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Budget Notes:

An allowance of \$20,000 is included for pavement patching

Greater Heights Academy

May 20, 2013

Sources of Financing

Deal Summary:

Through its Turnkey Development Program, CSDCPC will purchase the 13.34 acres of real property located at 3196 West Pasadena, Flint, MI for Lease w/ Option-to-Purchase to Greater Heights Academy, a CMU authorized school, at a price of \$450,000. Though major renovations are not expected on the existing 28,400 sf, it is assumed that roughly \$300,000 in improvements will be necessary. CSDCPC will lease the property to school at a rate of 1.2x the debt service, w/ escalations of 1% of the prior year's rent beginning in Lease Year Three. CSDCPC shall have earned its Developer's Fee, equivalent to 7.5% of the Total Project Cost, upon completion of the improvements and commencement of the lease. Unless otherwise noted, the fee will be capitalized into the project's financing and paid down in payments equal to 2% of the prior year's monthly rent payment, beginning on the first day of Lease Year 3 and continuing thereafter until the Developer's Fee has been paid in full. As the school pays down the Developer's Fee, the school's Purchase Option Price shall be reduced accordingly. For the 1st 10-years of the lease, the school's Purchase Option Price shall be equal to the Total Project Cost (incl the 7.5% Developer's Fee), reduced by any Developer's Fee credits.

Senior Debt - NCB	
Principal & Interest	
AmortTerm (years)	15
Rate	6.50%
Principal	\$ 850,000
Monthly payment	\$ 7,404
Annual payment	\$ 88,853
% of Total Cost	78%

Credit Enhanced Loan	
Principal & Interest	
AmortTerm (years)	15
Rate	3.75%
Principal	\$ 240,064
Monthly payment	\$ 1,746
Annual payment	\$ 20,950
% of Total Cost	22%

Interest Only	
AmortTerm (years)	0
Rate	0.00%
Principal	\$ -
Monthly payment	\$ -
Annual payment	\$ -
% of Total Cost	0%

Exhibit C

Uses of Financing

	Cost/sf	Sq. Ft.	
Property Acquisition	\$ 450,000	15	30000
Improvements - Hard Costs	\$ 302,388	10	
Soft Costs	\$ 100,000	3	legal, title insurance, financing fee, etc.
Capitalized Costs	\$ 50,000		
Developer's Fee	\$ 76,051	3	
NCB Origination Fee	\$ 10,625		
Debt Reserve	\$ 51,000		
Contingency	\$ 50,000	2	
Total Project Cost	\$ 1,090,064	36	

Key Assumptions

Building's (sf) Estima	30,000
Improved area (sf)	30,000
Estimated Operating	\$ 4.00
Total Project Conting	\$ 50,000

Lease Summary

	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10
	2013 - 2014	2014 - 2015	2015 - 2016	2016 - 2017	2017 - 2018	2018 - 2019	2019 - 2020	2020 - 2021	2021 - 2022	2022 - 2023
Number of Students	180	220	260	300	340	340	340	340	340	340
Base Rent (Annual)	\$ 131,763	\$ 131,763	\$ 135,716	\$ 139,787	\$ 143,981	\$ 148,300	\$ 152,749	\$ 157,332	\$ 162,052	\$ 166,913
Including Reserve (Monthly)	\$ 11,978	\$ 11,978	\$ 12,338	\$ 12,708	\$ 13,089	\$ 13,482	\$ 13,886	\$ 14,303	\$ 14,732	\$ 15,174
Rent Reserve (Annual)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Rent Reserve (Monthly)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Base Rent per SF (Annual)	\$ 4.39	\$ 4.39	\$ 4.52	\$ 4.66	\$ 4.80	\$ 4.94	\$ 5.09	\$ 5.24	\$ 5.40	\$ 5.56
Base Rent per student (Annual)	\$ 732	\$ 599	\$ 521.98	\$ 466	\$ 423	\$ 436	\$ 449	\$ 463	\$ 477	\$ 491
% of \$6,966 Per Pupil Funding	10.5%	8.6%	7.5%	6.7%	6.1%	6.3%	6.4%	6.6%	6.8%	7.0%
Senior Debt - NCB	\$ 88,853	\$ 88,853	\$ 88,853	\$ 88,853	\$ 88,853	\$ 88,853	\$ 88,853	\$ 88,853	\$ 88,853	\$ 88,853
Credit Enhanced Loan	\$ 20,950	\$ 20,950	\$ 20,950	\$ 20,950	\$ 20,950	\$ 20,950	\$ 20,950	\$ 20,950	\$ 20,950	\$ 20,950
Total Interest/Debt Service	\$ 109,803	\$ 109,803	\$ 109,803	\$ 109,803	\$ 109,803	\$ 109,803	\$ 109,803	\$ 109,803	\$ 109,803	\$ 109,803
Net Rent Paid to CSDCFC	\$21,961	\$21,961	\$25,913	\$29,985	\$34,179	\$38,498	\$42,947	\$47,529	\$52,249	\$57,111
Total Rent as a % of CSDCFC's DSC Payments (Minimum of 1.20)	1.20	1.20	1.24	1.27	1.31	1.35	1.39	1.43	1.48	1.52

Rent Escalation Analysis

Total Rent Escalation %	N/A	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	1.0%	1.0%
Base Rent Escalation %	0.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Developer Fee Escalation %	2/3 of the total increase	0.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

Total 3% Increase in Rent Payment over Base Rent until Developer's Fee is paid off	\$ -	\$ -	\$ 3,953	\$ 8,024	\$ 12,218	\$ 16,537	\$ 20,986	\$ 25,569	\$ 30,289	\$ 35,150
1% Lease Escalation Payments Received Over Base Rent	\$ -	\$ -	\$ 1,318	\$ 2,675	\$ 4,073	\$ 5,512	\$ 6,995	\$ 8,523	\$ 10,096	\$ 11,717
2% Developer Fee Payment Via Rent Payments	\$ -	\$ -	\$ 2,635	\$ 5,350	\$ 8,145	\$ 11,025	\$ 13,991	\$ 17,046	\$ 20,193	\$ 23,434

Sale analysis:

Purchase Option Price	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064	\$ 1,090,064
Credits for Developer's Fee Payments	\$ -	\$ -	\$ 2,635	\$ 7,985	\$ 16,130	\$ 27,155	\$ 41,146	\$ 58,192	\$ 78,385	\$ 101,818
Purchase Option Price less Credits	\$ 1,090,064	\$ 1,090,064	\$ 1,087,429	\$ 1,082,079	\$ 1,073,934	\$ 1,062,909	\$ 1,048,918	\$ 1,031,872	\$ 1,011,679	\$ 988,246

EXHIBIT D
FORM OF
COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT

THIS COLLATERAL ASSIGNMENT AND SECURITY AGREEMENT (this “**Assignment**”) is made as of this ____ day of ____, 2013, by **GREATER HEIGHTS ACADEMY**, a Michigan nonprofit corporation and public school academy (“**School**”), in favor of **CSDCPC GHA, LLC**, a Delaware 501(c)(3) non-profit corporation, (“**Landlord**”).

RECITALS

A. Landlord, as landlord, and School, as tenant, entered into that certain Agreement of Lease with Option to Purchase of even date herewith (as amended, restated, supplemented or otherwise modified from time to time, the “**Lease**”) for certain real property and the improvements thereon located at 3196 West Pasadena Avenue, Flint, MI 48504, and identified in the Lease as the “**Property**”.

B. As a charter school, School receives certain per pupil funding payments and other distributions (the “**Distributions**”) from the State of Michigan (the “**Funder**”) paid through Central Michigan University (“**Authorizer**”).

C. The Distributions are used by School to pay rental obligations owing under the Lease and other expenses and fees associated with the operation of School’s business.

D. It is a condition of Landlord entering into the Lease, that School execute and deliver this Assignment, pursuant to which School shall assign and grant to Landlord a security interest in and to the Distributions in an amount up to but not to exceed the Rent due under the Lease to secure the payment of rental obligations owing under the Lease.

AGREEMENT

NOW THEREFORE, in consideration of the premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, School and Landlord, intending to be legally bound, hereby agree as follows:

ARTICLE I
ASSIGNMENT

Section 1.1 Assignment.

To the extent permitted by applicable laws, School hereby grants, transfers, assigns and set over to Landlord and its successors and assigns, all of School’s right, title and interest in and to the Distributions up to the Rent due under the Lease, and all proceeds therefrom, to secure the payment of rental obligations owing under the Lease.

Section 1.2 Satisfaction of Obligations.

Upon performance in full under the Lease, this Assignment shall become and be void and of no further effect, and if filed by Landlord, any related UCC financing statements shall be terminated by filing a termination statement in the jurisdiction where such UCC financing statement(s) is filed. If Landlord fails to file such termination statement within thirty (30) days of the termination of this Assignment, School may file such termination statement.

Section 1.3 Security Agreement.

School hereby pledges and assigns to the Landlord all of the School's right, title and interest in and to the Distributions up to the amount of the Rent, and all proceeds thereof as additional security for all of the School's obligations hereunder and under the Lease and all extensions, renewals and modifications thereof or substitutions therefore. School agrees to execute any and all documents necessary now or in the future to perfect the Landlord's security interest therein.

ARTICLE II
REPRESENTATIONS AND WARRANTIES

School represents and warrants to the Landlord and shall be deemed to represent and warrant as follows:

Section 2.1 The Agreements.

2.1.1 To School's knowledge, the execution of this Agreement by School is not prohibited by applicable laws. The Landlord understands and agrees, however, that the Funder will make Distributions directly to the Authorizer and that the Authorizer has been directed by School to make Rent payments to Landlord.

2.1.2 The Assignor is not in material default under any of the terms of any of the Agreements.

2.1.3 No Distributions or other payments due the School have been anticipated or assigned, except to the Landlord under the terms of this Agreement, nor shall they be assigned in the future without the written authorization of Landlord.

2.1.4 There is no actual or pending decertification, revocation, suspension, probation, termination, restriction, limitation, forfeiture of or refusal to renew any of the Distributions or the School's participation or eligibility under or in any program or agreement relating to any of the Distributions. To the best information, knowledge and belief of Assignor, the anticipated payment of the Distributions will be sufficient to enable the School to lease the Property in a manner which will permit the School to maintain the charter school status of the Property, to pay all actual and anticipated operating expenses of the Property as and when such expenses become due and payable, to perform an and all obligations of the School relating to the Property.

ARTICLE III **COVENANTS**

Section 3.1 Further Assurances.

3.1.1 School shall enter into an irrevocable payment directive in the form attached hereto as Exhibit 1 instructing the Authorizer to send the Rent payments by ACH to Landlord to an account designated by Landlord (as defined below), (the “**Payment Directive**”). The Payment Directive shall not be modified or amended without the prior written consent of Landlord, which consent may be granted or withheld in its sole and absolute discretion.

3.1.2 School shall promptly, upon request, execute, acknowledge and deliver any confirmations, acknowledgements, financing statements, renewals, affidavits, deeds, assignments, continuation statements, powers of attorney, confirmations, affirmations, ratifications, security agreements, certificates or other documents as Landlord may reasonably require in order to confirm, perfect, preserve, maintain, protect, continue and/or extend the assignment, lien or security interest of Landlord under this Assignment and its priority. School shall pay to Landlord, on demand, all taxes, costs and expenses incurred by Landlord in connection with the preparation, execution, recording and filing of any such document or instrument.

3.1.3 School shall execute and deliver, on request of Landlord, such instruments as Landlord may deem useful or required to permit Landlord to cure any declared default under or with respect to School’s right to payment of any Distributions.

Section 3.2 Preservation of Rights.

3.2.1 School will do all things reasonably necessary to preserve and to keep unimpaired School’s rights to the Distributions.

3.2.2 Without the prior written consent of Landlord, School will not: (a) do or permit to be done anything to materially impair the Distributions; (b) collect any of the Distributions, except as to assist Landlord in the collection of the same; or (c) cause a reduction in the Distributions.

Section 3.3 Certain Notices. School will promptly notify Landlord in writing of:

3.3.1 any material default by School in the performance or observance of any of the terms, covenants or conditions on the part of School to be performed or observed under applicable law relating to School’s continued ability to receive the Distributions;

3.3.2 the receipt by School of any notice from the Funder claiming any default by School in the performance or observance of any of the terms, covenants or conditions on the part of School to be performed or observed under applicable law relating to School’s continued ability to receive the Distributions; and

3.3.3 any request made by the Funder for arbitration, administrative or judicial proceedings relating to the Distributions and of the institution of any arbitration, judicial or administrative proceedings, as well as of all proceedings thereunder, and will promptly deliver to Landlord a copy of the determination, findings or judgment in any such proceeding. Landlord shall have the right to participate in such proceedings on its own behalf as an interested party.

ARTICLE IV
DEFAULTS

A default by School in the performance or observance of any of the terms, covenants or conditions on the part of School to be performed or observed under this Assignment beyond any applicable grace or cure period provided herein or a default beyond any applicable notice and cure period under the Lease shall constitute a “**Default**” hereunder during the continuance of such default and shall be a “**Default**” under the Lease during the continuance of such default.

ARTICLE V
REMEDIES

Upon the occurrence of any Default and while such Default is continuing, Landlord may exercise any one or more of the following rights, powers or remedies:

Section 5.1 Specific Rights.

5.1.1 [intentionally omitted].

5.1.2 [intentionally omitted].

Section 5.2 Uniform Commercial Code.

Landlord shall have all of the rights and remedies of a secured party under the applicable Uniform Commercial Code and other applicable laws as in effect from time to time. Any written notice of the sale, disposition or other intended action by Landlord under this Section 5.2 which is sent by regular mail, postage prepaid, to School at the address set forth in the Lease, or such other address of School that may from time to time be shown on School’s records, at least ten (10) days prior to such sale, disposition or other action, shall constitute commercially reasonable notice to School. Landlord may alternatively or additionally give such notice in any other commercially reasonable manner. Nothing in this Assignment shall require Landlord to give any other notice not required by applicable laws.

Section 5.3 Enforcement Costs.

All of Landlord’s reasonable, out of pocket, third party fees and expenses, including, without limitation, receiver’s fees, incurred with respect to the exercise of any rights and remedies hereunder or with respect hereto, shall be paid by School to Landlord on demand.

Section 5.4 Other Rights.

Landlord may from time to time proceed to protect or enforce its rights by an action or actions at law or in equity or by any other appropriate proceeding, whether for the specific performance of any of the covenants contained in this Assignment or in the Lease, or for an injunction against the violation of any of the terms of this Assignment or the Lease, or in aid of the exercise or execution of any right, remedy or power granted in this Assignment, the Lease, and/or applicable laws.

ARTICLE VI
MISCELLANEOUS

Section 6.1 Notices.

All notices, requests and demands to or upon the parties to this Assignment shall be in writing and shall be deemed to have been given or made when delivered in the manner provided for notices under the Lease.

Section 6.2 Amendments; Waivers.

This Assignment may not be amended, modified, or changed in any respect except by an agreement in writing signed by Landlord and School. No waiver of any provision of this Assignment or the Lease, nor consent to any departure by School therefrom, shall in any event be effective unless the same shall be in writing. No course of dealing between School and Landlord and no act or failure to act from time to time on the part of Landlord shall constitute a waiver, amendment or modification of any provision of this Assignment or the Lease or any right or remedy under this Assignment, the Lease or applicable laws.

Section 6.3 Cumulative Remedies.

The rights, powers and remedies provided in this Assignment are cumulative, may be exercised concurrently or separately, may be exercised from time to time and in such order as Landlord shall determine and are in addition to, and not exclusive of, rights, powers and remedies provided by existing or future applicable laws. In order to entitle Landlord to exercise any remedy reserved to it in this Assignment, it shall not be necessary to give any notice, other than such notice as may be expressly required in this Assignment or by applicable law.

Section 6.4 Severability.

In case one or more provisions, or part thereof, contained in this Assignment or in the Lease shall be invalid, illegal or unenforceable in any respect under any law, then without need for any further agreement, notice or action:

6.4.1 the validity, legality and enforceability of the remaining provisions shall remain effective and binding on the parties thereto and shall not be affected or impaired thereby;

6.4.2 the obligation to be fulfilled shall be reduced to the limit of such validity;

6.4.3 if such provision or part thereof pertains to payment of the rental obligations due under the Lease, then, at the sole and absolute discretion of Landlord, all of such rental obligations of School to Landlord shall become immediately due and payable; and

6.4.4 if the affected provision or part thereof does not pertain to payment of the rental obligations due under the Lease, but operates or would prospectively operate to invalidate this Assignment in whole or in part, then such provision or part thereof only shall be void, and the remainder of this Assignment shall remain operative and in full force and effect.

Section 6.5 Assignments by Landlord.

6.5.1 Landlord may, without notice to, or the consent of, School, sell, assign or transfer to or participate with any person or persons all of Landlord's interest in this Assignment, and each such person or persons shall have the right to enforce the provisions of this Assignment as fully as Landlord. In connection with the foregoing, Landlord shall have the

right to disclose to any such actual or potential purchaser, assignee, transferee or participant all financial records, information, reports, financial statements and documents obtained in connection with this Assignment and the Lease or otherwise.

6.5.2 School shall execute and deliver any and all documents deemed necessary or desirable by Landlord to be executed and delivered by School to effectuate or assist in the assignments contemplated by this Section 6.5.

Section 6.6 Successors and Assigns.

This Assignment shall be binding upon and inure to the benefit of School and Landlord and their respective successors and assigns, except that School shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Landlord.

Section 6.7 Continuing Agreements.

All covenants, agreements, representations and warranties made by School in this Assignment and in any certificate delivered pursuant hereto shall survive the execution and delivery of the Lease, shall be binding upon School regardless of how long before or after the date hereof any of the Obligations (as hereinafter defined) were or are incurred, and shall continue in full force and effect so long as any of the Obligations are outstanding and unpaid. This Assignment is part of the Lease. “**Obligations**” means (i) payment of all amounts due under the Lease, and (ii) the performance of all other covenants, obligations, indemnities, and agreements of School pursuant to the Lease, this Assignment or any other documents entered into between Landlord and School in connection with the Lease.

Section 6.8 Applicable Law.

The Lease, including this Assignment, shall be governed by the laws of the State of Michigan.

Section 6.9 Duplicate Originals and Counterparts.

This Assignment may be executed in any number of duplicate originals or counterparts, each of such duplicate originals or counterparts shall be deemed to be an original and all taken together shall constitute but one and the same instrument.

Section 6.10 Headings.

The headings in this Assignment are included herein for convenience only, shall not constitute a part of this Assignment for any other purpose, and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 6.11 No Agency.

Nothing herein contained shall be construed to constitute School as Landlord’s agent for any purpose whatsoever or to permit School to pledge any of Landlord’s credit. Landlord shall not be responsible or liable for any shortage, discrepancy, damage, loss, release or termination of any part of the Agreement, except to the extent caused by Landlord’s gross negligence or willful misconduct regardless of the cause thereof.

Section 6.12 Liability of Landlord.

School hereby agrees that Landlord shall not be chargeable for any negligence, mistake, act or omission of any accountant, examiner, agency or attorney employed by Landlord in making

examinations, investigations or collections, or otherwise in perfecting, maintaining, protecting or realizing upon any lien or security interest or any other interest pursuant to the terms of this Assignment.

[Remainder of page intentionally left blank]

WITNESS the signature and seal of School as of the date first above written.

GREATER HEIGHTS ACADEMY, a
Michigan nonprofit corporation

By: _____

Name: _____

Title: _____

EXHIBIT 1

STATE SCHOOL AID PAYMENT AGREEMENT

THIS STATE SCHOOL AID PAYMENT AGREEMENT (“Agreement”) is dated as of _____, 2013, by and between Greater Heights Academy (the “Academy”) and CSDCPC GHA, LLC, a Delaware limited liability company (the “Landlord”).

WHEREAS, as of _____, 2013, the Landlord has leased to the Academy real property consisting of approximately thirteen and 34/100 (13.34) acres, situated in the City of Flint, Michigan and known as 3196 West Pasadena Avenue, Flint, Michigan 48504 together with all improvements as evidenced by the Agreement of Lease With Option to Purchase (the “Lease”) under which the Academy has pledged certain State School Aid payments to be received by the Academy (“State School Aid”) for the payment of its obligations under and as provided in the Lease (“Rent”).

WHEREAS, pursuant to the Revised School Code, as amended, MCL 380.1 *et seq.*, and the State School Aid Act of 1979, as amended, MCL 388.1601 *et seq.*, the Central Michigan University Board of Trustees is the authorizing body of the Academy and, for the purpose of transferring State School Aid, is the fiscal agent for the Academy (the “Fiscal Agent”), and has issued a contract to charter a public school academy (the “Contract”) to the Academy which provides, among other things, for its duties as fiscal agent for the Academy.

WHEREAS, the parties desire to provide for and facilitate the transfer of pledged State School Aid with respect to the Rent due under the Lease.

THEREFORE, for valuable consideration, the parties agree as follows:

Pursuant to the Revised School Code and the State School Aid Act, the Academy’s State School Aid shall be allocated by the Michigan Department of Treasury to the Fiscal Agent for forwarding to the Landlord.

The Academy irrevocably authorizes and directs the Fiscal Agent, during the period of October 20, 2013 through June 30, 2023, unless terminated earlier under the terms herein, to send to or at the direction of the Landlord the amounts as set forth on the payment schedule attached hereto as Exhibit A from the State School Aid appropriation made to the Fiscal Agent on behalf of the Academy in a given Fiscal Year. No lesser or additional amount of State School Aid shall be paid to or at the direction of Landlord from amounts allocated to the Fiscal Agent for forwarding to the Academy without prior written authorization from the Academy and Landlord. The Academy and Landlord acknowledge and agree that the Academy has, as a condition of its Contract, previously agreed to pay three percent (3%) of its State School Aid to the Fiscal Agent as its authorizer’s fee, and that such authorizer’s fees are not part of the funds pledged to Landlord. Such payment amounts on Exhibit A shall be forwarded via Automated Clearing House in accordance with the following instructions:

Bank:
ABA:
ACCT: ACCOUNT NUMBER
REF: Greater Heights Academy

The Academy and the Landlord hereby warrant and represent to the Fiscal Agent intending the Fiscal Agent to rely thereon and to induce the Fiscal Agent to acknowledge this Agreement, that:

- (a) No agreement between the Academy and the Landlord, in connection with or related to the Lease, provides for recourse against the Fiscal Agent for the amount of the Lease or any portion thereof.
- (b) The Landlord and the Academy understand and acknowledge that, as a matter of Michigan law, memorialized by the Contract, decisions to renew or not to renew a public school academy's contract, including the Contract, are in the Fiscal Agent's sole discretion and further that a public school academy's contract, including the Contract, may be suspended or revoked by the Fiscal Agent prior to the expiration of the contract term. In the case of the Academy, the Contract term has approximately five (5) years remaining on a five (5) year term, which began July 1, 2013, and expiring June 30, 2018. The term of any contract, including the Contract, is renewable for a term acceptable to the Fiscal Agent, or nonrenewable, at the sole discretion of the Fiscal Agent.
- (c) The Academy and the Landlord understand and acknowledge that the decision to enter into the Lease is based solely on the due diligence performed by the respective parties, and that Fiscal Agent has not provided any projected or actual financial or student enrollment information relative to the Academy that has been relied upon and is the basis for either parties' decision to enter into the Lease.

The Academy hereby warrants and represents to the Fiscal Agent intending the Fiscal Agent to rely thereon and to induce the Fiscal Agent to acknowledge this Agreement, that the Lease comply with the Contract, the Revised School Code, the State School Aid Act, and all applicable laws. The Academy hereby warrants and represents to the Fiscal Agent intending the Fiscal Agent to rely thereon and to induce the Fiscal Agent to acknowledge this Agreement, that the Academy has obtained an opinion from an attorney or firm of attorneys duly admitted to practice law in the State of Michigan that the Lease are valid and binding contracts of the Academy enforceable in accordance with their terms subject only to the limitations set forth in said opinion.

The Academy and the Landlord understand and acknowledge that the Fiscal Agent does not, and shall not be deemed to guarantee payment for the amount of the Lease or any portion thereof or the continuation or renewal of the Contract. The Fiscal Agent has no responsibility or duty to verify the Academy's pupil count, as defined in the State School Aid Act or to authorize,

approve or determine the accuracy of the State School Aid payments received on behalf of the Academy from the Michigan Department of Treasury.

The Academy and the Landlord understand and acknowledge that the Fiscal Agent makes no representations concerning the financial condition or the ability of the Academy to repay the Lease now or in the future, and that the Fiscal Agent's acknowledgement of this Agreement does not constitute a recommendation, authorization, or approval of the Academy's obligation in any way whatsoever.

The Academy and the Landlord acknowledge and agree that the Academy has no authority to extend the faith and credit of the Fiscal Agent or to enter into any contractual arrangement that would financially obligate the Fiscal Agent.

The Academy hereby warrants and represents that it will notify the Landlord and the Fiscal Agent of any request submitted to the Michigan Department of Education for an advance on State School Aid at the same time such request is submitted to the Michigan Department of Education. If the Academy's request for an advance on State School Aid is approved by the Michigan Department of Education, the Academy shall notify the Landlord and the Fiscal Agent in writing of the amount of State School Aid, if any, that should be forwarded by the Fiscal Agent to the Landlord at least thirty (30) days before such State School Aid is to be allocated by the Michigan Department of Treasury to the Fiscal Agent for forwarding to the Academy.

This Agreement shall not, in any way, supersede or diminish the rights, responsibilities, and duties of the Academy and the Fiscal Agent as set forth in the Contract.

This Agreement shall expire on **June 30, 2023**, or the expiration or earlier termination of the Lease as to the Academy and the Landlord. The Fiscal Agent's implementation of the payment direction in paragraph 2 above shall expire upon the earlier of:

- (a) termination of the Contract or any successor agreement to the Contract;
- (b) suspension or revocation of the Contract or any successor agreement to the Contract;
- (c) payment by the Academy of all obligations due under the Lease; or
- (d) **June 30, 2023**, the expiration or earlier termination of the Lease.

The Academy and the Landlord hereby agree never to institute, or in any way aid in the institution or prosecution of, any claim, demand, or action at law or in equity against the Fiscal Agent, its trustees, officers, employees, or agents arising out of or relating to: (i) an Event of Default under the Lease; (ii) any deficiency, overpayment or other error in the amount of State School Aid allocated to the Fiscal Agent for forwarding to the Landlord; (iii) the Fiscal Agent's termination, suspension or revocation of the Contract; (iv) any action arising out of or in relation to the Lease taken or neglected to be taken by Fiscal Agent in good faith in any exercise of reasonable care and believed by Fiscal Agent to be within the discretion or power conferred upon it by the Contract; and (v) the consequences of any error of judgment arising out of or relating to

the Lease by the Fiscal Agent. The Fiscal Agent shall not be answerable for any loss arising out of or relating to the Lease unless the same shall have been through its gross negligence or willful default in failing to implement the payment direction contained in paragraph 2 of this Agreement. This covenant shall survive the expiration of this Agreement. This paragraph does not in any way relieve the Fiscal Agent from its duties and responsibilities to perform under the Contract.

This Agreement, and all covenants, rights, duties and obligations herein shall bind, and inure to the benefit of, the parties' successors and permitted assigns.

No modification of this Agreement, or of any covenant, condition or provision herein shall be valid unless in writing and duly executed by Academy and the Landlord and acknowledged by the Fiscal Agent, but solely pursuant to the provisions of the Lease.

This Agreement shall be governed by the laws of the State of Michigan.

This Agreement constitutes the entire agreement relating to the Fiscal Agent's role in connection with the Lease and supersedes any and all prior statements, representations or understandings whether oral or in writing.

This Agreement may be signed in one or more counterparts, each of which shall be deemed an original and all of which shall constitute one and the same document.

[SIGNATURES FOLLOW NEXT PAGE]

WHEREFORE, the parties have caused this Agreement to be executed as of the day and year first above written.

CSDCPC GHA, LLC
as the Landlord

GREATER HEIGHTS ACADEMY,
as the Academy

By: _____

By: _____

Its: _____

Its: _____

Acknowledgment and Receipt:

The undersigned on behalf of the Central Michigan University Board of Trustees acknowledges receipt of the foregoing State School Aid Payment Agreement and Direction.

**CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES,**
as the Fiscal Agent

By: _____
Cynthia M. Schumacher

Its: Executive Director,
The Governor John Engler Center for
Charter Schools

EXHIBIT E

PUBLIC CHARTER SCHOOL DEFINITION

The definition of a charter school under this Agreement of Lease With Option To Purchase is the same as the definition used by the U.S. Department of Education's Public Charter Schools Program (PCSP):

(1) A charter school is a public school that--

(A) in accordance with a specific State statute authorizing the granting of charters to schools, is exempted from significant State or local rules that inhibit the flexible operation and management of public schools, but not from any rules relating to the other requirements of this paragraph;

(B) is created by a developer as a public school, or is adapted by a developer from an existing public school, and is operated under public supervision and direction;

(C) has a specific set of educational objectives determined by School's developer and agreed to by the authorized public chartering agency;

(D) provides a program of elementary or secondary education, or both;

(E) is nonsectarian in its programs, admissions policies, employment practices, and all other operations, and is not affiliated with a sectarian school or religious institution;

(F) does not charge tuition;

(G) complies with the Age Discrimination Act of 1975, Title VI of the Civil Rights Act of 1964, Title IX of the Education Amendments of 1972, Section 504 of the Rehabilitation Act of 1973, and part B of the Individuals with Disabilities Education Act;

(H) is a school to which parents choose to send their children, and that admits students on the basis of a lottery, if more students apply for admission than can be accommodated;

(I) agrees to comply with the same Federal and State audit requirements as do other elementary and secondary schools in the State, unless such requirements are specifically waived for the purpose of this program;

(J) meets all applicable Federal, State, and local health and safety requirements;

(K) operates in accordance with State law; and

(L) has a written performance contract with the authorized public chartering agency in the State that includes a description of how student performance will be measured in charter schools pursuant to State assessments that are required of other schools and pursuant to any other assessments mutually agreeable to the authorized public chartering agency and the charter school.

EXHIBIT F

RULES & REGULATIONS

1. School shall not construct, maintain, use or operate within the Property or elsewhere in the Building or on the outside of the Building, any equipment or machinery which produces music, sound or noise which is unreasonably loud and audible beyond the Property.

2. The water and wash closets and other plumbing fixtures shall not be used for any purposes other than those for which they were constructed, and no sweepings, rubbish, or rags shall be thrown therein.

3. No cooking, except for cooking by School and its subleases, employees or agents for functions related to normal school functions shall be done or permitted by any tenant on the Property. No tenant shall cause or permit any unusual or objectionable odors to permeate from the Property.

4. Plumbing fixtures and appliances shall be used only for the purpose for which constructed, and no sweepings, rubbish, rags, or other unsuitable material shall be thrown or placed therein. The cost of repairing any stoppage or damage resulting to any such fixtures or appliances from misuse on the part of a tenant or such tenant's officers, agents, servants, and employees shall be paid by such tenant.

5. School shall not do anything, or permit anything to be done, in or about the Property, or bring or keep anything therein, that will in any way unreasonably increase the risk of fire or other casualty or obstruct or interfere with the rights of, or otherwise injure or annoy, other tenants, or do anything in conflict with the valid, pertinent laws, rules, or regulations of any governmental authority.

6. School shall not place a load upon any floor of the Building which exceeds the floor load allowed by applicable building code. Landlord may reasonably prescribe the weight and position of all safes and heavy installations which School desires to place in the Building so as properly to distribute the weight thereof. Landlord shall have the authority to reasonably prescribe the weight and position of safes or other heavy equipment which may overstress any portion of the floor. All damage done to the Building by the improper placing of heavy items which overstress the floor will be repaired at the sole expense of School. Landlord reserves the right to have Landlord's structural engineer review School's floor loads on the Building.

7. School shall not use or keep on the Property any flammable or explosive, fluid or substance, or any illuminating material in violation of applicable law.

8. If any governmental license or permit shall be required for the proper and lawful conduct of School's business, School, before occupying the Property, shall procure and maintain such license or permit and submit it for Landlord's inspection. School shall at all times comply with the terms of any such license or permit.

9. School covenants and agrees that its use of the Property shall not cause a discharge of more than the design flow gallonage per day of sanitary (non-industrial) sewage allowed under the sewage discharge permit(s) for the Property. Discharges in excess of that amount, and any discharge of industrial sewage, shall only be permitted if School, at its sole expense, shall have obtained all necessary permits and licenses therefor, including without limitation permits from state and local authorities having jurisdiction thereof.

10. School shall not use or operate any electric or electrical devices or other devices that would unreasonably interfere with the operation of any device or equipment or radio or television broadcasting or reception outside of the Property.

11. School assumes full responsibility for protecting its space from theft, robbery and pilferage, which includes keeping doors locked and other means of entry to the Property and Building closed and secured.

Violation of these rules may be considered a default of School's lease after Landlord has provided School with written notice thereof and an opportunity to cure such violation. Landlord reserves the right to rescind any of these Rules and Regulations and make such other and further rules and regulations not inconsistent with the express terms of the Lease as in the reasonable judgment of Landlord shall from time to time be needed for the safety, protection, and care of the Property, which Rules and Regulations when made and written notice thereof given to School shall be binding upon it in like manner as if originally herein prescribed. In the event of any conflict, inconsistency, or other difference between the terms and provisions of these Rules and Regulations, as now or hereafter in effect, and the terms and provisions of the Lease to which these Rules and Regulations are attached, the terms of the Lease shall control.

CERTIFICATE OF USE AND OCCUPANCY

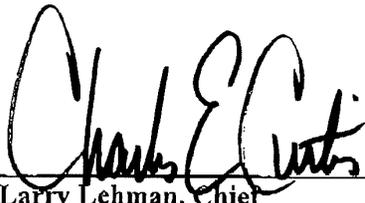
PERMANENT

Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes/Building Division
P. O. Box 30254
Lansing, MI 48909
(517) 241-9317

Building Permit No. B034922
Greater Heights Academy
3196 Pasadena Avenue
Flint, Michigan
Genesee County

The above named building of Use Group E and Construction Type 2B is approved for use and occupancy.

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 111.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.



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

October 23, 2013

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes/Building Division
P. O. Box 30254
Lansing, MI 48909
(517) 241-9317

Building Permit No. B043148
Greater Heights Academy
3196 W Pasadena Avenue
Flint, Michigan
Genesee County

The above named building of Use Group E and Construction Type 2B is approved for use and occupancy.

THIS APPROVAL IS GRANTED UNDER THE AUTHORITY OF SECTIONS 13 OF ACT 230 OF THE PUBLIC ACTS OF 1972, AS AMENDED, BEING §125.1513 OF THE MICHIGAN COMPILED LAWS, AND, IN ACCORDANCE WITH SECTION 111.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.

Charles E. Curtis

Charles E. Curtis, Assistant Chief
Building Division

December 23, 2015

Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes / Building Division

FINAL BUILDING APPROVED

Permit No. Bldg 17-01382
Code Official Mike Corkins Date 05-07-19

BCC-3795 (Rev. 4/11)

Authority: 1972 PA 230

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7

REQUIRED INFORMATION FOR A PUBLIC SCHOOL ACADEMY

Required Information for a Public School Academy. This Schedule contains information required by the Code and the Contract. The required information for the Academy is contained in this Schedule 7.

- Section a. Governance Structure. The governance structure of the Academy is set forth in Section a of this Schedule.
- Section b. Educational Goal and Related Measures. The educational goal and related measures of the Academy are set forth in Section b of this Schedule.
- Section c. Educational Programs. The educational programs of the Academy are set forth in Section c of this Schedule.
- Section d. Curriculum. The curriculum of the Academy is set forth in Section d of this Schedule.
- Section e. Methods of Pupil Assessment. The methods of pupil assessment of the Academy are set forth in Section e of this Schedule.
- Section f. Application and Enrollment of Students. The application and enrollment of students criteria of the Academy is set forth in Section f of this Schedule.
- Section g. School Calendar and School Day Schedule. The school calendar and school day schedule procedures are set forth in Section g of this Schedule.
- Section h. Age or Grade Range of Pupils. The age or grade range of pupils to be enrolled by the Academy is set forth in Section h of this Schedule.

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

WHEREAS, the People of Michigan through their Constitution have provided that schools and the means of education shall forever be encouraged and have authorized the Legislature to maintain and support a system of free public elementary and secondary schools; and all public schools are subject to the leadership and general supervision of the State Board of Education; and the Legislature has authorized an alternative form of public school designated a "public school academy" to be created to serve the educational needs of pupils and has provided that pupils attending these schools shall be eligible for support from the State School Aid Fund; and the Legislature has delegated to the governing boards of state public universities, community college boards, intermediate school district boards and local school district boards, the responsibility for authorizing the establishment of public school academies; and the University Board has approved the issuance of a contract conferring certain rights, franchises, privileges, and obligations of a public school academy to the Academy Board.

The Academy is incorporated as a Michigan nonprofit corporation, organized on a non-stock, directorship basis for the purpose of operating as a Michigan public school academy. The Academy shall conduct its affairs as a governmental entity exempt from federal income taxes under Section 115 of the United States Internal Revenue Code or any successor law. The Academy is a body corporate and is not a division or part of Central Michigan University. The relationship between the Academy and the University Board is based solely on the applicable provisions of the Code and the terms of this Contract.

The Academy Board shall have at least five (5), but no more than nine (9) members, as determined by the University Board. Academy Board members shall be appointed according to the terms of the Method of Selection, Appointment and Removal Resolution adopted by the University Board. The Academy Board has all the powers and duties permitted by law to manage the business, property and affairs of the Academy and for adopting policies by which the Academy shall be governed. The Academy Board is responsible for assuring that the Academy operates according to the Terms and Conditions of this Contract and Applicable Law. Contract Schedule 2: Bylaws, set forth a further description of the Academy Board's governance structure.

Academy Board members shall serve in their individual capacity, and not as a representative or designee of any other person or entity. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest and prohibited familial relationships, including Article IV, Sections 4.4 and 4.5 of this Contract.

Pursuant to applicable law and the Terms and Conditions of this Contract, including Article III, Section 3.6, the Academy Board may employ or contract for personnel according to the position information outlined in Schedule 5. Before entering into an agreement with an educational service provider or an employee leasing company to provide services or to provide personnel to perform services or work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Center.

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.2, the Academy shall achieve or demonstrate measurable progress for all groups of pupils toward the achievement of the educational goal identified in this schedule. Although an increase in academic achievement for all groups of pupils as measured by assessments and other objective criteria is the most important factor in determining the Academy's progress toward the achievement of the educational goal, the Center also considers other factors. Upon request, the Academy shall provide the Center with a written report, along with supporting data, assessing the Academy's progress toward achieving this goal. In addition, the University expects the Academy will meet the State of Michigan's accreditation standards pursuant to state and federal law.

Educational Goal to Be Achieved

Prepare students academically for success in college, work and life.

Measures to Assist in Determining Measurable Progress Towards Goal Achievement

To assist in determining whether the Academy is achieving measurable progress toward the achievement of this goal, the Center will annually assess the Academy's performance using the following measures:

Measure 1: Achievement

The academic achievement of all students in grades three through six, who have been enrolled three* or more years at the Academy, will be assessed using the following measures and targets:

Sub-Indicator	Measure	Metric	Target
Against a Standard:	The percentage of students meeting or surpassing grade-level national norms on the NWEA MAP reading and math tests administered in the spring.	Distribution (which will be in the form of percentages): Exceeds $\geq 70.0\%$ Meets $\geq 50.0\%$ Approaching $\geq 30.0\%$ Does not meet $< 30.0\%$	Reading: 30% Math: 30%
In the event that performance against the standard falls below these required expectations, "measurable progress toward the achievement of this goal" will be defined using the following measure and targets:			
Over Time:	The percentage of students meeting or surpassing grade-level national norms over time (CY-AVG(PY1+PY2+PY3)).	Trend score (which will be in the form of $-x$ to $+x$): Exceeds $\geq 6.0\%$ Meets $\geq 3.0\%$ Approaching $\geq 1.0\%$ Does not meet $< 1.0\%$	3.0%
Comparison Measure:	The percentage of students categorized as proficient or advanced on the most recent state assessment will surpass the school's Composite Resident District (CRD) percentage.	Portfolio Distribution (which will be in the form of $-x$ to $+x$): Exceeds $\geq 10.0\%$ Meets $\geq 5.0\%$ Approaching $\geq 0.0\%$ Does not meet $< 0.0\%$	5.0%

*If the cohort of students enrolled for three or more years is not sufficient in size to conduct a valid analysis, the cohort of students enrolled for two or more years will be used.

Grade	MAP	
	Reading	Math
3	198.6	203.4
4	205.9	213.5
5	211.8	221.4
6	215.8	225.3

Measure 2: Growth

The academic growth of all students in grades 3-6 at the Academy will be assessed using the following measures and targets:

Sub Indicator	Measure	Metric	Target
Against a Standard:	The median of student growth percentiles (MGP) reflecting fall-to-spring scaled score growth on the reading and math NWEA MAP tests.	MGP: Exceeds \geq 65th Meets \geq 50th Approaching \geq 45th Does not meet $<$ 45th	Reading: 50 Math: 50
In the event that performance against the standard falls below these required expectations, "measurable progress toward the achievement of this goal" will be defined using the following measures and targets:			
Over Time:	The percentage of students making at least one year's growth over time (CY-AVG(PY1+PY2+PY3)).	Trend score (which will be in the form of $-x$ to $+x$): Exceeds \geq 6.0% Meets \geq 3.0% Approaching \geq 1.0% Does not meet $<$ 1.0%	3.0%
Comparison Measure:	The mean student growth percentile reflecting growth on the two most recent state assessments will surpass the school's Composite Resident District.	Portfolio Distribution (which will be in the form of $-x$ to $+x$): Exceeds \geq 10.0% Meets \geq 5.0% Approaching \geq 0.0% Does not meet $<$ 0.0%	5.0%

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAM

Mission Statement

The mission of Greater Heights Academy (“Academy”) is to achieve individual academic success for all students through a positive family/school/community partnership.

Vision Statement

The Academy’s vision is to provide the highest quality comprehensive educational environment that inspires excellence in academics and character by:

- educating the whole (social, emotional, physical, academic) child;
- setting high expectations;
- partnering with parents and community;
- fully maximizing available resources; and
- ranking in the top 10% statewide.

Values

At the Academy, students are the first priority. The Academy promotes a caring and structured environment. Structure and consistency are the fundamental elements of effective discipline and the Academy adheres to set standards. The Academy understands and recognizes that a parent is a child’s first and primary educator and diligently pursues a strong and beneficial home/school partnership.

How the educational program fulfills the Academy’s mission, vision, and values

The mission statement for the Academy focuses on and addresses individualized academic success. The Academy’s Response to Intervention (“RtI”) program ensures all students in need of intervention services are identified quickly and an action plan for remediation is put in place. Continuous progress monitoring evaluates the success of the student(s) and helps determine if adjustments to the instruction are necessary. In addition, students who are excelling according to the standards based reporting system and assessments are provided enrichment opportunities that meet individual needs and are a part of the individualized academic success.

Further, the mission indicates all students have the capability to learn. The RtI program ensures no child is left behind and students receive quality instruction to meet individual needs. The mission also addresses creating educational success through positive family, school and community partnerships. The staff and administration at the Academy realize that parents are a child’s first teacher. Parent input is crucial to the success of each student and the Academy implements a variety of programs, such as Parent University, to encourage parent participation. In addition, the Academy establishes partnerships with several universities, theaters and museums to enhance student learning and to build a sense of community.

The Academy ensures the vision is accomplished by inspiring excellence in every area of the school, from classroom discipline, to staff evaluation and accountability, to parent and community engagement. Decisions made are a result of keeping the students at the forefront of the decision making process. Students are the Academy’s first priority.

Educational Program Delivery

There is a strong belief within the Academy that all students can succeed. This is demonstrated at the classroom level by using a variety of best practices designed to meet the differentiated needs of individual learners.

The Academy's core instruction:

- is based on scientific research.
- is a delivery system that relies on best practice.
- is explicit and systematic.
- allows for varied rates of learning.
- takes advantage of whole class, small group, and individual learning structures.
- includes ongoing professional development to provide teachers with the tools necessary to ensure student achievement.
- is consistent within and across classrooms.

Curriculum

The Academy takes a backward design approach when planning and developing curriculum. The Michigan Academic Standards ("MAS") are priority and components of the curriculum, including reporting, assessment, lessons and activities, are designed around the MAS. The standards-based reporting system ensures students are evaluated according to established grade level benchmarks. Formative as well as summative assessments are utilized to monitor student academic progress.

The Academy utilizes Atlas™, a curriculum management tool supported by Rubicon International and Oakland Schools. Atlas is available on the Oakland School's website. The Academy uses Atlas for science, mathematics, and English language arts ("ELA"). The Academy uses the Michigan Citizenship Collaborative Curriculum ("MC3") for social studies. Atlas provides curriculum for lessons aligned to the MAS. In addition, educators can view a curriculum map of units.

The Academy's kindergarten and first grade classrooms are self-contained, and second through sixth grade classrooms are departmentalized; allowing for flexibility and ample time for differentiating instruction. In working as a collaborative team, teachers plan daily schedules to maximize student potential. The Academy has established the expectations regarding individual schedules. English language arts instruction is a 105 minute block incorporating reading, writing, spelling and handwriting. Mathematics instruction receives a 60 minute block, and social studies instruction is a 30 minute block. Science is taught on a daily basis as a specials class by an endorsed instructor. Kindergarten and first grade are provided with a 30 minute instructional block and second through sixth grade receive 30 minutes of daily science instruction.

Reading

A balanced literacy approach is used in kindergarten through sixth grade to teach reading and writing. *The Curricular Plan for the Reading Workshop* by Lucy Calkins as well as the curriculum taken from the Oakland Schools Atlas website encompasses the reading curriculum for the Academy. Teachers develop unit plans utilizing the Calkins' material as a guide. In conjunction with the Calkins writing program and the (Atlas) curriculum, the Academy uses *Words Their Way*® assessment tools. Individual lesson plans include the MAS and rubrics for assessment. Resources from Atlas are utilized on a regular basis. In the lower grades, kindergarten and first grade teachers

follow the instructional scope outlined in the *Recipe for Reading*[®] model in regard to phonics instruction.

Writing

Kindergarten through sixth grade writing teachers implement *The Curricular Plan for the Writing Workshop* by Lucy Calkins as well as the curriculum in the Oakland Schools Atlas website. The *Words Their Way* spelling inventory is used in conjunction with the Calkins' plan. Teachers develop unit plans utilizing the Calkins' material as a guide. Individual lesson plans include the MAS and rubrics for assessment. Lesson plans from Oakland School's Atlas Curriculum are utilized on a regular basis.

Math

Kindergarten through sixth grade math instruction is guided by lessons from the curriculum in the Oakland Schools Atlas website. A heavy emphasis is put on mastering math practices embedded in the MAS. Math lessons develop skills, problem-solving strategies and make connections to the real world.

Social Studies

The MC3 is used for kindergarten through sixth grade social studies. The MC3 is a model curriculum created through the collaborative efforts of several Intermediate School Districts and Regional Education Service Agencies. The curriculum includes research based lessons, and the units of study are complete with overarching questions to examine social studies concepts as well as resources and aligned assessments.

Science

Lessons from Oakland Schools Atlas guide science instruction for kindergarten through sixth grade. Students examine science concepts and theories. Opportunities to conduct hands-on investigations assist students in applying concepts.

Health

The Michigan Model for Health[™] Curriculum ("MI-Model") provides staff the resources to teach health. In addition to MI-Model, the Academy has formed a partnership with Genesys Regional Medical Center Trauma Center to incorporate instruction on the safety portions of the MI-Model. The health curriculum is instructed utilizing a live event learning model in addition to a variety of hands-on lessons.

Specials

In addition to the core content areas taught, the Academy provides specials including Spanish, music, physical education and technology. To maximize instructional time where students participate in these classes five days out of ten, the Academy institutes an A/B schedule. The A/B schedule designates a thirty-minute instructional period for specials.

Educational Program Approaches--Researched-based Strategies

A crucial component for success integrated into the daily schedule is common plan time for all instructional staff. When developing the schedule, this is the first piece that goes into the plan. If schools are to develop as professional learning communities, collaboration must be embedded into

the daily routine practices (Dufour, Dufour, & Eaker, 2006). Common planning time allows for shared leadership opportunities as well as establishing a mentoring program amongst staff. The Academy institutes grade level planning times and, when possible, plans the daily schedule to accommodate vertical planning.

The Academy's instructional strategies reflect the following research-based methodologies:

- *student-centered*: investigating students' interests takes precedence over studying arbitrarily selected content.
- *experiential*: students are immersed in the most direct possible experience of the content through hands-on activities in every subject.
- *holistic*: students encounter whole ideas, events and materials in context, not by studying subparts isolated from actual use.
- *authentic*: real, rich, complex ideas and materials are at the heart of lessons.
- *expressive*: to fully engage ideas, construct meaning and remember information, students must regularly employ the whole range of communicative media – speech, writing, drawing, poetry, drama, music, movement and visual arts.
- *reflective*: learners have multiple opportunities to reflect and debrief their experiences.
- *social*: learning is socially constructed and often interactional; teachers create classroom interactions that scaffold learning.
- *collaborative*: cooperative learning activities are embedded in lesson plan activities.
- *democratic*: classrooms are model communities; students learn what they live as citizens of the school.
- *cognitive*: students develop true understanding of concepts through higher-order thinking associated with the various fields of inquiry and through self-monitoring of their thinking.
- *developmental*: students grow through a series of definable but not rigid stages; lessons align to the developmental level of students.
- *constructivist*: students re-create and reinvent every cognitive system they encounter, including language, literacy and mathematics.
- *challenging*: students learn best when faced with genuine challenges, choices and responsibility in their own learning.

Specific curriculum initiatives embedded in classroom instruction include, but are not limited to, standards-based reporting, differentiated instruction and reader and writer's workshop. The Academy's standards-based reporting is based upon the research of Ken O'Connor (2002). The goal, in regard to grading, is to create a system with accurate grades. In order to make grades accurate, behaviors and attitudes must be separate from the academic portion of the reporting system. Content area teachers are provided a separate section for citizenship on the report card. This alleviates the need to embed citizenship grades into the academic portion. Students who are demonstrating positive choices in regards to responsibility are recognized. Consequences and remediation steps are taken to curb negative behaviors such as late and missing work.

The Academy's second and third goals in regard to grading are to make grades meaningful and consistent. This is accomplished by administering common assessments on a consistent basis. In addition, grades for the report cards are only taken on the summative assessments. In order to keep grading consistent, the curriculum has clearly defined performance standards and benchmarks across grade levels and content areas.

The fourth goal is to make grades supportive of learning. This is accomplished by ensuring that the classroom focus is on learning. This begins at the Academy Board level and continues to the individual student level. The three big ideas, as presented by Richard Dufour of Solution Tree, are a core component of the Academy's structure (Dufour, Dufour, & Eaker, 2006). The Academy believes the fundamental purpose is to ensure all students learn at high levels and are committed to becoming lifelong learners. In addition, collaborative teamwork and interdependence among teachers and administrators is a way to continuously improve the school. Evidence that students are learning and are ready to respond immediately when timely feedback reports otherwise is a clear indicator of a professional learning community.

Differentiated instruction is the process of "ensuring that what he/she learns, and how the student demonstrates what he/she has learned is a match for that student's readiness level, interests, and preferred mode of learning" (Tomlinson, 2008). At the Academy, a pre-assessment is administered prior to each unit. Depending on the student's mastery of the concepts in the pre-assessment, he/she may be taken down a different learning path. Students who have not mastered the concepts receive further instruction at the appropriate level. If the opposite is true and the student has already mastered the assessed concepts, the student receives instruction on the same concepts, but at a deeper level of instruction. The idea is not to move the student ahead, but to advance higher learning skills by providing more difficult experiences in which to demonstrate knowledge. The Academy believes this style of instruction is more rewarding and challenging to students.

The writer's workshop model at the Academy is based on the research of Lucy Calkins (Calkins, 2003). All writing teachers run workshops utilizing the four structures: mini-lesson, independent writing, conferring/conferencing and sharing. No portion holds more value than another and assessment does not only occur at the end of a unit or completion of a piece, but rather is continuous. Evidence has demonstrated that in order to provide more accurate information to parents, students and staff, the assessment, formative and summative, must also occur within the creation of the writing piece.

The reader's workshop model at the Academy is based on the research of Fountas & Pinnell (Fountas & Pinnell, 2001). All reading teachers run the workshops utilizing the four structures: mini-lesson, independent reading, guided reading (conferring) and/or literature study and group sharing. Similar to the writer's workshop, no portion holds more value than another.

Other instructional strategies that are core components of the instruction include, but are not limited to the following: *Recipe for Reading*, *Daily Five*, *Words Their Way* and *Understanding By Design* ("UbD"). *Recipe for Reading* contains a comprehensive, multisensory, phonics-based reading program. The program is based on a skill sequence and lesson structure designed for beginning, at-risk or struggling readers (Traub & Bloom, 2000). Evidence has demonstrated that utilizing the scope presented in the *Recipe for Reading* manual has a more positive effect on student acquisition of letter recognition and sounds.

The *Daily Five* instructional strategy is a beneficial complement to the reader's workshop model utilized at the Academy. *Daily Five* is a structure that helps students develop the daily habits of reading, writing and working independently that lead to a lifetime of literacy independence

(Boushey & Moser, 2006). Students' ability to accomplish sustained reading is enhanced by the utilization of the *Daily Five* Strategies. The *Words Their Way* program, developed by Donald Bear, encompasses a word study block that is an effective addition to the Academy's ELA program. The lessons incorporate a hands-on approach and have a formative assessment system the Academy uses on a quarterly basis. Additionally, the Academy utilizes the UbD approach in many areas, but most importantly in the development of curriculum units. The teaching staff is required to submit unit plans in the UbD format. The UbD model takes a common sense approach to learning and instructional planning. Utilization of the UbD approach puts a greater emphasis on priority standards as well as making assessment the central focus to curriculum design (McTighe, 2004).

Adaptations and Modifications

Instructional planning at the Academy is focused upon ensuring student success. The result is a curriculum that allows students to derive meaning from all educational experiences. Instructors believe active student engagement is a key feature of student success and there is an expectation that all teachers design lessons and assessments that engage students.

The Academy's core curriculum:

Is available to all children.

Is preventative and proactive.

Includes, but is not limited to:

- differentiated instruction by adaptations.
- use of diagnostic assessments.
- small, flexible groups.
- curriculum that is scaffolded.
- data driven decisions and progress monitoring.

Pyramid RtI

The Academy subscribes to a four "tiered" RtI structure:

Tier I is subject area classroom instruction (general education students and special education students). Teachers use differentiated instruction, when possible, to meet student needs. Frequent formative assessments determine the extent to which content is learned prior to a summative assessment. Summative assessments in the form of unit tests, papers, projects, presentations and demonstrations, indicate mastery of content. If students do not master the given content, teachers reteach and reassess as necessary.

Tier II encompasses the classroom instruction outlined above and additional "needs-based learning." Students who are identified through standardized assessments and teacher observation as performing below grade level receive additional support in the classroom. This support could come from the classroom teacher or an interventionist assigned to the classroom. These students receive more frequent progress monitoring to determine academic growth. Tier II students are supported and monitored for 10 weeks. If students have an Individualized Educational Program ("IEP") goal, the student is not supported by an interventionist, as the student is supported by special education staff.

Tier III encompasses Tier I and II instruction with the addition of “individualized learning.” Students who do not make accelerated progress after 10 weeks of receiving Tier II instruction are identified as Tier III students. An interventionist, who is a certified teacher, services targeted students outside of the classroom (not during core instruction). A learning plan is formulated to the specific student’s needs, along with individualized assessments. If the student is not making accelerated progress after five weeks, a child study is initiated and a student study team meets to recommend and implement additional strategies to assist the student. After a subsequent five week timeframe, if the student is not making accelerated progress to grade level, the student is referred to special education for testing.

Tier IV encompasses Tier I instruction and “specially designed learning.” The students identified for Tier IV are students qualifying for special education services, based on a documented learning or speech disability. The students receive classroom instruction by the general education teacher and support by a special education teacher, based on IEP goals. Students may also receive modified content or instructional delivery.

Even though the pyramid is designed with a timeframe, there are extenuating circumstances where a child needs to be moved from one tier to another prior to the end of the designated timeframe. If this occurs, a leadership meeting is scheduled with the Intervention Coordinator(s), the Director of Special Education, Curriculum Director, Assistant Director and Director. Information is presented and a decision for the individual child is made.

The Academy has taken into consideration that the majority of students who attend the school are from an urban setting. In response to this demographic, the Academy has extended the school day to incorporate a specific block of time dedicated to intervention for all students. Highly qualified staff are utilized for instruction during the intervention block. Common assessments are implemented and analyzed on a weekly basis to determine placement of students in the different subject area workshops. This instruction is not be limited by grade levels, but determined by mastery of the standards.

Balanced Calendar

The Academy adopted a balanced calendar with the intent of increasing class time and decreasing summer loss of skills due to the extended break. Students have a 6-week summer rather than the traditional 10-week summer. In addition, students also have a 1-week intercession after the first marking period, a 2-week break in December, a 1-week intercession at the end of the 3rd marking period, and a 2 week break in April. The intent of the multiple breaks throughout the year is to lessen student stress. All breaks are confined to a two-week maximum.

Extended Day

The Academy’s daily schedule provides an additional 45 minutes per day, which affords students an intervention block as well as a morning meeting. In addition, the Academy offers an after school enrichment program based on the MAS, but presented in a live event learning model. A summer remediation program is also offered to students. The summer remediation program utilizes a hybrid approach to instruction. Students are placed in groups according to specific learning needs. While one group works with the teacher, another utilizes a computer based instructional program. The Academy believes both components are crucial to student success. The morning meeting is a way

for teachers and students to share, communicate important messages and establish the expectations for the day. The morning meeting not only builds a community within the classroom, but provides an opportunity for students to reflect on how to plan work. The intervention block provides additional time on task and allows students to receive small group instruction that is focused and intentional. Teachers and interventionists focus on a specific skill and provide additional practice and corrective feedback to increase student achievement.

Special Education Program

The Special Education Department works as a team consisting of special education teachers, speech pathologists, school social worker, occupational therapist, paraprofessionals and a school psychologist to coordinate and provide services for students.

The full inclusion model is emphasized with students who have IEPs. Collaboration between general education staff and special education staff allows the inclusion model to be effective. Teachers work collaboratively by planning lessons, co-teaching, attending professional development opportunities and by researching and applying research-based teaching strategies. In addition to students having additional academic support to correspond with specific IEP goals, there are ancillary services available to enhance the learning potential such as speech therapy, occupational therapy and social work services.

It is the goal of the Special Education Department to act as a resource to the classroom teacher in the development and implementation of appropriate instructional and socialization strategies. Professional development opportunities, classroom presentations and school wide presentations are available to better educate all staff and students of the varied individual needs of specific disabilities.

The Academy is committed to offering creative and effective programming for students with special needs. The Special Education Department utilizes the resources available through the local Intermediate School District (Genesee ISD), Central Michigan University (“CMU”) and the Michigan Department of Education.

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the IEP team, and together the team will make decisions that are subject to requirements regarding provision of the least restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible, or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

Accelerated Program

The Academy's Accelerated Program is also a tiered model. Tier I utilizes a differentiated instruction approach and is designed to meet the unique learning styles, learning rates, interests, abilities and needs of the students within the general education classroom. Students in Tier II receive instruction from regular classroom teachers who provide advanced work and special activities. The instructors utilize differentiation, extended learning experiences, compacting of previously mastered information, consistent challenging curriculum, accelerated pace and discovery learning. Tier III consists of an individually designed program to meet the specific needs of the child. In this case, a student receives an individual schedule that allows the student to move to a higher grade for instruction. It may be that the student moves for one content area or does an entire grade skip.

Students are selected to be involved in this program as a result of high scores on the state assessment, Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® (“MAP®”), and through teacher recommendation. Homeroom teachers and all specials teachers are aware of, and have the responsibility to, oversee the students' core academics and challenge these students in the specific areas of strength.

Assessment Plan

Student assessment is viewed as an essential component in the monitoring of student achievement. Aligned standardized assessments and periodic benchmark assessments as well as a variety of culminating assessments are incorporated into daily practice. Assessments are aligned with the curriculum and instruction and have been designed by matching the appropriate measurement method to the type of learning targets (knowledge, reasoning, skill, performance or disposition).

Assessment data informs all instruction at the Academy. Frequent formative assessments are given to determine student learning during a unit of study. These formative assessments consist of, but are not limited to: “thumbs-up/down,” individual whiteboards for checking for understanding, entrance/exit cards, homework check, visual representations of learning, verbal answering, content area games, and written spot checks. Teachers are required to indicate formative assessments in lesson plans and provide anecdotal notes. Quarterly data drop meetings are held with the curriculum director and the reading/math classroom teachers. Additional data drop meetings are

conducted by the intervention and special education departments. Individualized goals and action plans are a result of the aforementioned meetings.

Summative assessments take the form of unit tests, papers, projects, presentations and demonstrations to indicate mastery of content. Teachers reteach and reassess when necessary if students do not master the given content. Teachers are required to indicate summative assessments in lesson plans.

Standardized and other norm/criterion referenced assessments are outlined in a yearly “assessment calendar.” The assessments are given periodically and drive classroom instruction. Assessment data (e.g. NWEA MAP) is the driving force behind the intervention program (previously outlined). STAR Reading, Developmental Reading Assessment® (“DRA”), Dynamic Indicators of Basic Early Literacy Skills (“DIBELS®”), Word Analysis and Michigan Literacy Progress Profile (“MLPP”) tasks, along with formative assessments, are used to inform reading instruction. Students are placed in leveled or strategy groups determined by performance on the aforementioned reading assessments. The Reader’s Workshop method of instruction (mini-lesson, guided reading/ conferring, independent reading/literature study and sharing) guides the reading classes.

STAR Math and Diagnostic Readiness assessments, along with formative assessments, are used to drive math instruction. Students work in differentiated groups to attain mastery of content.

In the core content areas of writing, science and social studies, as well as Spanish, formative and teacher-generated summative assessments drive instruction. Cumulative grade level assessments are written by content area committees to indicate student progress over time. After analyzing the data, core committees determine effectiveness of grade level instruction.

Program Evaluation

The Academy utilizes a systematic process of evaluation to determine the effectiveness of the implementation, delivery and support of the Educational Program.

Formative Evaluation of Educational Program

Weekly lesson plans are submitted to the Director/Assistant Director and must include the following items:

- objectives with corresponding grade level content expectations
- theme/unit
- indication of cross-curricular activities
- indication of vocabulary
- rubrics/scoring guide
- formative assessment
- summative assessment
- indication of homework
- indication of writing
- teacher and student guidelines
- indication of school improvement plans initiative
- indication of differentiated instruction

In addition to collecting lesson plans, the Director/Assistant Director/Curriculum Director provides feedback to the instructional staff through the lesson plan rubric. This feedback promotes collaborative dialogue.

Content area curriculum chairs meet with the Director/Assistant Director/Curriculum Director on a monthly basis to ensure the staff is making progress in regards to the curriculum initiatives and school improvement goals. Curriculum chairs also meet with the instructional staff on a monthly basis. This time is dedicated to reviewing the school improvement plans as well as working on ensuring alignment of the curriculum to the MAS. Following the end of the second marking period, the curriculum chairs observe the staff implementing the lessons.

Summative Evaluation of Educational Program

In addition to the formative evaluation of programs, a summative process occurs as well. The Academy's performance appraisal is an integral part of the staff assessment, training and development process. Administration completes an evaluation for all teachers each year. The performance appraisal process measures teacher performance against expected Academy teaching standards, achievement of Personal Development Objectives, and expected school improvement initiatives. The evaluation includes teacher performance-based assessment calculated on student achievement growth.

Each year, as part of continuing individual development, each teacher is asked to visit the classrooms of *at least* two other teachers to observe colleagues' teaching and operational methods. This is designed to be an opportunity for teachers to learn from one another by observing other teachers in action. Documentation of the classroom visits is verified through the completion of an one-page *observation summary sheet* that lists key learning for the observer.

Timeline of Classroom Observations

Classroom Observations – All informal and formal observations must be scheduled between the teacher and administrator. The following indicates the frequency of observations:

- First year and probationary Academy teachers – once per marking period
- Second year Academy teachers – once per semester
- Three years and beyond Academy teachers – annually

Resources

- Beth Newingham's Third Grade. (n.d.). *Hill Elementary School Troy Michigan*. Retrieved from <http://hill.troy.k12.mi.us/staff/bnewingham/myweb3/>
- Calkins, L. (2003). *Units of study for primary writing: A yearlong curriculum*. Portsmouth, NH: FirstHand.
- DuFour, R. B., DuFour, R., & Eaker, R. E. (2006). *Professional learning communities at work: Plan book*. Bloomington, IN: Solution Tree.
- Fountas, I. C., & Pinnell, G. S. (2001). *Guiding readers and writers: Teaching comprehension, genre, and content literacy*. Portsmouth, NH: Heinemann.
- O'Connor, K. (2002). *How to grade for learning: Linking grades to standards*. Arlington Heights, IL: SkyLight Professional Development.

SECTION D
CURRICULUM

CURRICULUM

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.4, the Academy shall implement, deliver, and support the curriculum identified in this schedule.

The Academy has adopted Oakland Schools K-12 Public Atlas, Michigan Model for Health™, and Academy written curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Oakland K12 Public Atlas <https://oaklandk12-public.rubiconatlas.org/Atlas/Public/View/Default>
- Michigan Model for Health http://www.michigan.gov/mdhhs/0,5885,7-339-73971_4911_4912_74286---,00.html

Elementary

The following subjects/courses are offered at the Academy.

Course	K	1	2	3	4	5	6
English Language Arts	X	X	X	X	X	X	X
Mathematics	X	X	X	X	X	X	X
Science	X	X	X	X	X	X	X
Social Studies	X	X	X	X	X	X	X
Health	X	X	X	X	X	X	X
Physical Education	X	X	X	X	X	X	X

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.5, the Academy shall properly administer all state-mandated academic assessments identified in the Code, as applicable, and all academic assessments identified in the Public School Academy Chartering Policies adopted by the University Board, as applicable, in accordance with the requirements detailed in the Master Calendar annually issued by the Center.

The Academy shall authorize the Center to have access to the Academy's Student/School Data Applications through the Center for Educational Performance and Information and to the electronic reporting system administered by the Michigan Department of Education to access the Academy's state assessment results, as applicable. The Academy shall ensure that those involved with the administration of these assessments are properly trained and adhere to the ethical standards and testing procedures associated with these assessments.

Academic Assessments to Be Administered:

Assessments as identified in Schedule 7b and all state-mandated assessments.

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

APPLICATION AND ENROLLMENT OF STUDENTS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Sections 6.6 and 6.16, the Academy shall comply with the application and enrollment requirements identified in this Schedule.

Enrollment Limits

The Academy will offer kindergarten through sixth grade. The maximum enrollment shall be 390 students. The Academy Board will annually adopt maximum enrollment figures prior to its application and enrollment period.

Requirements

Section 504 of the Code provides that public school academies shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a Michigan school district. However, a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a Michigan school district and may give enrollment priority as provided below.

- Academy enrollment shall be open to all individuals who reside in Michigan. Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a Michigan resident.
- Academy admissions may be limited to pupils within a particular age range/grade level or on any other basis that would be legal if used by a Michigan school district.
- The Academy shall allow any pupil who was enrolled in the Academy in the immediately preceding school year to enroll in the Academy unless the appropriate grade is not offered.
- No student may be denied participation in the application process due to lack of student records.
- If the Academy receives more applications for enrollment than there are spaces available, pupils shall be selected for enrollment through a random selection drawing.

The Academy may give enrollment priority to one (1) or more of the following:

- A sibling of a pupil enrolled in the Academy.
- A pupil who transfers to the Academy from another public school pursuant to a matriculation agreement between the Academy and other public school that provides for this enrollment priority, if all of the following requirements are met:
 1. Each public school that enters into the matriculation agreement remains a separate and independent public school.
 2. The Academy shall select at least 5% of its pupils for enrollment using a random selection process.

3. The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is party to the matriculation agreement and who was not expelled from the public school to enroll in the public school academy giving enrollment priority under the matriculation agreement.
- A child, including an adopted child or legal ward, of a person who is employed by or at the Academy or who is on the Academy Board.

Matriculation Agreement

- The Academy Board may enter into a matriculation agreement with another public school pursuant to section 504(4) of the Code.
- However, before the Academy Board approves a matriculation agreement, the Academy shall provide a draft copy of the agreement to the Center for review.
- Any matriculation agreement entered into by the Academy shall be added to this Schedule 7f through a contract amendment approved in accordance with Article IX in the Terms and Conditions of this Contract.
- Until the matriculation agreement is incorporated into this Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

Application Process

- The Academy shall make reasonable effort to advertise its enrollment openings.
- The Academy's open enrollment period shall be a minimum of two weeks (14 calendar days) in duration and shall include evening and weekend times.
- The Academy shall accept applications all year. If openings occur during the academic year, students shall be enrolled. If openings do not exist, applicants shall be placed on the official waiting list. The waiting list shall cease to exist at the beginning of the Academy's next open enrollment period.
- In the event there are openings in the class for which students have applied, students shall be admitted according to the official waiting list. The position on the waiting list shall be determined by the random selection drawing. If there is no waiting list, students shall be admitted on a first-come, first-served basis.
- The Academy may neither close the application period nor hold a random selection drawing for unauthorized grades prior to receipt of written approval from the Center.

Legal Notice or Advertisement

- The Academy shall provide legal notice or advertisement of the application and enrollment process in a local newspaper of general circulation. A copy of the legal notice or advertisement shall be forwarded to the Center.
- At a minimum, the legal notice or advertisement must include:

1. The process and/or location(s) for requesting and submitting applications.
 2. The beginning date and the ending date of the application period.
 3. The date, time, and place the random selection drawing(s) will be held, if needed.
- The legal notice or advertisement of the application period shall be designed to inform individuals that are most likely to be interested in attending the Academy.
 - The Academy, being an equal opportunity educational institution, shall be committed to good-faith affirmative action efforts to seek out, create and serve a diverse student body.

Re-enrolling Students

- The Academy shall notify parents or guardians of all enrolled students of the deadline for notifying the Academy that they wish to re-enroll their child.
- If the Academy Board has a sibling preference policy, the re-enrollment notice must also request that the parent or guardian indicate whether a sibling(s) seeks to enroll for the upcoming academic year.
- An enrolled student who does not re-enroll by the specified date can only apply to the Academy during the application period for new students.
- An applicant on the waiting list at the time a new application period begins must reapply as a new student.
- After collecting the parent or guardian responses, the Academy must determine the following:
 1. The number of students who have re-enrolled per grade or grouping level.
 2. The number of siblings seeking admission for the upcoming academic year per grade.
 3. If space is unavailable, the Academy must develop a waiting list for siblings of re-enrolled students.
 4. The number of spaces remaining, per grade, after enrollment of current students and siblings.

Random Selection Drawing

A random selection drawing is required if the number of applications exceeds the number of available spaces. Prior to the application period, the Academy shall:

- Establish written procedures for conducting a random selection drawing.
- Establish the maximum number of spaces available per grade or age grouping level.
- Establish the date, time, place and person to conduct the random selection drawing.
- Notify the Center of both the application period and the date of the random selection drawing, if needed. The Center may have a representative on-site to monitor the random selection drawing process.

The Academy shall use a credible, impartial individual who is not employed by, under contract with, a member of the Board of, or otherwise affiliated with the Academy to conduct the random selection drawing. Further, the Academy shall:

- Conduct the random selection drawing in a manner that is open to parents, community members and members of the public who want to observe the process.
- Use numbers, letters, or another system that guarantees fairness and does not give an advantage to any applicant.

The Academy shall notify applicants not chosen in the random selection drawing that they were not selected and that their name has been placed on the Academy's official waiting list for openings that may occur during the academic year. Students shall appear on the official waiting list in the order they were selected in the random selection drawing.

SECTION G

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.7, the Academy shall comply with the school calendar and school day schedule requirements identified in this schedule.

School Calendar

The Academy's school calendar shall comply with Sections 1175, 1284 and 1284a, if applicable, of the Code. The Academy's school calendar shall also comply with the minimum requirements set forth in Section 101 of the School Aid Act of 1979 (MCL 388.1701). The Academy Board must submit a copy of the Academy's school calendar to the Center in accordance with the Master Calendar of Reporting Requirements.

School Day Schedule

The Academy Board must structure the Academy's school day schedule to meet the required number of instructional days and hours. The Academy Board must submit the school day schedule to the Center prior to the commencement of each academic year.

SECTION H

AGE OR GRADE RANGE OF PUPILS

AGE OR GRADE RANGE FOR PUPILS TO BE ENROLLED

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.8, the Academy shall comply with the age or grade ranges as stated in this schedule.

The Academy will enroll students in kindergarten through sixth grade. The Academy may add grades with the prior written approval of the authorizing body.

Students of the Academy will be children who have reached the age of 5 by the dates outlined in the Code.

CONTRACT SCHEDULE 8

**INFORMATION AVAILABLE TO
THE PUBLIC AND THE CENTER**

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.8, the Academy shall comply with this Schedule.

Information Available to the Public and The Center

The Code provides that the board of directors of a public school academy shall make information concerning its operation and management available to the public and to the Center in the same manner as is required by state law for school districts.

The Code provides that the board of directors of a public school academy shall collect, maintain, and make available to the public and the Center, in accordance with applicable law and the Contract, at least all of the following information concerning the operation and management of the Academy:

1. A copy of the Academy's Charter Contract.
2. A list of currently serving members of the Academy Board, including name, address, and term of office.
3. Copies of policies approved by the Academy Board.
4. The Academy Board meeting agendas and minutes.
5. The budget approved by the Academy Board and of any amendments to the budget.
6. Copies of bills paid for amounts of \$10,000.00 or more, as submitted to the Academy Board.
7. Quarterly financial reports submitted to the Center.
8. A current list of teachers and administrators working at the Academy that includes individual salaries as submitted to the Registry of Educational Personnel.
9. Copies of the teaching or administrator's certificates or permits of current teaching and administrative staff.
10. Evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b of the Code for all teachers and administrators working at the Academy.
11. Curriculum documents and materials given to the Center.
12. Proof of insurance as required by the Contract.
13. Copies of facility leases or deeds, or both.
14. Copies of any equipment leases.
15. Copies of any management contracts or services contracts approved by the Academy Board.
16. All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.
17. Annual financial audits and any management letters issued as part of the Academy's annual financial audit, required under Article VI, Section 6.11 of the Terms and Conditions of this Contract.
18. Any other information specifically required under the Code.

Information to be Provided by the Academy's Educational Service Provider (if any)

Pursuant to the Terms and Conditions of this Contract, including Article III, Section 3.6, the University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. Any Educational Service Provider Management Agreement entered into by the Academy must contain a provision requiring the educational service provider to provide to the Academy Board information concerning the operation and management of the Academy (including without limitation, but not limited to, the items identified above and annually the information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 388.1618) available to the Academy Board in order to enable the Academy to fully satisfy its obligations under Section 11.8(a) of the Terms and Conditions.

AMENDMENT NO. 1

to the
July 1, 2018 Contract to Charter
A Public School Academy and Related Documents

Issued To

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

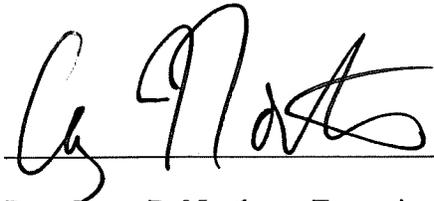
CONTRACT AMENDMENT NO. 1

GREATER HEIGHTS ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2018, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to GREATER HEIGHTS ACADEMY (the "Academy"), the parties agree to amend the Contract as follows:

- 1.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 1.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of August 9, 2018.



Dated: 1-14-19

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 12-18-18

By: Marvin Miller, Board President
Greater Heights Academy
Designee of the Academy Board

Greater Heights Academy
Contract Amendment No. 1

Tab 1

EDUCATIONAL PROGRAMS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver, and support the educational programs identified in this schedule.

Mission Statement

The mission of Greater Heights Academy (“Academy”) is to achieve individual academic success for all students through a positive family/school/community partnership.

Vision Statement

The Academy’s vision is to provide the highest quality comprehensive educational environment that inspires excellence in academics and character by:

- educating the whole (social, emotional, physical, academic) child;
- setting high expectations;
- partnering with parents and community;
- fully maximizing available resources; and
- ranking in the top 10% statewide.

Values

At the Academy, students are the first priority. The Academy promotes a caring and structured environment. Structure and consistency are the fundamental elements of effective discipline and the Academy adheres to set standards. The Academy understands and recognizes that a parent is a child’s first and primary educator and diligently pursues a strong and beneficial home/school partnership.

How the educational program fulfills the Academy’s mission, vision, and values

The mission statement for the Academy focuses on and addresses individualized academic success. The Academy’s Multi-Tiered System of Supports (“MTSS”) program ensures all students in need of intervention services are identified quickly and an action plan for remediation is put in place. Continuous progress monitoring evaluates the success of the student(s) and helps determine if adjustments to the instruction are necessary. In addition, students who are excelling according to the standards based reporting system and assessments are provided enrichment opportunities that meet individual needs and are a part of the individualized academic success.

Further, the mission indicates all students have the capability to learn. The MTSS program ensures no child is left behind and students receive quality instruction to meet individual needs. The mission also addresses creating educational success through positive family, school and community partnerships. The staff and administration at the Academy realize that parents are a child’s first teacher. Parent input is crucial to the success of each student and the Academy implements a variety of programs, such as Parent University, to encourage parent participation. In addition, the Academy establishes partnerships with several universities, theaters and museums to enhance student learning and to build a sense of community.

The Academy ensures the vision is accomplished by inspiring excellence in every area of the school, from classroom discipline, to staff evaluation and accountability, to parent and community

engagement. Decisions made are a result of keeping the students at the forefront of the decision-making process. Students are the Academy's first priority.

Educational Program Delivery

There is a strong belief within the Academy that all students can succeed. This is demonstrated at the classroom level by using a variety of best practices designed to meet the differentiated needs of individual learners.

The Academy's core instruction:

- is based on scientific research.
- is a delivery system that relies on best practice.
- is explicit and systematic.
- allows for varied rates of learning.
- takes advantage of whole class, small group, and individual learning structures.
- includes ongoing professional development to provide teachers with the tools necessary to ensure student achievement.
- is consistent within and across classrooms.

Curriculum

The Academy takes a backward design approach when planning for and implementing the curriculum. The Michigan Academic Standards ("MAS") are priority and components of the curriculum, including reporting, assessment, lessons and activities, are designed around the MAS. The standards-based reporting system ensures students are evaluated according to established grade level benchmarks. Formative as well as summative assessments are utilized to monitor student academic progress.

The Academy utilizes Atlas™, a curriculum management tool supported by Rubicon International and Oakland Schools. Atlas is available on the Oakland School's website. The Academy uses Atlas for science, mathematics and English language arts ("ELA"). The Academy uses the Michigan Citizenship Collaborative Curriculum ("MC3") for social studies. Atlas provides curriculum for lessons aligned to the MAS.

The Academy's kindergarten classroom is self-contained, and first through sixth grade classrooms are departmentalized; allowing for flexibility and ample time for differentiating instruction. In working as a collaborative team, daily schedules are planned to maximize student potential. The Academy has established the expectations regarding individual schedules. English language arts instruction is a maximum of 120 minutes block incorporating reading, writing, spelling and handwriting instruction with a deliberate focus on integrating other content areas as possible. Mathematics instruction receives a maximum of a 120 minute block, which also provides for deliberate cross curricular integration. Social studies and science are provided extended block scheduling weekly to allow students to engage in in-depth projects and explorations whose content is reinforced during daily ELA and Math blocks.

Reading

A balanced literacy approach is used in kindergarten through sixth grade to teach reading and writing. The curriculum taken from the Oakland Schools Atlas website encompasses the reading

curriculum for the Academy. Teachers develop unit plans utilizing these materials as a guide. Individual lesson plans include the MAS and rubrics for assessment. Resources from Atlas are among the resources utilized on a regular basis to deploy curricular units of instruction.

Writing

Kindergarten through sixth grade writing teachers implement the curriculum in the Oakland Schools Atlas website. Teachers develop unit plans utilizing this material as a guide. Individual lesson plans include the MAS and rubrics for assessment. Lesson plans from Oakland School's Atlas Curriculum are utilized on a regular basis.

Math

Kindergarten through sixth grade math instruction is guided by lessons from the curriculum in the Oakland Schools Atlas website. A heavy emphasis is put on mastering math practices embedded in the MAS. Math lessons develop skills, problem-solving strategies and make connections to the real world.

Social Studies

The MC3 is used for kindergarten through sixth grade social studies. The MC3 is a model curriculum created through the collaborative efforts of several Intermediate School Districts and Regional Education Service Agencies. The curriculum includes research based lessons, and the units of study are complete with overarching questions to examine social studies concepts as well as resources and aligned assessments.

Science

Lessons from Oakland Schools Atlas guide science instruction for kindergarten through sixth grade. Students examine science concepts and theories. Opportunities to conduct hands-on investigations assist students in applying concepts.

Health

The Michigan Model for Health™ curriculum provides staff the resources to teach health. The health curriculum is instructed utilizing a live event learning model in addition to a variety of hands-on lessons.

Specials

In addition to the core content areas, the Academy provides instruction in specials courses; these courses may include, but are not limited to: Spanish, music, physical education, robotics, art and technology. Specials classes are selected each year based on student preference and the availability of qualified staff. All specials courses are intended to provide enrichment opportunities and cross curricular support.

Educational Program Approaches--Researched-based Strategies

A crucial component for success integrated into the daily schedule is common plan time for all instructional staff. When developing the schedule, this is the first piece that goes into the plan. If schools are to develop as professional learning communities, collaboration must be embedded into the daily routine practices (Dufour, Dufour, & Eaker, 2006). Common planning time allows for shared leadership opportunities as well as establishing a mentoring program amongst staff. The

Academy institutes grade level planning times and, when possible, plans the daily schedule to accommodate vertical planning.

The Academy's instructional strategies reflect the following research-based methodologies:

- *student-centered*: investigating students' interests takes precedence over studying arbitrarily selected content.
- *experiential*: students are immersed in the most direct possible experience of the content through hands-on activities in every subject.
- *holistic*: students encounter whole ideas, events and materials in context, not by studying subparts isolated from actual use.
- *authentic*: real, rich, complex ideas and materials are at the heart of lessons.
- *expressive*: to fully engage ideas, construct meaning and remember information, students must regularly employ the whole range of communicative media – speech, writing, drawing, poetry, drama, music, movement and visual arts.
- *reflective*: learners have multiple opportunities to reflect and debrief their experiences.
- *social*: learning is socially constructed and often interactional; teachers create classroom interactions that scaffold learning.
- *collaborative*: cooperative learning activities are embedded in lesson plan activities.
- *democratic*: classrooms are model communities; students learn what they live as citizens of the school.
- *cognitive*: students develop true understanding of concepts through higher-order thinking associated with the various fields of inquiry and through self-monitoring of their thinking.
- *developmental*: students grow through a series of definable but not rigid stages; lessons align to the developmental level of students.
- *constructivist*: students re-create and reinvent every cognitive system they encounter, including language, literacy and mathematics.
- *challenging*: students learn best when faced with genuine challenges, choices and responsibility in their own learning.

Specific curriculum initiatives embedded in classroom instruction include, but are not limited to, standards-based reporting, differentiated instruction and reader and writer's workshop. The Academy's standards-based reporting is based upon the research of Ken O'Connor (2002). The goal, in regard to grading, is to create a system with accurate grades. In order to make grades accurate, behaviors and attitudes must be separate from the academic portion of the reporting system. Content area teachers are provided a separate section for citizenship on the report card. This alleviates the need to embed citizenship grades into the academic portion. Students who are demonstrating positive choices in regards to responsibility are recognized. Consequences and remediation steps are taken to curb negative behaviors such as late and missing work.

The Academy's second and third goals in regard to grading are to make grades meaningful and consistent. This is accomplished by administering common assessments on a consistent basis. In addition, grades for the report cards are only taken on the summative assessments. In order to keep grading consistent, the curriculum has clearly defined performance standards and benchmarks across grade levels and content areas.

The fourth goal is to make grades supportive of learning. This is accomplished by ensuring that the classroom focus is on learning. This begins at the Academy Board level and continues to the individual student level. The three big ideas, as presented by Richard Dufour of Solution Tree, are a core component of the Academy's structure (Dufour, Dufour, & Eaker, 2006). The Academy believes the fundamental purpose is to ensure all students learn at high levels and are committed to becoming lifelong learners. In addition, collaborative teamwork and interdependence among teachers and administrators is a way to continuously improve the school. Evidence that students are learning and are ready to respond immediately when timely feedback reports otherwise is a clear indicator of a professional learning community.

Differentiated instruction is the process of “ensuring that what he/she learns, and how the student demonstrates what he/she has learned is a match for that student's readiness level, interests, and preferred mode of learning” (Tomlinson, 2008). At the Academy, a pre-assessment is administered prior to each unit or instructional sequence. Depending on the student's mastery of the concepts in the pre-assessment, he/she may be taken down a different learning path. Students who have not mastered the concepts receive further instruction at the appropriate level. If the opposite is true and the student has already mastered the assessed concepts, the student receives instruction on the same concepts, but at a deeper level of instruction. The idea is not to move the student ahead, but to advance higher learning skills by providing more difficult experiences in which to demonstrate knowledge. The Academy believes this style of instruction is more rewarding and challenging to students.

The writer's workshop model is implemented as outlined in the Atlas units of instruction. All writing teachers run workshops utilizing the four structures: mini-lesson, independent writing, conferring/conferencing and sharing. No portion holds more value than another and assessment does not only occur at the end of a unit or completion of a piece, but rather is continuous. Evidence has demonstrated that in order to provide more accurate information to parents, students, and staff the assessment (formative and summative) must also occur within the creation of the writing piece.

The reader's workshop model at the Academy is based on the research of Fountas & Pinnell (Fountas & Pinnell, 2001) as outlined in the Atlas units of instruction. All reading teachers run the workshops utilizing the four structures: mini-lesson, independent reading, guided reading (conferring) and/or literature study and group sharing. Similar to the writer's workshop, no portion holds more value than another.

Other instructional strategies that are components of the instruction may include, but are not limited to the following: *Super Kids*, *Recipe for Reading*, *Daily Five*, *Words Their Way* and *Understanding By Design* (“UbD”). *Recipe for Reading* contains a comprehensive, multisensory, phonics-based reading program. The program is based on a skill sequence and lesson structure designed for beginning, at-risk or struggling readers (Traub & Bloom, 2000).

Adaptations and Modifications

Instructional planning at the Academy is focused upon ensuring student success. The result is a curriculum that allows students to derive meaning from all educational experiences. Instructors believe active student engagement is a key feature of student success and there is an expectation that all teachers design lessons and assessments that engage students.

The Academy's core curriculum:

Is available to all children.

Is preventative and proactive.

Includes, but is not limited to:

- differentiated instruction by adaptations.
- use of diagnostic assessments.
- small, flexible groups.
- curriculum that is scaffolded.
- data driven decisions and progress monitoring.

Multi-Tiered Systems of Support

The Academy subscribes to a four “tiered” MTSS structure:

Tier I is subject area classroom instruction (general education students and special education students). Teachers use differentiated instruction, when possible, to meet student needs. Frequent formative assessments determine the extent to which content is learned prior to a summative assessment. Summative assessments in the form of unit tests, papers, projects, presentations and demonstrations, indicate mastery of content. If students do not master the given content, teachers reteach and reassess as necessary.

Tier II encompasses the classroom instruction outlined above and additional “needs-based learning.” Students who are identified through standardized assessments and teacher observation as performing below grade level receive additional support in the classroom. This support could come from the classroom teacher or an interventionist assigned to the classroom. These students receive more frequent progress monitoring to determine academic growth. Tier II students are supported and monitored for 10 weeks. If students have an Individualized Educational Program (“IEP”) goal, the student is not supported by an interventionist, as the student is supported by special education staff.

Tier III encompasses Tier I and II instruction with the addition of “individualized learning.” Students who do not make accelerated progress after 10 weeks of receiving Tier II instruction are identified as Tier III students. An interventionist, services targeted students outside of the classroom (not during core instruction). A learning plan is formulated to the specific student's needs, along with individualized assessments. If the student is not making accelerated progress after five weeks, a child study is initiated and a student study team meets to recommend and implement additional strategies to assist the student. After a subsequent five week timeframe, if the student is not making accelerated progress to grade level, the student is referred to special education for testing.

Tier IV encompasses Tier I instruction and “specially designed learning.” The students identified for Tier IV are students qualifying for special education services, based on a documented learning or speech disability. The students receive classroom instruction by the general education teacher and support by a special education teacher, based on IEP goals. Students may also receive modified content or instructional delivery.

Even though the pyramid is designed with a timeframe, there are extenuating circumstances where a child needs to be moved from one tier to another prior to the end of the designated timeframe. If this occurs, a leadership meeting is scheduled with the Intervention Coordinator(s), the Director of Special Education, Curriculum Director, Assistant Director and Director. Information is presented and a decision for the individual child is made.

The Academy has taken into consideration that the majority of students who attend the school are from an urban setting. In response to this demographic, the Academy has incorporated a specific block of time dedicated to intervention for all students. Highly qualified staff are utilized for instruction during the intervention block. Formative assessments are implemented and analyzed on a daily basis to determine placement of students in the different subject area workshops.

Balanced Calendar

The Academy adopted a balanced calendar with the intent of increasing class time and decreasing summer loss of skills due to the extended break. Students have a 6-week summer rather than the traditional 10-week summer as required by MDEs state waiver. In addition, students typically have a 1-week intercession around the first marking period, a 2-week break in December, a 1-week intercession around the 3rd marking period, and a 2 week break in the spring. The intent of the decreased summer break and multiple breaks throughout the year is to lessen student stress as well as reduce the summer loss seen in schools adhering to the traditional school calendar. All breaks are confined to a two-week maximum.

Academic Day

The Academy's daily schedule affords students an intervention block as well as a morning meeting. In addition, the Academy offers after school enrichment programs based on the MAS, but presented in a live event learning model. The morning meeting is a way for teachers and students to share, communicate important messages and establish the expectations for the day. The morning meeting not only builds a community within the classroom, but provides an opportunity for students to reflect on how to plan work. The intervention block provides additional time on task and allows students to receive small group instruction that is focused and intentional. Teachers and interventionists focus on a specific skill and provide additional practice and corrective feedback to increase student achievement.

Special Education Program

The Special Education Department works as a team consisting of special education teachers, speech pathologists, school social worker, occupational therapist, paraprofessionals and a school psychologist to coordinate and provide services for students.

The full inclusion model is emphasized with students who have IEPs. Collaboration between general education staff and special education staff allows the inclusion model to be effective. Teachers work collaboratively by planning lessons, co-teaching, attending professional development opportunities and by researching and applying research-based teaching strategies. In addition to students having additional academic support to correspond with specific IEP goals, there are ancillary services available to enhance the learning potential such as speech therapy, occupational therapy and social work services.

It is the goal of the Special Education Department to act as a resource to the classroom teacher in the development and implementation of appropriate instructional and socialization strategies. Professional development opportunities, classroom presentations and school wide presentations are available to better educate all staff and students of the varied individual needs of specific disabilities.

The Academy is committed to offering creative and effective programming for students with special needs. The Special Education Department utilizes the resources available through the local Intermediate School District (Genesee ISD), Central Michigan University (“CMU”) and the Michigan Department of Education.

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the IEP team, and together the team will make decisions that are subject to requirements regarding provision of the least restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible, or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

Accelerated Program

The Academy’s Accelerated Program is also a tiered model. Tier I utilizes a differentiated instruction approach and is designed to meet the unique learning styles, learning rates, interests, abilities and needs of the students within the general education classroom. Students in Tier II receive instruction from regular classroom teachers who provide advanced work and special activities. The instructors utilize differentiation, extended learning experiences, compacting of previously mastered information, consistent challenging curriculum, accelerated pace and discovery learning. Tier III consists of an individually designed program to meet the specific needs

of the child. In this case, a student receives an individual schedule that allows the student to move to a higher grade for instruction. It may be that the student moves for one content area or does an entire grade skip.

Students are selected to be involved in this program as a result of high scores on the state assessment, Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® (“MAP®”), and through teacher recommendation. Homeroom teachers and all specials teachers are aware of, and have the responsibility to, oversee the students’ core academics and challenge these students in the specific areas of strength.

Assessment Plan

Student assessment is viewed as an essential component in the monitoring of student achievement. Aligned standardized assessments and periodic benchmark assessments as well as a variety of formative and culminating assessments are incorporated into daily practice. Assessments are aligned with the curriculum and instruction and have been designed by matching the appropriate measurement method to the type of learning targets (knowledge, reasoning, skill, performance or disposition).

Assessment data informs all instruction at the Academy. Frequent formative assessments are given to determine student learning during a unit of study. These formative assessments consist of, but are not limited to: “thumbs-up/down,” individual whiteboards for checking for understanding, entrance/exit cards, homework check, visual representations of learning, verbal answering, content area games, and written spot checks. Teachers are required to indicate formative assessments in lesson plans and keep anecdotal notes. Quarterly data drop meetings are held with the curriculum director and the reading/math classroom teachers. Additional data drop meetings are conducted by the intervention and special education departments. Individualized goals and action plans are a result of the aforementioned meetings.

Summative assessments take the form of unit tests, papers, projects, presentations and demonstrations to indicate mastery of content. Teachers reteach and reassess when necessary if students do not master the given content. Teachers are required to indicate summative assessments in lesson plans.

Standardized and other norm/criterion referenced assessments are outlined in a yearly “assessment calendar.” The assessments are given periodically and drive classroom instruction. Assessment data (e.g. NWEA MAP) is the driving force behind the intervention program (previously outlined). Developmental Reading Assessment® (“DRA), Moby Max, Word Analysis and Michigan Literacy Progress Profile (“MLPP”) tasks, along with formative assessments, are used to inform reading instruction. Students are placed in leveled or strategy groups determined by performance on the aforementioned reading assessments. The Reader’s Workshop method of instruction (mini-lesson, guided reading/ conferring, independent reading/literature study and sharing) guides the reading classes.

Moby Max Math and Diagnostic Readiness assessments, along with formative assessments, are used to drive math instruction. Students work in differentiated groups to attain mastery of content.

In the core content areas of writing, science and social studies, as well as in specials classes, formative and teacher-generated summative assessments drive instruction. Cumulative grade level assessments are written by content area committees to indicate student progress over time. After analyzing the data, core committees determine effectiveness of grade level instruction.

Program Evaluation

The Academy utilizes a systematic process of evaluation to determine the effectiveness of the implementation, delivery and support of the Educational Program.

Formative Evaluation of Educational Program

Daily lesson plans are submitted to the Director/Assistant Director and are based on the Oakland Schools units of instruction and/or pacing and curriculum guides created by the Academy. The units of instruction and pacing guides all incorporate the following:

- objectives with corresponding grade level content expectations
- theme/unit
- indication of cross-curricular activities
- indication of vocabulary
- rubrics/scoring guide
- formative assessment
- summative assessment
- indication of homework
- indication of writing
- teacher and student guidelines
- indication of school improvement plans initiative
- indication of differentiated instruction

Teachers create daily lesson plans which focus intently on a daily learning objective, student misconceptions and assessment. The lesson plan is updated daily to include information on individual students' level of mastery on the daily lesson. This data is shared with MTSS staff and becomes an integral part of the Tier 2 process.

In addition to collecting lesson plans, the Director/Assistant Director/Curriculum Director provides feedback to the instructional staff through the lesson plan rubric. This feedback promotes collaborative dialogue.

Content area curriculum chairs meet with the Director/Assistant Director/Curriculum Director on a monthly basis to ensure the staff is making progress in regards to the curriculum initiatives and school improvement goals. Curriculum chairs also meet with the instructional staff on a monthly basis. This time is dedicated to reviewing the school improvement plans as well as working on ensuring alignment of the curriculum to the MAS. Following the end of the second marking period, the curriculum chairs observe the staff implementing the lessons.

Lead teachers meet with the Director/Assistant Director on a daily basis to ensure the staff is making progress in regards to school objectives and goals. Lead teachers also meet with assigned teams and with the MTSS team weekly to ensure the data cycle is running smoothly for MTSS

processes. Lead teachers act as mentors, co-teachers and coaches to the teams and support each classroom team in both academic, behavioral and cultural objectives.

Summative Evaluation of Educational Program

In addition to the formative evaluation of programs, a summative process occurs as well. The Academy's performance appraisal is an integral part of the staff assessment, training and development process. Administration completes an evaluation for all teachers based on the Charlotte Danielson Framework for Teaching each year. The performance appraisal process measures teacher performance against an established framework based on best practices, achievement of Personal Development Objectives, and expected school improvement initiatives. The evaluation includes teacher performance-based assessment calculated on student achievement growth.

Each year, as part of continuing individual development, each teacher is asked to visit the classrooms of *at least* two other teachers to observe colleagues' teaching and operational methods. This is designed to be an opportunity for teachers to learn from one another by observing other teachers in action. Documentation of the classroom visits is verified through the completion of an *observation summary* that lists key learning for the observer.

Timeline of Classroom Observations

Classroom Observations

Teachers receive both formal and informal observations yearly. All formal observations must be scheduled between the teacher and administrator. The typical observational cycle consists of the following steps:

- Pre Observation Meeting to establish a focus for the observation.
- Observation
- Post Observation Meeting: to reflect and set goals

This observational cycle is recursive based on an improvement model; as such it is never intended to be punitive in nature.

Resources

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- Calkins, L. (2003). *Units of study for primary writing: A yearlong curriculum*. Portsmouth, NH: FirstHand.
- DuFour, R. B., DuFour, R., & Eaker, R. E. (2006). *Professional learning communities at work: Plan book*. Bloomington, IN: Solution Tree.
- Fountas, I. C., & Pinnell, G. S. (2001). *Guiding readers and writers: Teaching comprehension, genre, and content literacy*. Portsmouth, NH: Heinemann.
- O'Connor, K. (2002). *How to grade for learning: Linking grades to standards*. Arlington Heights, IL: SkyLight Professional Development.
- Danielson, C. (2014). The Framework for Teaching Evaluation Instrument. www.danielsongroup.org

AMENDMENT NO. 2

to the
July 1, 2018 Contract to Charter
A Public School Academy and Related Documents

Issued To

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 2

GREATER HEIGHTS ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2018, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to GREATER HEIGHTS ACADEMY (the "Academy"), as amended, the parties agree to further amend the Contract as follows:

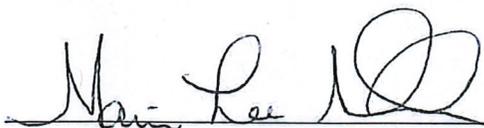
- 1.) Amend the Terms and Conditions of Contract by replacing the language contained within the Preamble; Article I: Definitions; Article II: Relationship Between the Academy and the University Board; Article III, Section 3.6. Authorization to Employ or Contract and Section 3.7. Teacher Certification and Teaching Methods; Article IV, Section 4.2. Other Permitted Activities and Section 4.5. Prohibition of Identified Family Relationships; Article VI, Section 6.5. Methods of Pupil Assessment and Section 6.16. Matriculation Agreements; Article VII: Tuition Prohibited; Article VIII: Compliance with State and Federal Laws; Article X: Contract Revocation, Termination, and Suspension; Article XI: Provisions Relating to Public School Academies; and Article XII: General Terms, with the corresponding language attached as Tab 1.
- 2.) Amend Schedule 5: Description of Staff Responsibilities, by replacing the Employee Management Service Agreement contained therein with the Employee Management Service Agreement, attached as Tab 2.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of July 1, 2019.



Dated: 8-27-19

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 8-20-19

By: Marvin L. Miller
Greater Heights Academy
Designee of the Academy Board

Greater Heights Academy
Contract Amendment No. 2

Tab 1

Preamble:

WHEREAS, the People of Michigan through their Constitution have provided that schools and the means of education shall forever be encouraged and have authorized the Legislature to maintain and support a system of free public elementary and secondary schools; and

WHEREAS, all public schools are subject to the leadership and general supervision of the State Board of Education; and

WHEREAS, the Legislature has authorized an alternative form of public school designated a "public school academy" to be created to serve the educational needs of pupils and has provided that pupils attending these schools shall be eligible for support from the State School Aid Fund; and

WHEREAS, the Legislature has delegated to the governing boards of state public universities, community college boards, intermediate school district boards and local school district boards, the responsibility for authorizing the establishment of public school academies; and

WHEREAS, the Central Michigan University Board of Trustees ("University Board") has considered and has approved the issuance of a contract to Greater Heights Academy ("the Academy");

NOW, THEREFORE, pursuant to the Revised School Code, the University Board issues a contract conferring certain rights, franchises, privileges, and obligations and confirms the Academy's status as a public school academy. In addition, the parties agree that the issuance of this Contract is subject to the following terms and conditions:

ARTICLE I DEFINITIONS

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

- (a) "Academy" means the Michigan nonprofit corporation named Greater Heights Academy which is established as a public school academy pursuant to this Contract.
- (b) "Academy Board" means the Board of Directors of the Academy.
- (c) "Applicable Law" means all state and federal law applicable to a public school academy.
- (d) "Application" means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
- (e) "Code" means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- (f) "Community District" means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (g) "Conservator" means an individual appointed by the University President in accordance with Section 10.8 of these Terms and Conditions.
- (h) "Contract" means, in addition to the definition set forth in the Code, these Terms and Conditions, the Reauthorizing Resolution, the Method of Selection, Appointment, and Removal Resolution, the Schedules, the Educational Service Provider Policies, the Master Calendar and the Application.
- (i) "Department" means the Michigan Department of Education.
- (j) "Director" means a person who is a member of the Academy Board of Directors.
- (k) "Educational Service Provider" or "ESP" means an educational management organization, or employee leasing company, as defined under section 503c of the Code, MCL 380.503c, that has entered into a contract or agreement with the Academy Board for operation or management of the Academy, which contract has been submitted to the Center for review and has not been disapproved by the Center Director, and is consistent with the Educational Service Provider Policies, as they may be amended from time to time, and Applicable Law.
- (l) "Educational Service Provider Policies" or "ESP Policies" means the Educational Service Provider Policies, adopted by The Governor John Engler Center for Charter Schools at Central Michigan University that apply to a Management Agreement. The Educational Service Provider Policies may be amended from time to time. Upon amendment, changes to the ESP Policies shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions.

- (m) "Fund Balance Deficit" means the Academy has more liabilities than assets at the end of any given school fiscal year, and includes any fiscal year where the Academy would have had a budget deficit but for a financial borrowing by the Academy or a monetary contribution by an Educational Service Provider or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support from an Educational Service Provider or other person or entity that does not require repayment by the Academy, and is not conditioned upon the action or inactions of the Academy Board, then such gift or grant shall not constitute a borrowing or contribution for purposes of determining a Fund Balance Deficit.
- (n) "Management Agreement" or "ESP Agreement" means an agreement as defined under section 503c of the Code, MCL 380.503c, that has been entered into between an ESP and the Academy Board for the operation and/or management of the Academy which has been submitted to the Center for review and has not been disapproved by the Center Director.
- (o) "Master Calendar" means the Master Calendar of Reporting Requirements as annually issued by The Governor John Engler Center for Charter Schools setting forth reporting and document submission requirements for the Academy.
- (p) "Method of Selection, Appointment, and Removal Resolution" means the policy adopted by resolution of the University Board on September 18, 1998, and amended on February 15, 2018, establishing the standard method of selection and appointment, length of term, removal and suspension, number of directors and qualifications of academy board members for public school academies issued a Contract by the University Board.
- (q) "Reauthorizing Resolution" means the resolution adopted by the University Board on April 19, 2018, approving the issuance of a Contract to the Academy.
- (r) "Schedules" means the following Contract documents of the Academy: Schedule 1: Restated Articles of Incorporation, Schedule 2: Amended Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight, Compliance and Reporting Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, Schedule 7: Required Information for a Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2018, Issued by the Central Michigan University Board of Trustees Confirming the Status of Greater Heights Academy as a Public School Academy."

- (x) "The Governor John Engler Center for Charter Schools" or "The Center" means the office designated by the University Board as the initial point of contact for public school academy applicants and public school academies authorized by the University Board. The Center is also responsible for administering the University Board's responsibilities with respect to the Contract.
- (y) "The Governor John Engler Center for Charter Schools Director" or "The Center Director" means the person designated at the University to administer the operations of the Center.
- (z) "University" means Central Michigan University, established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.551 et seq.
- (aa) "University Board" means the Central Michigan University Board of Trustees.
- (bb) "University Charter Schools Hearing Panel" or "Hearing Panel" means such persons as designated by the University President.
- (cc) "University President" means the President of Central Michigan University or his or her designee. In section 1.1(bb) above, "University President" means the President of Central Michigan University.

Section 1.2. Captions. The captions and headings used in this Contract are for convenience only and shall not be used in construing the provisions of this Contract.

Section 1.3. Gender and Number. The use of any gender in this Contract shall be deemed to be or include the other genders, including neuter, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

Section 1.4. Statutory Definitions. Statutory terms defined in the Code shall have the same meaning in this Contract.

Section 1.5. Schedules. All Schedules to this Contract are incorporated into, and made part of, this Contract.

Section 1.6. Application. The Application submitted to the University Board for the establishment of the Academy is incorporated into, and made part of, this Contract. To the extent there is a difference between the Contract and the Application, the Contract shall control.

Section 1.7. Conflicting Contract Provisions. In the event that there is a conflict between language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) The Method of Selection, Appointment, and Removal Resolution shall control over any other conflicting language in the Contract; (ii) the Reauthorizing Resolution shall control over any other conflicting language in the Contract with the exception of language in The Method of Selection, Appointment, and Removal Resolution; (iii) the Terms and Conditions shall control over any other conflicting language in the Contract with the exception of language in The Method of Selection, Appointment, and Removal Resolution and the Reauthorizing Resolution; and (iv) the Restated Articles of Incorporation shall control over any other conflicting language in the Contract with the exception of language in the Method of Selection, Appointment, and Removal Resolution, Reauthorizing Resolution and these Terms and Conditions.

ARTICLE II
RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD

Section 2.1. Constitutional Status of Central Michigan University. Central Michigan University is a constitutionally established body corporate operating as a state public university. The University Board is an authorizing body as defined by the Code. In approving this Contract, the University Board voluntarily exercises additional powers given to the University under the Code. Nothing in this Contract shall be deemed to be any waiver of Central Michigan University's powers or independent status and the Academy shall not be deemed to be a part of Central Michigan University. If applicable, the University Board has provided to the Department the accreditation notice required under the Code.

Section 2.2. Independent 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 nonprofit corporation. It is not a division or part of Central Michigan University. The relationship between the Academy and the University Board is based solely on the applicable provisions of the Code and the terms of this Contract or other agreements between the University Board and the Academy.

Section 2.3. Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University. Any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy and a third party shall not in any way constitute an obligation, either general, special, or moral, of the State of Michigan, the University Board, or the University. Neither the full faith and credit nor the taxing power of the State of Michigan or any agency of the State, nor the full faith and credit of the University Board or the University shall ever be pledged for the payment of any Academy contract, mortgage, loan or other instrument of indebtedness.

Section 2.4. Academy Has No Power To Obligate or Bind the State of Michigan, the University Board or the University. The Academy has no authority whatsoever to enter into any contract or other agreement that would financially obligate the State of Michigan, the University Board or the University, nor does the Academy have any authority whatsoever to make any representations to lenders or third parties, that the State of Michigan, the University Board or the University in any way guarantee, are financially obligated, or are in any way responsible for any contract, mortgage, loan or other instrument of indebtedness entered into by the Academy.

Section 2.5. New Public School Academies Located Within the Boundaries of a Community District. If the circumstances listed below in (a) or (b) apply to the Academy's site, the Academy represents to the University Board, intending that the University Board rely on such representation as a precondition to issuing a contract for a new public school academy, that the Academy will have a substantially different governance, leadership and curriculum than the public school previously operating at the site:

- (a) The Academy's proposed site is the same location as a public school that (i) is currently on the list under Section 1280c(1), MCL 380.1280c(1) or Section 1280g(3), MCL 380.1280g(3) of the Code, as applicable; or (ii) has been on the list under Section 1280c(1) or 1280g(3) of the Code, as applicable, during the immediately preceding 3 school years.
- (b) The Academy's proposed site is the same location of another public school academy, urban high school academy, school of excellence or strict discipline academy whose contract was revoked or terminated by an authorizing body.

ARTICLE III
ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY

Section 3.6. Authorization to Employ or Contract. The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. The Academy Board shall prohibit any individual from being employed by the Academy or an Educational Service Provider, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages, benefits, and applicable taxes; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees.

The Academy Board may contract with an Educational Service Provider to provide comprehensive educational, administrative, management, or instructional services or staff to the Academy. Before entering into a Management Agreement with an Educational Service Provider, the Academy Board shall first comply with the Educational Service Provider Policies issued by the Center. Any Management Agreement entered into by the Academy shall also comply with Section 11.2 and 12.10 of these Terms and Conditions. A copy of the Management Agreement between the Academy Board and the Educational Service Provider shall be incorporated into this Contract under Schedule 5. Any changes to the Management Agreement shall be incorporated into this Contract by amendment in accordance with Article IX, as applicable.

Section 3.7. Teacher Certification. Except as otherwise provided by law, the Academy shall use certificated teachers according to State Board rule.

ARTICLE IV
REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY

Section 4.2. Other Permitted Activities.

- (a) Nothing in this Contract shall prohibit the Academy from engaging in other lawful activities that are not in derogation of the Academy's status as a public school or that would not jeopardize the eligibility of the Academy for state school aid funds. Except as provided for the agreements identified below in Section 4.2(b), the Academy may enter into agreements with other public schools, governmental units, businesses, community and nonprofit organizations where such agreements contribute to the effectiveness of the Academy or advance education in this state.
- (b) The Academy shall submit to the Center for prior review the following agreements:
 - (i) In accordance with the Educational Service Provider Policies, a draft copy of any ESP Agreement and any subsequent amendments;
 - (ii) In accordance with the Master Calendar, a draft copy of any Academy deed or lease, amendments to existing leases or any new leasing agreements for any Academy facility; and
 - (iii) In accordance with the Master Calendar, draft long-term or short-term financing closing documents and intercept requests.

Section 4.5. Prohibition of Identified Family Relationships. The Academy Board shall prohibit specifically identified family relationships pursuant to applicable law and the Terms and Conditions of this Contract. Language in this Section controls over section 1203 of the Code. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited familial relationships for the purposes of this Contract:

- (a) No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner:
 - (i) Is employed by the Academy;
 - (ii) Works at or is assigned to the Academy;
 - (iii) Has an ownership, officer, policymaking, managerial, administrative non-clerical, or other significant role with the Academy's Educational Service Provider or employee leasing company;
 - (iv) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy; or
 - (v) Is a current Academy Board member.
- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this sub-section, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or same-sex domestic partner.

ARTICLE VI OPERATING REQUIREMENTS

Section 6.5. Methods of Pupil Assessment. The Academy shall properly administer the academic assessments identified in Schedule 7e and in accordance with the requirements detailed in the Master Calendar. The Academy shall provide the Center direct access to the results of these assessments, along with any other measures of academic achievement reasonably requested by the Center.

Section 6.16. Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft copy of the agreement to the Center for review. Any matriculation agreement entered into by the Academy shall be added to Schedule 7f through a contract amendment approved in accordance with the Contract. Until the matriculation agreement is incorporated into the Contract, the Academy is prohibited from granting an enrollment priority to any student pursuant to that matriculation agreement.

ARTICLE VII
TUITION PROHIBITED

Section 7.1. Tuition Prohibited; Fees and Expenses. The Academy shall not charge tuition. The Academy may impose fees and require payment of expenses for activities of the Academy where such fees and payments are not prohibited by Applicable Law.

ARTICLE VIII
COMPLIANCE WITH APPLICABLE LAWS

Section 8.1. Compliance with Applicable Law. The Academy shall comply with all applicable state and federal laws. Nothing in this Contract shall be deemed to apply any other state or federal law to the Academy.

ARTICLE X
CONTRACT REVOCATION, TERMINATION, AND SUSPENSION

Section 10.1. Statutory Grounds for Revocation. In addition to the other grounds for revocation in Section 10.2 and the automatic revocation in Section 10.3 of these Terms and Conditions, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- (a) Failure of the Academy to demonstrate improved pupil academic achievement for all groups of pupils or abide by and meet the educational goal and related measures set forth in this Contract;
- (b) Failure of the Academy to comply with all Applicable Law;
- (c) Failure of the Academy to meet generally accepted public sector accounting principles and to demonstrate sound fiscal stewardship; or
- (d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.2. Other Grounds for Revocation. In addition to the statutory grounds for revocation set forth in Section 10.1 and the grounds for an automatic revocation set forth in Section 10.3, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- (a) The Academy fails to achieve or demonstrate measurable progress toward achieving the educational goal and related measures identified in this Contract;
- (b) The Academy fails to properly implement, consistently deliver, and support the educational programs or curriculum identified in this Contract;
- (c) The Academy is insolvent, has been adjudged bankrupt, or has operated for two or more school fiscal years with a fund balance deficit;
- (d) The Academy has insufficient enrollment to successfully operate a public school academy, or the Academy has lost more than fifty percent (50%) of its student enrollment from the previous school year;
- (e) The Academy fails to fulfill the compliance and reporting requirements or defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract or, during the term of this Contract, it is discovered by the Center that the Academy failed to fulfill the compliance and reporting requirements or there was a violation of a prior Contract issued by the University Board;
- (f) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Licensing and Regulatory Affairs, Bureau of Commercial Services without first obtaining the Center's approval;
- (g) The Center Director discovers grossly negligent, fraudulent or criminal conduct by the Academy's applicant(s), directors, officers, employees or agents in relation to their performance under this Contract; or

- (h) The Academy's applicant(s), directors, officers, employees or agents have provided false or misleading information or documentation to the Center in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law.

Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed; Economic Hardship Termination. Except as otherwise provided in this Section 10.3, if the University Board is notified by the Department that an Academy site is subject to closure under section 507 of the Code, MCL 380.507 ("State's Automatic Closure Notice"), then this Contract shall automatically be amended to eliminate the Academy's authority to operate certain age and grade levels at the site or sites identified in the State's Automatic Closure Notice. If the State's Automatic Closure Notice includes all of the Academy's existing sites, then this Contract shall automatically be terminated at the end of the current school year in which either the State's Automatic Closure Notice is received without any further action of the University Board or the Academy.

Following receipt of the State's Automatic Closure Notice, the Center Director shall forward a copy of the notice to the Academy Board and request a meeting with the Academy Board representatives to discuss the Academy's plans and procedures for the elimination of certain age or grade levels at the identified site or sites, or if all of the Academy's existing sites are included in that notice, then wind-up and dissolution of the Academy corporation at the end of the current school year. All Academy inquiries and requests for reconsideration of the State's Automatic Closure Notice, including the granting of any hardship exemption by the Department rescinding the State's Automatic Closure Notice ("Pupil Hardship Exemption"), shall be directed to the Department, in a form and manner determined by the Department.

If the Department rescinds the State's Automatic Closure Notice for an Academy site or sites by granting a Pupil Hardship Exemption, the Academy is not required to close the identified site(s), but shall present to the Center a proposed Contract amendment incorporating the Department's school improvement plan, if applicable, for the identified site(s).

If the Department elects not to issue a Pupil Hardship Exemption and the Center Director determines, in his or her discretion, that the closure of one or more sites as directed by the Department creates a significant economic hardship for the Academy as a going concern or the possibility of a mid-year school closure, then the Center Director may recommend to the University Board that the Contract be terminated at the end of the current school year (hereinafter "Economic Hardship Termination"). If the University Board approves the Economic Hardship Termination recommendation, then this Contract shall terminate at the end of the current school year without any further action of the parties.

The University Board's revocation procedures set forth in Section 10.6 do not apply to an automatic termination initiated by the State's Automatic Closure Notice or an Economic Hardship Termination under this Section 10.3.

Section 10.4. Grounds and Procedures for Academy Termination of Contract. The Academy Board, by majority vote of its Directors, may, at any time and for any reason, request termination of this Contract. The Academy Board's request for termination shall be made to the Center Director not less than six (6) calendar months in advance of the Academy's proposed effective date of termination. Upon receipt of an Academy request for termination, the Center Director shall present the Academy Board's request for termination to the University Board. A copy of the Academy Board's resolution approving of the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the Academy Board's request for termination. Upon receipt of the Academy Board's request for termination,

the University Board shall consider and vote on the proposed termination request. The University Board may, in its sole discretion, waive the six (6) month advance notice requirement for terminating this Contract.

Section 10.5. Grounds and Procedures for University Termination of Contract. The University Board, in its sole discretion, reserves the right to terminate the Contract (i) for any reason or for no reason provided that such termination shall not take place less than six (6) months from the date of the University Board's action; or (ii) if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then such termination shall take effect at the end of the current Academy fiscal year. Following University Board approval, the Center Director shall provide notice of the termination to the Academy. If during the period between the University Board action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the Contract may be revoked or suspended sooner pursuant to this Article X. If this Contract is terminated pursuant to this Section 10.5, the revocation procedures in Section 10.6 shall not apply.

Section 10.6. University Board Procedures for Revoking Contract. Except for the automatic revocation and procedures initiated by the State of Michigan set forth in Section 10.3, the University Board's process for revoking the Contract is as follows:

- (a) Notice of Intent to Revoke. The Center Director, upon reasonable belief that grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.
- (b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the Center Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and time line for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the Center Director prior to a review of the Academy Board's response.
- (c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, the Center Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the Center Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the Center Director shall develop a plan for correcting the non-compliance ("Plan of Correction") which may include Reconstitution pursuant to 10.6(d) of these Terms and Conditions. In developing a Plan of Correction, the Center Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be closed if the Center Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of

Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction.

- (d) University Board's Contract Reconstitution Provision. The Center Director may reconstitute the Academy in an effort to improve student educational performance or to avoid interruption of the educational process. Reconstitution may include, but is not limited to, one of the following actions: (i) removal of 1 or more members of the Academy Board; (ii) termination of at-will board appointments of 1 or more Academy Board members in accordance with The Method of Selection, Appointment and Removal Resolution; (iii) withdrawing approval of a contract under Section 506 of the Code; or (iv) the appointment of a new Academy Board of Directors or a Conservator to take over operations of the Academy.

Except as otherwise provided in this subsection, reconstitution of the Academy does not prohibit the Department from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s).

- (e) Request for Revocation Hearing. The Center Director may initiate a revocation hearing before the University Charter Schools Hearing Panel if the Center Director determines that any of the following has occurred:

- (i) the Academy Board has failed to respond to the Notice of Intent to Revoke as set forth in Section 10.6(b);
- (ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;
- (iii) the Academy Board's response admits violations of the Contract or Applicable Law which the Center Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the Center Director determines that a Plan of Correction cannot be formulated;
- (iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;
- (v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.6(c);
- (vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
- (vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The Center Director shall send a copy of the request for revocation hearing to the Academy Board at the same time the request is sent to the Hearing Panel. The request for revocation shall identify the reasons for revoking the Contract.

- (f) Hearing before the University Charter Schools Hearing Panel. Within thirty (30) days of receipt of a request for revocation hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the notice of hearing to the Center and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the Center Director's request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the Center Director and shall not last more than three hours. The hearing shall be transcribed and the cost shall be divided equally between the University and the Academy. The Center Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the

Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel may, however, question the Center Director and the Academy Board. Within thirty (30) days of the revocation hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. For good cause, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the Center and the Academy Board at the same time that the recommendation is sent to the University Board.

- (g) University Board Decision. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available to it copies of the Hearing Panel's recommendation and the transcript from the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the Center, the Academy Board and the Department.
- (h) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board.
- (i) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be withheld by the University Board or returned to the Michigan Department of Treasury upon request.

Section 10.7. Contract Suspension. The University Board's process for suspending the Contract is as follows:

- (a) The Center Director Action. If the Center Director determines, in his or her sole discretion, that certain conditions or circumstances exist such that the Academy Board:
 - (i) has placed staff or students at risk;
 - (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property;
 - (iii) has lost its right to occupancy of the physical facilities described in Schedule 6, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities;
 - (iv) has failed to secure or has lost the necessary fire, health, and safety approvals as required by Schedule 6;
 - (v) has willfully or intentionally violated this Contract or Applicable Law; or
 - (vi) has violated Section 10.2(g) or (h), then the Center Director may immediately suspend the Contract, pending completion of the procedures set forth in Section 10.6. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.
- (b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the Center Director to

suspend the Contract, shall be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury upon the State's request.

- (c) Immediate Revocation Proceeding. If the Academy Board, after receiving a notice of Contract suspension from the Center Director, continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a revocation hearing in accordance with the procedures set forth in section 10.6(e) of this Contract. The Hearing Panel has the authority to accelerate the time line for revoking the Contract, provided that notice of the revocation hearing shall be provided to the Center and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with sections 10.6(f) through (h).

Section 10.8. Conservator; Appointment By University President. Notwithstanding any other provision of the Contract, in the event that the University President, in his or her sole discretion, determines that the health, safety and welfare of Academy students, property or funds are at risk, the University President, after consulting with the University Board Chairperson, may appoint a person to serve as the Conservator of the Academy. Upon appointment, the Conservator shall have all the powers and authority of the Academy Board under this Contract and Applicable Law and shall act in the place and stead of the Academy Board. The University President shall appoint the Conservator for a definite term which may be extended in writing at his or her sole discretion. During the appointment, the Academy Board members and their terms in office are suspended and all powers of the Academy Board are suspended. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. During their appointment, the Conservator shall have the following powers:

- (a) take into his or her possession all Academy property and records, including financial, board, employment and student records;
- (b) institute and defend actions by or on behalf of the Academy;
- (c) continue the business of the Academy including entering into contracts, borrowing money, and pledging, mortgaging, or otherwise encumbering the property of the Academy as security for the repayment of loans. However, the power shall be subject to any provisions and restrictions in any existing credit documents;
- (d) hire, fire and discipline employees of the Academy;
- (e) settle or compromise with any debtor or creditor of the Academy, including any taxing authority;
- (f) review all outstanding agreements to which the Academy is a party and to take those actions which the Academy Board may have exercised to pay, extend, rescind, renegotiate or settle such agreements as needed; and
- (g) perform all acts necessary and appropriate to fulfill the Academy's purposes as set forth under this Contract or Applicable Law.

Section 10.9. Academy Dissolution Account. If the University Board terminates, revokes or fails to issue a new Contract to the Academy, the Center Director shall notify the Academy that, beginning thirty (30) days after notification of the University Board's decision, the University Board may direct up to \$10,000 from each subsequent State School Aid Fund payment, not to exceed a combined total of \$30,000,

to a separate Academy account (“Academy Dissolution Account”) to be used exclusively to pay the costs associated with the wind-up and dissolution responsibilities of the Academy. Within five (5) business days of the Center Director’s notice, the Academy Board Treasurer shall provide the Center Director, in a form and manner determined by the Center, with account detail information and authorization to direct such funds to the Academy Dissolution Account. The Academy Dissolution Account shall be under the sole care, custody and control of the Academy Board, and such funds shall not be used by the Academy to pay any other Academy debt or obligation until such time as all the wind-up and dissolution expenses have been satisfied.

ARTICLE XI
PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan. The Academy agrees to comply with all of the following:

- (a) The Academy Board is responsible for establishing, approving, and amending an annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421, et seq. The Academy Board shall submit to the Center a copy of its annual budget for the upcoming fiscal year in accordance with the Master Calendar. The budget must detail budgeted expenditures at the object level as described in the Department's Michigan School Accounting Manual. In addition, the Academy Board is responsible for approving all revisions and amendments to the annual budget. In accordance with the Master Calendar, revisions or amendments to the Academy's budget shall be submitted to the Center following Academy Board approval.
- (b) Unless exempted from transmitting under section 1219 of the Code, MCL 380.1219, the Academy, on or before July 7th of each school fiscal year, shall transmit to the Center for Educational Performance and Information ("CEPI") the budgetary assumptions used when adopting its annual budget pursuant to the Uniform Budgeting and Accounting Act, MCL 141.421 et seq.
- (c) The Academy shall not adopt or operate under a deficit budget, or incur an operating deficit in a fund during any fiscal year. At any time during the term of this Contract, the Academy shall not have an existing deficit fund balance, incur a deficit fund balance, or adopts a current year budget that projects a deficit fund balance. If the Academy has an existing deficit fund balance, incurs a deficit fund balance in the most recently completed school fiscal year, or adopts a current year budget that projects a deficit fund balance, all of the following apply:
 - i. The Academy shall notify the Superintendent and the State Treasurer immediately upon the occurrence of the circumstance, and provide a copy of the notice to the Center.
 - ii. Within 30 days after making notification under subdivision (i), the Academy shall submit to the Superintendent in the form and manner prescribed by the Department an amended budget for the current school fiscal year and a deficit elimination plan approved by the Academy Board, with a copy to the State Treasurer. The Academy shall transmit a copy of the amended budget and the deficit elimination plan to the Center.
 - iii. After the Superintendent approves Academy's deficit elimination plan, the Academy shall post the deficit elimination plan on the Academy's website.
- (d) If the Academy is required by the State Treasurer to submit an enhanced deficit elimination plan under section 1220 of the Code, MCL 380.1220, the Academy shall do all of the following:
 - i. The enhanced deficit elimination plan shall be approved by the Academy Board before submission.
 - ii. After the State Treasurer approves an enhanced deficit elimination plan for the Academy, the Academy shall post the enhanced deficit elimination plan on the Academy's website.
 - iii. As required, submit to the Superintendent and State Treasurer an enhanced monthly monitoring reports in a form and manner prescribed by the State Treasurer and post such monthly reports on the Academy's website.

Section 11.2. Insurance. The Academy Board shall secure and maintain in its own name, as the "first named insured," insurance coverage as required by the University's insurance carrier.

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The Academy may join with other public school academies to obtain insurance if the Academy Board finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured. The Academy shall list the University on the insurance policies as an additional insured as required by the University's insurance carrier. The coverage provided to the University as an additional covered person or organization will be primary and non-contributory with the University's insurance carrier. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy for any reason other than nonpayment which would require a ten (10) day advance notice to the University. In addition, the Academy shall provide the Center copies of all insurance policies required by this Contract.

When changing insurance programs or carriers, the Academy must provide copies of the proposed policies to the Center at least thirty (30) days prior to the proposed change. The Academy shall not cancel or change its existing carrier without the prior review of the Center.

The University's insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for the authorization and oversight of the Academy. In the event that the University's insurance carrier requests additional changes in coverage identified in this Section 11.2, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University's insurance carrier within thirty (30) days after notice of the insurance coverage change.

The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity. Other insurance policies and higher minimums may be required depending upon academic offerings and program requirements.

Pursuant to Section 3.6 of these Terms and Conditions, the University requires that any Educational Service Provider or employee leasing company that enters into a contract with the Academy must obtain insurance coverage similar to the insurance coverage that is currently required for the Academy. Accordingly, any agreement between the Academy and an Educational Service Provider or employee leasing company shall contain a provision requiring the Educational Service Provider or employee leasing company to comply with the coverage requirements recommended by the University's insurance carrier. Furthermore, the agreement between the Educational Service Provider or employee leasing company and the Academy shall contain a provision stating that "in the event that the University's insurance carrier recommends any change in coverage by the Educational Service Provider or employee leasing company, the Educational Service Provider or employee leasing company agrees to comply with any changes in the type and amount of coverage as requested by the University or the University's insurance carrier within thirty (30) days after notice of the insurance coverage change."

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy hereby covenants not to sue the University Board, the University or any of its Trustees, officers, employees, agents or representatives for any matters that arise under this Contract. The University 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 University Board, the University or any of its Trustees, employees, agents, or independent

contractors as a result of the issuance, non-issuance, oversight, revocation, termination or suspension of this Contract.

Section 11.4. Lease or Deed for Proposed Site. The Academy shall provide to the Center copies of its proposed lease or deed for the premises in which the Academy shall operate. Following the Center's review, a copy of the Academy's lease or deed shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.5. Certificate(s) of Use and Occupancy. The Academy Board shall: (i) ensure that the Academy's physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy certificates for the Academy's physical facilities. The Academy Board shall not occupy or use any facility until approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs, Bureau of Construction Codes. Copies of these Certificate(s) of Use and Occupancy shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.6. New Building Construction or Renovations. The Academy shall not commence construction on a new school building or the major renovation of an existing school building unless the Academy consults on the plans of the construction or major renovation regarding school safety issues with the law enforcement agency that is or will be the first responder for that school building. School building includes either a building intended to be used to provide pupil instruction or a recreational or athletic structure or field used by pupils.

Section 11.7. Criminal Background and History Checks; Disclosure of Unprofessional Conduct. The Academy shall comply with section 1230 and 1230a of the Code concerning criminal background and criminal history checks for its teachers, school administrator(s), and for any other position requiring State Board approval. In addition, the Academy shall comply with section 1230b of the Code concerning the disclosure of unprofessional conduct by persons applying for Academy employment. This Section 11.7 shall apply to such persons irrespective of whether they are employed by the Academy or employed by another entity contracting with the Academy.

Section 11.8. Special Education. Pursuant to Section 1701a of the Code, the Academy shall comply with Article III, Part 29 of the Code, MCL 380.1701 et seq., concerning the provision of special education programs and services at the Academy as referenced in Contract Schedule 7c. Upon receipt, the Academy shall notify the Center of any due process or state complaint filed against the Academy or notice of state audit.

Section 11.9. Information Available to the Public and the Center.

- (a) Information to be provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including without limitation information in Schedule 8, available to the public and the Center.
- (b) Information to be provided by Educational Service Provider. The agreement between the Academy and the Educational Service Provider shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including the information in Schedule 8, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under paragraph 11.9 (a) above.

Section 11.10. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of all public

or private funds received by the Academy. Such deposit shall be made within three (3) days after receipt of the funds by the Academy. Only Academy Board members or designated Academy Board employees may be a signatory on any Academy bank account.

ARTICLE XII GENERAL TERMS

Section 12.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or electronic mail; 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 address or person as the respective party may designate by notice delivered pursuant hereto:

If to the University Board: The Governor John Engler Center for Charter Schools
Attn: Executive Director
Central Michigan University
EHS 200
Mt. Pleasant, MI 48859

General Counsel: General Counsel
Central Michigan University
Mt. Pleasant, MI 48859

Chief Financial Officer: Vice President Finance & Admin. Services
Central Michigan University
Mt. Pleasant, MI 48859

If to the Academy: Academy Board President
Greater Heights Academy
3196 West Pasadena Avenue
Flint, MI 48504

Section 12.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of 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 12.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

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

Section 12.5. Assignment. This Contract is not assignable by the Academy.

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

Section 12.7. Governing Law. This Contract shall be governed and controlled by the laws of the State of Michigan as to interpretation, enforcement, validity, construction, and effect, and in all other respects.

Section 12.8. Counterparts. This Contract may be executed in any number of counterparts. Each counterpart so executed shall be deemed an original, but all such counterparts shall together constitute one and the same instrument.

Section 12.9. Term of Contract. This Contract is for a fixed term and shall terminate at the end of the Contract term without any further action of either the University Board or the Academy. This Contract shall commence on the date first set forth above and shall remain in full force and effect for a period of three (3) academic years and shall terminate on June 30, 2021, unless sooner revoked, terminated, or suspended pursuant to Article X of these Terms and Conditions. Pursuant to University Board policy, the standards by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:

Is the Academy's academic program successful?

Is the Academy's organization viable?

Is the Academy demonstrating good faith in following the terms of its charter and applicable law?

The Center shall establish the process and timeline for the issuance of a new contract. The standards for the issuance of a new contract shall include increases in academic achievement for all groups of pupils as measured by assessments and other objective criteria established by the University Board as the most important factor of whether to issue or not issue a new contract. Consistent with the Code, the University Board in its sole discretion may elect to issue or not issue a new contract to the Academy.

Section 12.10. Indemnification of University. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the Terms and Conditions of this Contract, the Academy agrees to indemnify, defend and hold harmless the University Board, the University and its officers, employees, agents or representatives from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees) settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's approval of the public school academy application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for or operation of a public school, or which are incurred as a result of the reliance by the University Board, the University and its officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the Academy's failure to comply with this Contract or Applicable Law. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

Section 12.11. Construction. This Contract shall be construed fairly as to both parties and not in favor of or against either party, regardless of which party prepared the Contract.

Section 12.12. Force Majeure. If any circumstances occur which are beyond the control of the parties, which delay or render impossible the obligations of one or both of the parties, the parties' obligations to perform such services shall be postponed for an equivalent period of time or shall be canceled, if such performance has been rendered impossible by such circumstances.

Section 12.13. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board. 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 12.14. Non-agency. It is understood that the Academy is not the agent of the University.

Section 12.15. University Board or the Center's General Policies on Public School Academies Shall Apply. Notwithstanding any provision of this Contract to the contrary, and with the exception of existing University Board or the Center policies regarding public school academies which shall apply immediately, University Board or the Center general policies clarifying procedure and requirements applicable to public school academies under this Contract, as from time to time adopted or amended, will automatically apply to the Academy, provided they are not inconsistent with provisions of this Contract. Before issuing general policies under this section, the University Board or the Center shall provide a draft of the proposed policies to the Academy Board. The Academy Board shall have at least thirty (30) days to provide comment to the Center on the proposed policies before such policies shall become effective.

Section 12.16. Survival of Provisions. The terms, provisions, and representations contained in Section 11.2, Section 11.3, Section 11.9, Section 12.10, Section 12.13 and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

Section 12.17. Termination of Responsibilities. Upon termination or revocation of the Contract, the University Board or its designee shall have no further obligations or responsibilities under this Contract to the Academy or any other person or persons in connection with this Contract. Upon termination or revocation of the Contract, the Academy may amend its articles of incorporation or bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the articles of incorporation with regard to the disposition of assets upon dissolution.

Section 12.18. Disposition of Academy Assets Upon Termination or Revocation of Contract. Following termination or revocation of the Contract, the Academy shall follow the applicable wind-up and dissolution provisions set forth in the Academy's articles of incorporation and in accordance with the Code.

Section 12.19. Student Privacy. In order to protect the privacy of students enrolled at the Academy, the Academy Board shall not:

- (a) sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of a pupil's education records. This subsection does not apply to any of the following situations:
 - i. for students enrolled in the Academy, providing such information to an ESP that has a contract with the Academy and whose contract has not been disapproved by the University;
 - ii. providing the information as necessary for standardized testing that measures a student's academic progress and achievement; or
 - iii. providing the information as necessary to a person that is providing educational or educational support services to the student under a contract with either the Academy or an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the University.
- (b) The terms "education records" and "personally identifiable information" shall have the same meaning as defined in MCL 380.1136.

Section 12.20. Disclosure of Information to Parents and Legal Guardians.

- (a) Within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose without charge to the student's parent or legal guardian any personally identifiable information concerning the student that is collected or created by the Academy as part of the student's education records.
- (b) Except as otherwise provided in this subsection (b) and within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose to a student's parent or legal guardian without charge any personally identifiable information provided to any person, agency or organization. The Academy's disclosure shall include the specific information that was disclosed, the name and contact information of each person, agency, or organization to which the information has been disclosed; and the legitimate reason that the person, agency, or organization had in obtaining the information. The parental disclosure requirement does not apply to information that is provided:
 - i. to the Department or CEPI;
 - ii. to the student's parent or legal guardian;
 - iii. by the Academy to the University Board, University, Center or to the ESP with which the Academy has a Management Agreement that has not been disapproved by the Center Director;
 - iv. by the Academy to the Academy's intermediate school district or another intermediate school district providing services to Academy or the Academy's students pursuant to a written agreement;
 - v. to the Academy by the Academy's intermediate school district or another immediate school district providing services to pupils enrolled in the Academy pursuant to a written agreement;
 - vi. to the Academy by the University Board, University, Center;
 - vii. to a person, agency, or organization with written consent from the student's parent or legal guardian, or from the student if the student is 18 years of age;
 - viii. to a person, agency, or organization seeking or receiving records in accordance with an order, subpoena, or ex parte order issued by a court of competent jurisdiction;
 - ix. to a person, agency, or organization as necessary for standardized testing that measures a student's academic progress and achievement; or
 - x. in the absence of, or in compliance with, a properly executed opt-out form, as adopted by the Academy in compliance with section 1136(6) of the Code, pertaining to uses for which the Academy commonly would disclose a pupil's "directory information."
- (c) If the Academy considers it necessary to make redacted copies of all or part of a student's education records in order to protect personally identifiable information of another student, the Academy shall not charge the parent or legal guardian for the cost of those redacted copies.
- (d) The terms "education records," "personally identifiable information," and "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.21. List of Uses for Student Directory Information; Opt Out Form; Notice to Student's Parent or Legal Guardian.

- (a) The Academy shall do all of the following:
 - i. Develop a list of uses (the "Uses") for which the Academy commonly would disclose a

- student's directory information.
- ii. Develop an opt-out form that lists all of the Uses and allows a student's parent or guardian to elect not to have the student's directory information disclosed for one (1) or more Uses.
 - iii. Present the opt-out form to each student's parents or guardian within the first thirty (30) days of the school year and at other times upon request.
 - iv. If an opt-out form is signed and submitted to the Academy by a student's parent or guardian, then the Academy shall not include the student's directory information in any of the Uses that have been opted out of in the opt-out form.

(b) The terms "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.22. Partnership Agreement. If the Department and State Reform Office impose a partnership agreement on the Academy, the Academy shall work collaboratively with the Department, the State Reform Office and other partners to implement the partnership agreement. In the event that a provision in the partnership agreement is inconsistent with a provision in this Contract, this Contract shall control.

Greater Heights Academy
Contract Amendment No. 2

Tab 2

MM1, Inc.

Employee Management Service Agreement

INDEPENDENT CONTRACT AGREEMENT

This Independent Contractor Agreement (the “Agreement”) is made and entered into as of July 1, 2019 by and between **MM1, Inc.** (“MM1”), whose headquarters or principal place of business is located at 3170 Old Farm Lane, Commerce Twp., Michigan 48390 and **GREATER HEIGHTS ACADEMY**, located at 3196 W. Pasadena Ave., Flint, MI 48504 (the “Academy”) a Michigan public school academy formed under Part 6(A) of the Revised School Code (the “Code”), as amended, being MCL §380.501 to §380.507. This Agreement is supplemented by an Addendum attached hereto and made a part hereof and dated as of even date herewith (the “Addendum”). Notwithstanding anything in this Agreement to the contrary, to the extent there is a conflict between the language of this Agreement and the Addendum, the language of the Addendum shall control.

The Academy is a charter school organized as a public school academy under the Code. The Academy has been issued a contract (the “Contract”) by **CENTRAL MICHIGAN UNIVERSITY** (the “Authorizer”) to organize and operate a public school academy. The Authorizer is the statutory authorizing body. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

MM1 represents and warrants that it is a duly organized Michigan for-profit corporation, in good standing, and that MM1 (its officers, employees and agents) has the educational background, managerial experience, expertise, training, capacity, qualifications, and financial resources to provide the Services contemplated under this Agreement through its affiliated network of service providers, MM1 provides human resource related administrative services and employees to the Academy.

The Academy and MM1 desire to enter into an independent contracting relationship whereby MM1 will be engaged to provide the human resource personnel and administrative services as set forth in this Agreement (the “Services”). This Agreement between the Academy and MM1 Services sets forth the understandings with respect to the relationship between them, the scope of their relationship and the limitations on the relationship between the parties.

The Academy and MM1 further state that MM1 shall have full and unfettered authority to hire and terminate worksite employees to fulfill the contractual terms and conditions as set forth herein, without any involvement, control, or direction of the Academy.

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

I. SERVICES

- 1.1 MM1 agrees to contract to the Academy and the Academy agrees to contract from MM1 the Worksite Employees on the terms and conditions in this Agreement. “Worksite Employees” means all employees assigned to fulfill the Academy worksite job positions, excluding the Academy Director, Assistant Director, Director of Finance, and Director of Operations who shall be employees of the Academy as addressed in the Addendum to this Agreement. MM1 shall also provide and control and be responsible for all human resources and personnel

administrative services, payroll, benefits and related administrative functions for Worksite Employees.

- 1.2 The Academy shall retain control over its business operations, instructional activity and all other matters, including but not limited to: the curriculum, books, equipment and educational supplies; state funding; finances and budgeting; parent relations; student achievement and guidance; student discipline; food; building and property management; transportation; sports and extracurricular activities, public relations; and the day to day working conditions of the Worksite Employees. The Academy shall employ an Academy Director who will work on-site at the Academy and report directly and only to the Academy Board. MM1 shall have no authority to hire, direct, supervise, evaluate, discipline, or fire the Academy Director.
- 1.3 The Academy and MM1 will consult with each other on personnel related issues; however, the personnel are exclusively MM1 employees and MM1 has exclusive and complete control and decision making authority over these areas. Whenever a timely response is requested (or is by its nature required), MM1 and the Academy agree to respond to any communication from the other as soon as possible but in no event more than forty-eight (48) hours from the origination of any such communication. Further, MM1 shall designate a contact person who is available to respond to Academy communication within such period.

II. TERM OF AGREEMENT

- 2.1 **Effective Date.** MM1 shall provide services commencing on July 1, 2019 (“Effective Date”). This Agreement shall remain in full force and effect through and including June 30, 2020 (“Term”), subject to a continued Contract from the Academy Board, continued state per pupil funding and the termination provisions contained in Section 2.2 below. The maximum term of this Agreement shall not exceed the length of the Charter the Agreement, and this Agreement shall be terminated at the end of the sixty (60) day written notice of termination period.
- 2.2 **Termination.** This Agreement shall remain in full force and effect until one of the following occurs:
 - (a) In the event one party shall be in Default under Section 6.6, the other party may immediately terminate this Agreement.
 - (b) During the Term of this Agreement, either party may terminate the Agreement with sixty (60) days written notice of intent to terminate and this Agreement shall be terminated at the end of the sixty (60) day written notice of termination period.
 - (c) If the Academy’s Charter Contract issued by the Central Michigan University (“CMU”) Board of Trustees is revoked, terminated or a new Charter Contract is not issued to the Academy after expiration of the Academy’s Charter Contract, this Agreement shall automatically terminate on the same date as the Academy’s Charter Contract is revoked, terminated or expires without further action of the parties.
 - (d) This Agreement shall automatically terminate in the event of a State-mandated shut down of the Academy.
- 2.3 **Dissolution / Bankruptcy.** This Agreement shall terminate automatically without notice to the Academy if a petition in Bankruptcy Court is filed by or against the Academy, shall have been voluntarily or involuntarily adjudicated bankrupt by any Court of competent jurisdiction, or if a petition is filed for reorganization of the Academy, or if a receiver shall have been appointed for all or a substantial part of the Academy’s business.

- 2.4 **Amendment Caused By Academy Site Closure or Reconstitution.** In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the State School Reform/Redesign Officer under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and Section 10.4 of the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and MM1 shall have no recourse against the Academy or the University Board/Authorizer for implementing such site closure or reconstitution.
- 2.5 **Obligation upon Termination.** On the termination of this Agreement by any party for any reason:
- (a) MM1 shall immediately notify in writing each Worksite Employee that his/her employment relationship with MM1 has been terminated, and
 - (b) The Academy shall immediately notify in writing each Worksite Employee that this Agreement has been terminated. The Academy shall reimburse MM1 for all Worksite Employee compensation and reimbursements pursuant to Section 3, if any, due through the date of termination of this Agreement.
 - (c) Upon termination or expiration of this Agreement, MM1 will assist in the transition to a new provider, self-management or dissolution in accordance with the Authorizer's Educational Service Provider Policies in conjunction with the scope of services of this Agreement.
- 2.6 **Timing of Termination.** The Academy and MM1 agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school year. If a breach cannot be remedied, the Academy and MM1 agree to work cooperatively to transition management and operations of the school without disrupting the school's operation. MM1 shall perform this transition in accordance with the Authorizer's Educational Service Provider Policies in conjunction with the scope of services of this Agreement.

III. PAYMENTS & FEES

- 3.1 **Initial Fee.** MM1 has agreed to waive the Initial Fee.
- 3.2 **Human Resources Management Service Fees.** The Academy shall pay all Human Resources Management Service Fees set forth in Schedule A for the Services rendered by MM1 pursuant to this Agreement (the "Fees"). All other fees that may be subject to this Agreement are also set forth by Schedule A. For new employees hired after execution of this Agreement (as opposed to the Effective Date), the Academy agrees to pay MM1 an Employee Processing Fee of fifteen (\$15) dollars per Worksite Employee as set forth in Schedule A.
- (a) The Academy's payment obligation shall continue during normal periods of Worksite Employee absence for vacation, sick leave, legal holidays and emergency situations.
 - (b) The Fees shall be payable during the entire Term of this Agreement and any unpaid fee shall be immediately due upon termination of this Agreement.
- 3.3 **Payment.** Payment shall be processed by wire transfer or by Automated Clearing House debit. Payments are due no later than the payroll check date unless the Academy chooses direct deposit for their paychecks ("Due Date"). In that case, payments are due two business days prior to the payroll check date.
- 3.4 **Reimbursements.** In addition to the Service Fees detailed in Schedule A, the Academy shall amend its budget and reimburse MM1 for any and all additional costs and expenses requested

and approved by the Greater Heights Academy Board of Directors (“Academy Board”) in writing in advance, and increases in Pass-Through Costs (see Schedule A) mandated by state law or regulation. Any increases in Fixed Costs (See Schedule A) shall be borne and paid by MM1, without reimbursement from the Academy. The Academy acknowledges that MM1 is the employer of record and in addition to the fees received by MM1 pursuant to this Agreement, MM1 shall retain all federal and state tax benefits, credits or deductions in consideration of services rendered to the Academy pursuant to this Agreement, including but not limited to IRS Sec 125 Plan benefits and savings. Further, the Academy shall reimburse MM1 for any benefits premium unnecessarily incurred by MM1 because a Worksite Employee is laid off or terminated during a benefit month (i.e., the prepaid cost of the premium for the remainder of the month following termination). In the event this Agreement is terminated by MM1, and the Academy has not fully paid all Fees and payments owing as of the date of termination, the Academy shall immediately pay MM1 for any Fees owing, payroll, benefit payments or other costs incurred with respect to Employees owing as of the date of termination. In the event MM1 procures equipment, materials or supplies on behalf of or as agent for the Academy such items shall be the property of the Academy provided MM1 is reimbursed for such costs without administrative charge.

- 3.5 **Late Payments.** All payments not made or sent by the Academy on or before the due date shall be subject to a late charge of three (3%) percent of the amount due. Checks returned from the Academy’s bank will be subject to the late payment charge of fifty (\$50.00) dollars plus any additional costs incurred by MM1. All amounts shall bear interest at the rate of one and one half (1 ½ %) percent per month, or portion thereof that such amounts remain unpaid.
- 3.6 **Modification.** Any required adjustment to Federal, State or local taxes shall be effective on the date of such adjustment or change. In the event MM1 fails to include the additional cost on the next invoice when due the same shall be due retroactive to the date of change, as mandated, and shall be due by the Academy upon receipt of the next invoice.
- 3.7 **Verification by the Academy.** The Academy will provide MM1 a true, correct and complete list of the Academy’s most recent payroll. MM1, through its Liaison, will verify all time submissions of Worksite Employees. If the Academy believes that there is an error in the Worksite Employees submitted time or payment, it shall be the responsibility of the Academy to communicate and provide written notice of the error. Until corrected, the Academy shall not deduct any amount from payment of its current invoice as a credit or setoff. Errors, upon verification, shall be corrected by an adjustment on the next invoice.
- 3.8 **Continuing Liabilities.** In the event that this Agreement is terminated, by either party, the Academy shall be responsible for any insurance or employment liabilities prepaid or incurred by MM1 with respect to the Worksite Employees in the ordinary course on a pro rata basis through the date of termination. Such charges shall be paid by the Academy to MM1 upon receipt of an invoice for such amounts.
- 3.9 **Unemployment Insurance Expense Reimbursement.** In the event of the sale, dissolution, liquidation, reorganization or closing of the Academy’s business which causes MM1 to terminate or lay-off any Worksite Employee assigned to the Academy under this Agreement, the Academy agrees to promptly reimburse MM1 for claims paid for Worksite Employees and related charges incurred by MM1 with respect to such employees prior to such sale, dissolution, liquidation, reorganization or closing of the Academy’s business.
- 3.10 **Workers Compensation Injury Reporting.** In order for MM1 to pro-actively manage workers compensation claims for the benefit of MM1 and the Academy, all work related injuries must be reported by the Academy to MM1 on a First Report of Occupational Injury form (supplied by MM1) within twenty-four (24) hours of injury. A fee of one hundred twenty-five dollars (\$125.00) will be charged to the Academy for each work related injury not properly reported within forty-eight (48) hours of occurrence, after the first failure to report within forty-eight (48) hours.

IV. WORK ENVIRONMENT & RELATED MATTERS

- 4.1 **Worksite Employees.** With MM1's guidance, the Academy shall comply with all safety, health and work laws, regulations and rules at its own expense. With MM1's guidance, the Academy shall also comply with all safe work practices and use of protective equipment required by federal, state or local law at the worksite locations. Accordingly, MM1 shall consult with the Academy, and the Academy shall have certain risks and responsibilities including but not limited to, premises liability, safety risks attendant to the ownership of premises and equipment (which are traditionally assigned to the owner of a business, location, or equipment).
- 4.2 **The Academy Responsibilities.** The Academy shall at its expense (i) comply with all applicable health and safety laws, regulations, ordinances, directives, and rules of controlling Federal, State and local government and (ii) will immediately report all employee accidents and injuries to MM1 by completing an Injury Report Form provided by MM1 within twenty-four (24) hours after the accident. The Academy shall provide or ensure use of all personal protective equipment, as required by Federal, State or Local law, regulation, ordinance, directive, or rule or as deemed necessary by MM1. MM1, MM1's workers compensation carrier and MM1's liability insurance carrier shall have the right to inspect the Academy's place of business at all times to insure compliance with this Section and with the terms of this Agreement. MM1, through its Liaison, shall be responsible for providing records of hours worked by the Worksite Employees. The Academy shall reimburse MM1 for any overtime pay that is or becomes due to or owed to any Worksite Employee.
- 4.3 **Annual Budget Preparation.** The Board will cause to be prepared an annual budget that shall conform to the State accounting manual and the Uniform Budgeting and Accounting Act, MCL 141.421 et seq. and in a form satisfactory to the Board and in compliance with the Charter Contract. The budget shall contain reasonable detail as requested by the Board and as necessary to comply with the General Accepted Accounting Practices (GAAP) standards. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy including, but not limited to, the projected cost of all services and programs provided by the Academy, rent and lease payments, debt service, maintenance and repairs to Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Academy. The proposed budget shall be submitted to the Board for approval not later than thirty (30) days prior to the date when the approved budget is required to be submitted to the Charter Board under the Contract. Upon approval by the Academy Board, copies of the budget will be given to MM1 personnel.
- 4.4 **Budget Reserve.** The Academy Board shall be responsible for determining the budget reserve amount to be included as part of the Academy's annual budget. Under Michigan law, the parties acknowledge and agree that the budget reserve may not be less than five percent (5%) of the State School Aid received by the Academy. The Academy shall be responsible for implementing fiscal policies that will assist the Academy in attaining a minimum five percent (5%) fund balance.
- 4.5 **Records.** All financial, educational and student records and related documents prepared by MM1 or otherwise created in connection with the rendering of services at the Academy's offices are the property of the Academy and shall be prepared in accordance with practices and procedures determined by MM1 and the Academy. Such records shall be maintained in secured files on the premises of MM1, and the Academy shall have access to such records at all reasonable times as authorized by law. The Academy may make copies of records necessary for it to perform its duties and obligations under this Agreement. MM1 shall make any and all reports with regard to its employees required by applicable law and shall assist the Academy in timely complying with any and all compliance and reporting obligations it may have to the

Michigan and United States Departments of Education, the Charter Board or as otherwise mandated by applicable laws, rules and regulations.

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

V. REPRESENTATIONS & WARRANTIES OF THE ACADEMY

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

- 5.1 **Authorization.** The Academy has been duly authorized to execute and deliver this Agreement. The Academy's execution and performance of this Agreement will not, to the best of the Academy's knowledge, with or without the giving of notice or the passage of time or both, (a) violate the provisions of any law, rule or regulation applicable to the Academy; (b) violate any judgment, decree, order or award of any court, governmental body or arbitrator; or (c) violate the provisions of any separate contract, agreement or arrangement to which the Academy is bound.
- 5.2 **The Academy Employee Plans.** Except as communicated to MMI in writing prior to the execution of this Agreement:
- (a) **List of the Academy Employee Plans.** The Academy has supplied MMI with true and complete list of all pension, 401(k) benefit, profit-sharing, retirement, deferred compensation, welfare, insurance disability, bonus, vacation pay or severance pay and other similar plans, programs and agreements ("Academy Employee Plan") relating to the Worksite Employee(s). The Academy has delivered to MMI true and complete copies of all the Academy Employee Plans which have been reduced to writing, and all modifications for each Academy Employee Plan.
 - (b) **Retiree Benefits.** No Academy Employee Plan provides health or life insurance benefits for retirees.
 - (c) **Claims.** To the best of Academy's knowledge, there are no threatened or pending claims, suits or other proceedings by any of the Academy's former employees, plan participants, beneficiaries or spouses of any of the above, the IRS, the Pension Benefit Guaranty Corporation, or any other person or entity involving any Academy Employee Plan, including claims against the assets of any trust, involving any Academy Employee Plan or any right or benefits there under, other than ordinary pursuant to domestic orders.
 - (d) **Controlled Group.** The Academy is not a member of a "controlled group of corporations" as defined in Section 1563(a) of the Internal Revenue Code of 1986, as amended.
- 5.3 **Government Investigations.** The Academy has fully disclosed to MMI all government investigations, lawsuits or other adversary proceeding involving the Academy for five (5) years preceding the execution of this Agreement.
- 5.4 **Contracts and Commitments.** Prior to the execution of this Agreement, the Academy has provided MMI a true and correct copy of each of the following with respect to the Academy's former employees: all collective bargaining, trust, non-competition, employment and

consulting agreements, executive compensation, employee stock option and stock purchase, and group life, health and accident insurance and other similar plans, agreements, memoranda or understanding, arrangements or commitments regarding Academy employees to which the Academy is a party or by which the Academy is bound.

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

5.6 **Employer Relations.**

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

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

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

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

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

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

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

VI. COVENANTS OF PARTIES

- 6.1 **Criminal Background Checks.** MM1 and the Academy acknowledge that all Worksite Employees, or any other personnel provided by MM1 to the Academy must be in compliance with all the Academy policy, procedures, rules and regulations. The School Leader shall conduct criminal background checks on all MM1 employees that are assigned to the Academy and all subcontractors assigned to regularly and continuously work under contract at the Academy, as required by law. MM1 shall conduct unprofessional conduct checks on all of its employees that are assigned to the Academy. MM1 agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b and related provisions of the Code pertaining to criminal background checks and criminal conduct. MM1 shall require that the results of the unprofessional conduct check are received, reviewed and used (subject to a verification process) by the School Leader, acting on behalf of the Academy and /or Board, only as permitted by law to confirm that the individual does not have a criminal history and to evaluate the qualifications of the individual for his/her assignment. MM1 shall follow all applicable laws as it relates to this Section 6.2
- 6.2 **Liability Insurance.** The Academy shall furnish upon signing this Agreement and keep in full force and effect at all times during the Term of this Agreement general liability insurance in an amount not less than one million (\$1,000,000) dollars. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. MM1 and the Academy shall maintain such policies of insurance as required by the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) and the Academy's Charter Contract issued by the CMU Board of Trustees (the "Charter Contract") or Applicable Law. In the event that CMU or M.U.S.I.C. requests any change in coverage by MM1, MM1 agrees to comply with any change in the type or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change.
- 6.3 **Sexual Molestation/Abuse Coverage.** The Academy, MM1 and any subcontractor of the Academy or MM1 shall obtain and maintain a sexual molestation/sexual abuse policy of insurance relative to students as required by M.U.S.I.C. and the Contract.
- 6.4 **Motorist Insurance.** In the event that a MM1 employee is assigned to fill a job function requiring the employee to operate a vehicle for the Academy, the Academy shall furnish liability insurance. The policy shall insure against public liability for injury and property with a minimum combined single limit of five hundred thousand (\$500,000) dollars. The policy shall include uninsured motorist coverage with limits of no less than one hundred thousand (\$100,000) dollars. In states where "no-fault" laws apply, equivalent personal injury and property damage coverage shall be included. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. This coverage period shall survive this Agreement.
- 6.5 **Indemnification.**
- (a) **The Academy.** To the extent permitted by law, the Academy agrees to defend, indemnify and hold harmless MM1, its officers, directors, shareholders, agents and employees from any claims made by Worksite Employees for any claims, demands, losses, costs, fees, penalties, fines or damages arising from any actions, conduct or omissions of the Academy or its officers, directors, shareholders, agents or employees. Such claims shall include, but are not limited to, charges of discrimination brought through the State Department of Labor, the Equal Opportunity Commission, the Workers' Compensation Bureau (or such similar department, commission or board other than State), fees and lawsuits alleging failure to comply with Federal and State wage and hour laws, wrongful termination, discrimination, denial of due process or other employment-related causes of actions resulting from employee discipline or termination. The Academy shall defend and indemnify MM1, its officers, directors, shareholders, agents and employees from employee claims of sexual harassment by the Academy. The Academy shall be entitled to select its counsel and counsel for this

indemnification provision. The duty to defend includes the right to pay actual attorney's fees incurred in defending such claims, and the duty to indemnify includes the duty to pay any award imposed by an administrative agency, judgment or settlement against MM1.

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

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

6.6 **Default.** Either party shall be in "Default" under this Agreement if following ten (10) days written notice from the other (provided, however, such period shall be extended for an additional reasonable period if the default is of a non-monetary nature and is such that it cannot be cured within ten (10) days and the party has diligently commenced the curing of such default and is diligently pursuing the same to completion) the party has failed to cure a material breach of this Agreement or any bankruptcy, receivership or insolvency proceeding is instituted by or against the party. Any action or inaction by MM1 pertaining to this Agreement that is not cured within sixty (60) days of notice thereof which causes the Charter Contract to be revoked, terminated, suspended or to be put in jeopardy of revocation, termination or suspension by Central Michigan University is a material breach.

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

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

(b) The Academy shall, upon request by MM1, make available comparable employment opportunities to Worksite Employees eligible for reinstatement following leave as required by

the Family & Medical Leave Act (“FMLA”) or any comparable law, the Academy shall bear the sole cost of compliance for any Worksite Employee eligible for reinstatement under the FMLA unless such noncompliance is caused by MM1.

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

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

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

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

- 6.8 **Property Rights.** With exception of curriculum or educational materials developed or copyrighted by MM1, the Academy owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by the ESP at the direction of the Academy Board with Academy funds. MM1 recognizes that educational materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

VII. REPRESENTATIONS & WARRANTIES OF MM1

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

- 7.1 **Authorization.** MM1 has been duly authorized to execute and deliver this Agreement. MM1’s execution and performance of this Agreement will not, to the best of its knowledge, with or without the giving for the passage of time or both, violate the provisions of any law, rule or regulation applicable to MM1.
- 7.2 **Government Investigations.** MM1 has fully disclosed to the Academy all government investigations, lawsuits or other adversary proceeding involving MM1 for five (5) years preceding the execution of this Agreement.

- 7.3 **Compliance.** MM1 is in compliance with all Federal, State and local laws respecting employment practices, terms and conditions of employment, wages and hours, and is not engaged in any discriminatory employment or unfair labor practice. There are no arrearages in the payment of wages, taxes or workers compensation assessment or penalties.
- 7.4 **Student Confidentiality.** Except as permitted under the Code, MM1 shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy student's education records. If MM1 receives information that is part of an Academy student's education records, MM1 shall not sell or otherwise provide the information to any other person except as provided under the Code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.
- 7.5 **Breach of Personally Identifiable Information.** The parties agree that in the event either party becomes aware of a data breach of personally identifiable information or education records as defined in Section 1136 of the Code, MCL 380.1136 ("PII") with respect to information not suitable for public release, the other party shall be immediately notified in writing. The parties then shall mutually meet and confer with respective legal counsel to determine appropriate steps to be taken as required by state or federal law.
- 7.6 **Employee Non-Compete Agreement.** MM1 agrees that no contract with employees leased to the Academy shall contain a non-compete clause prohibiting employment with other educational institutions or employee leasing companies.
- 7.7 **Payment Obligations of MMI.** MM1 acknowledges that until this Agreement is terminated or expires, it shall fulfill its responsibility to pay salaries, benefits, payroll taxes, worker compensation, unemployment compensation and liability insurance for employees leased to the Academy or working on Academy operations irrespective of whether MM1 receives any advancement of costs or payment of services from the Academy

VIII. MUTUAL OBLIGATIONS

- 8.1 **Waiver of Subrogation.** Each party releases and discharges the other party, and any officer, agent, employee or representative of such party, from any liability whatsoever arising from the loss, damage or injury, for any reason, for which insurance is carried by the insured party at the time of such loss, damage or injury, to the extent of any recovery by the insured party. Provided, however, this paragraph shall not apply if its application would invalidate insurance protection.
- 8.2 **Mutual Cooperation.** The parties agree that, except where conflicts prevent it, they shall render to each other reasonable assistance and shall cooperate in good faith with each other to ensure the proper and adequate defense of any claim, action, suit or proceeding brought by a third party.
- 8.3 **Confidentiality.** The parties agree to cooperate in such a manner as to preserve and uphold the confidentiality of all business records and the attorney-client and work-product privileges, subject to the Michigan Freedom of Information Act ("FOIA") and the disclosure provisions of the Code.

IX. MISCELLANEOUS

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

9.2 **Independent Contractor.** MM1 is an independent contractor of the Academy and neither party is the agent of the other. The Academy agrees to define "school official" in the Academy's annual notification of rights under 20 U.S.C. §1232g, 34 C.F.R. §99, the Family Educational Rights and Privacy Act ("FERPA") to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, who is under the direct control of the Academy with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. §99.33(a) governing the use and redisclosure of personally identifiable information from education records. The Academy designates MM1 and certain of its employees as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. MM1 and its employees agree to comply with FERPA and corresponding regulations applicable to school officials.

9.3 **Enrolling New Worksite Employee.**

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

(b) **Hiring, Evaluating, Supervising, Disciplining and Firing.** MM1 shall have the complete and exclusive authority and control over hiring, evaluating, supervising, disciplining and firing of Worksite Employees.

(c) **MM1 Requirements.** MM1, or its designated subcontractor (approved by the Academy) shall be responsible for performing all pre-employment, background, license and eligibility review and other screening and investigation required by federal, state or local law, including the Code, as if employed by the Academy directly. Employment records of Worksite Employees shall be made available to the Academy upon request for purposes of auditing such records for compliance with applicable law. An FBI and State Police records check as required by the Code shall be obtained by the Academy and paid for by the Academy regarding each Worksite Employee for whom such records check has not already been completed.

9.4 **Assignment/Amendment.** This Agreement may not be assigned by either party without prior written consent of the other party and prior notice to CMU. None of the terms and provisions of this Agreement may be modified or amended except by an instrument in writing executed by each party. Any modification or assignment of this Agreement must be done in a manner consistent with CMU's Educational Service Provider Policies.

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

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

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

- 9.8 **Forms.** The Academy shall utilize forms provided by MM1 unless otherwise required by law or regulation.
- 9.9 **Notices.** Any notice or other communication required by this Agreement shall be sufficiently given in writing and delivered personally, sent by confirmed facsimile transmission, overnight air courier (postage prepaid), or by registered or certified mail (postage prepaid with return receipt requested) addressed as follows:

For the Academy, to:

Greater Heights Academy
3196 W. Pasadena Ave.
Flint, MI 48504

with a copy to:

Gregory M. Meihn, Partner
Foley & Mansfield, PLLP
130 E. Nine Mile Road
Ferndale, MI 48220

For MM1, to:

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

with a copy to:

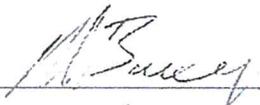
David L. Steinberg, Esq.
David L. Steinberg, P.C.
27777 Franklin Road, Ste. 2500
Southfield, MI 48025-4519

- 9.10 **Entire Agreement.** This constitutes the entire agreement between the parties with regard to the subject matter herein. No prior oral or written agreement, practice or course of dealing between the parties relating to the subject matter herein shall supersede this Agreement.
- 9.11 **Authorization.** The individual executing this Agreement is authorized on behalf of the Academy to bind the Academy to the terms set forth herein.
- 9.12 **Compliance with Academy's Contract.** MM1 agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by the Central Michigan University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this ESP Agreement."

[Signatures appear on next page following]

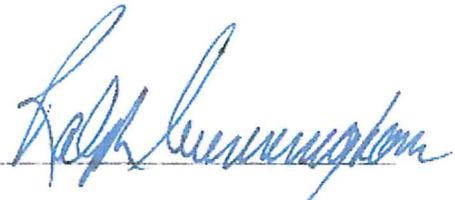
Greater Heights Academy
Board of Directors Member
3196 W. Pasadena Ave.
Flint, MI 48504

Greater Heights Academy,
a Michigan public school academy

By: 
NAME: Matt Barcey
Its: Board of Directors Member
Dated: 4/17/19, 2019

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

MMI, Inc.,
a Michigan corporation

By: 
Ralph Cunningham
Its: President
Dated: April 18, 2019, 2019

ADDENDUM
TO EMPLOYEE MANAGEMENT SERVICES AGREEMENT DATED EFFECTIVE AS OF
JULY 1, 2019, BY AND BETWEEN GREATER HEIGHTS ACADEMY, A MICHIGAN
PUBLIC SCHOOL ACADEMY AND MM1, INC.

This Addendum (this “Addendum”) to the above-entitled Employee Management Services Agreement (the “Agreement”) is effective the 1st day of July, 2019, by and between Greater Heights Academy, a Michigan public school academy (the “Academy”) and MM1, Inc., a Michigan Corporation (“MM1”) with reference to the following:

RECITALS:

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

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

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

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

1. Academy Director, Assistant Director, Director of Finance, and Director of Operations. The Academy shall employ its Director, Assistant Director, Director of Finance, and Director of Operations who will work on-site at the Academy and report directly and only to the Academy Board. The Academy Director, Assistant Director, Director of Finance, and Director of Operations are addressed in the Administrative Services Agreement executed contemporaneously herewith. MM1 shall have no authority to hire, direct, supervise, evaluate, discipline or fire the Academy Director, Assistant Director, Director of Finance, or Director of Operations.

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

3. Personnel Requirements. The Academy, through its Academy Director, shall advise MM1 of the teachers, instructors, and administrators required by the Academy to perform its mission, as provided in the budget adopted by the Academy Board. Job descriptions and qualifications shall be consistent with Schedule 5 of the Charter Contract (as defined in the Agreement). MM1 shall comply with the Code with respect to the evaluation and compensation systems. (See Sections 1249 and 1250 of the Code). By July 15, 2019, the Academy Board shall adopt a personnel classification and pay plan and provide such plan to MM1. The Academy Board shall notify MM1 of any significant changes in the level of funding provided to the Academy.

4. Worksite Employee Handbook and Policies. MM1 shall provide the Academy with its handbook of personnel policies and procedures, which policies and procedures guide MM1 with respect to the discipline, layoff or termination of Worksite Employees. If a Worksite Employee has a problem or dispute regarding a co-worker, a student, parent, or any other matter, the Worksite Employee shall first bring the problem or dispute to the attention of the MM1 Liaison. If the problem

or dispute is not resolved in a reasonable time period, the Worksite Employee shall take the matter to MM1 and the Academy Director. If the issue continues and is related to a co-worker, the issue is to be resolved by MM1. If the issue continues and is related to a student or parent, the issue shall be referred to the Academy Board.

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

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

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

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

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

10. Payment. The Academy Board shall either pay or reimburse MM1 for approved fees or expenses upon properly presented documentation and approval by the Academy Board or a properly designated Academy Board member. The Academy Board may advance funds to MM1 for the fees or expenses associated with the Academy's operation provided that satisfactory documentation for the fees and expenses are supplied for Academy Board ratification. No corporate costs of MM1 shall be charged to, or reimbursed by, the Academy.

11. Academy Records. The financial, educational and student records pertaining to the Academy are Academy property and shall be kept confidential, subject to FOIA and the Code. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. Except as permitted under the Charter Contract and applicable law, this Agreement shall not restrict CMU's or the public's access to Academy records. All records should be kept in accordance with applicable State and Federal requirements.

12. Access to MM1 Records. All financial and other records of MM1 related to the Academy shall be made available to the Academy, the Authorizer upon request and the Academy's independent auditor, who shall be solely selected by the Academy Board.

13. Purchases. All equipment, materials and supplies purchased by MM1 on behalf of or as agent of the Academy, shall be and remain the property of the Academy. MM1 agrees to comply with the Code including, but not limited to, Sections 1267 and 1274 of the Code, MCL 380.1267 and MCL 380.1274, as if the Academy were making these purchases directly from a third party supplier. If MM1 procures equipment, materials and supplies at the request of or on behalf of the Academy, no added service charges or administrative fees shall be imposed.

14. Proprietary Rights. All curriculum and educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by MM1 at the direction of the Academy Board with Academy funds, shall be the sole proprietary property of the Academy. Those curriculum or educational materials previously developed or copyrighted by MM1, or that are developed by MM1 from funds from the Academy paid to MM1 as part of MM1's fee for services, shall be the sole proprietary property of MM1. All educational materials, from any source, as well as teaching techniques used by the Academy, are subject to disclosure under the Code and FOIA.

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

16. Marketing and Development. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program as approved by the Academy Board, and shall not include any costs for the marketing and development of the business of MM1.

17. Performance Evaluation of MM1. The Academy Board may develop and implement a process for the review and evaluation of the performance by MM1 under the Agreement. The policies and procedures providing for any such evaluation process shall be provided in writing to MM1. The Academy Board shall communicate in writing to MM1 the results of any such performance review.

18. Compliance with Academy's Contract. MM1 agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by Central Michigan University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement. Any additional costs of compliance because of changes mandated by CMU will be borne by the Academy and MM1 equally, provided that any additional costs to MM1 shall be limited to its duties and obligations under this Agreement. The Academy and MM1 enter into this Agreement with the full understanding that the Educational Service Provider Policies, as amended June 1, 2018 (the "Policies") issued by CMU's Charter Schools Office may undergo revisions. The Academy and MM1 agree to amend the Agreement within sixty (60) days of the effective date of CMU's revised Educational Service Provider Policies to conform with such new policies, or as soon as mandated by CMU.

19. Required Disclosure. On an annual basis, MM1 shall provide the Academy Board all of the same information that a school district is required to disclose under section 18(2) of the State School Aid Act, MCL 388.1618(2), for the most recent school fiscal year in which the information is available. Within thirty (30) days of receiving the information under section 18(2), the Academy Board shall make this information publicly available on its website, in a form and manner prescribed by the Michigan Department of Education. MM1 shall be responsible to provide only the items MM1 is responsible for in conjunction with the scope of services in this Agreement.

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

WITNESS:

MMI, INC.,
a Michigan corporation

Mary Ellen Worden

BY: Ralph Cunningham
Ralph Cunningham
TTS: PRESIDENT

DATE: 4/18 . 2019

WITNESS:

GREATER HEIGHTS ACADEMY,
a Michigan public school academy

Marvin Lee Miller

BY: Marvin Lee Miller
NAME: MARVIN LEE MILLER
TTS: BOARD OF DIRECTORS MEMBER

DATE: 4-16-19 . 2019

SCHEDULE A
To Employee Management Service Agreement
Between MM1, Inc. and Greater Heights Academy

Pass-Through Costs/Reimbursements	Current Rates¹
Michigan Unemployment Tax	4.86%
Employer Portion of Social Security	6.20%
Employer Portion of Medicare	1.45%
Federal Unemployment Tax	0.08%

Fixed Workers Compensation Costs	Per \$100 of Earnings
Code: 8868 Teachers	.68%
Code: 8810 Clerical	.45%
Code: 9015 Bldg. Maintenance	6.99%
Code: 9058 Food Service	2.60%
Code:	

Fixed Fees	
Admin Fee, as a percentage of gross wages paid to Worksite Employees	4.0%
Employee Processing Fee (per new hire) ²	\$15.00

¹ Subject to change as mandated by state or federal law or regulation.

² Assessed only for new Worksite Employees hired after initial transfer and hire of Worksite Employees following execution of the Agreement.

AMENDMENT NO. 3

to the
July 1, 2018 Contract to Charter
A Public School Academy and Related Documents

Issued To

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 3

GREATER HEIGHTS ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2018, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to GREATER HEIGHTS ACADEMY (the "Academy"), as amended, the parties agree to further amend the Contract as follows:

- 1.) Amend Schedule 5: Description of Staff Responsibilities, by replacing the materials contained therein with the materials attached as Tab 1.
- 2.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 2.
- 3.) Amend Schedule 7, Section d: Curriculum, by replacing the materials contained therein with the materials attached as Tab 3.

The changes identified in Sections 1 through 3 shall have an effective date of July 1, 2019.

- 4.) Amend Schedule 6: Physical Plant Description, by replacing the Agreement of Lease with Option to Purchase, the Assignment of Agreement of Lease with Option to Purchase, and the Second Amendment to Agreement of Lease with Option to Purchase contained therein with the materials attached as Tab 4.

The changes identified in Section 4 shall have an effective date of December 19, 2019.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees.



Dated: 2-24-20

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 2-18-2020

By: Marvin Miller
Greater Heights Academy
Designee of the Academy Board

Greater Heights Academy
Contract Amendment No. 3

Tab 1

DESCRIPTION OF STAFF RESPONSIBILITIES

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article III, Section 3.6., the Academy is authorized to employ or contract for personnel according to the position information outlined in this schedule. Before entering into an agreement with an Educational Service Provider, as defined in the Terms and Conditions of this Contract, to provide comprehensive educational, administrative, management or instructional services or staff to the Academy, the Academy Board must first comply with the Educational Service Provider Policies adopted by the Center.

Qualifications	5-1
Administrator and Teacher Evaluation Systems	5-1
Performance Evaluation System	5-1
Teacher and Administrator Job Performance Criteria	5-1
Reporting Structure	5-1
Position Responsibilities	5-1
School Administrator(s)	5-1
Instructional Staff	5-2
Non-Instructional Staff	5-2
Educational Service Provider Agreement	5-3

Qualifications. The Academy shall comply with all applicable law regarding requirements affecting personnel employed by or assigned to the Academy including (but not limited to): qualifications, evaluation systems, criminal background checks and unprofessional conduct disclosures. All administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing education requirements as described in MCL 380.1246. Except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule.

Administrator and Teacher Evaluation Systems. The Academy Board shall adopt and implement for all teachers and school administrators a rigorous, transparent, and fair performance evaluation system that complies with the Code. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider adopts a performance evaluation system that complies with MCL 380.1249.

Performance Evaluation System. During the term of this Contract, the Academy shall not assign a pupil to be taught in the same subject area for 2 consecutive years by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations per the Code. If the Academy is unable to comply with this provision of the Code and plans to assign a pupil to be taught in the same subject area for 2 consecutive years by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations per the Code, the Academy Board shall notify the pupil's parent or legal guardian that the pupil has been assigned to be taught in the same subject area for a second consecutive year by a teacher who has been rated as ineffective on his or her 2 most recent annual year-end evaluations. The notification shall be in writing, shall be delivered to the parent or legal guardian not later than July 15th immediately preceding the beginning of the school year for which the pupil is assigned to the teacher, and shall include an explanation of why the pupil is assigned to the teacher. MCL 380.1249a.

Teacher and Administrator Job Performance Criteria. The Academy Board shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation. 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 student growth as measured by assessments and other objective criteria. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider complies with this section. MCL 380.1250.

Reporting Structure

- Three positions are employed directly by the Academy Board;
- Applicable positions that are employed by MM1, Inc., are outlined in the Educational Service Provider Agreement included in this Schedule.

Position Responsibilities

Following are the categories into which Academy staff fall. Descriptions for all positions employed by or assigned to the Academy are available at the Academy.

School Administrator(s)

As stated above, all administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing

education requirements as described in MCL 380.1246. In addition to the position titles identified in MCL 380.1246, the Michigan Department of Education (“MDE”) will deem an administrator working at a district or school level to be “administering instructional programs” if the person’s position description or day-to-day duties include any or all of the following elements *:

1. Responsibility for curriculum. This includes final or executive decisions which directly impact what should be taught to students and how it should be delivered, as well as what learning outcomes are expected, often following a philosophy of research, best practices, and continuous improvement providing equitable access to all students.
2. Responsibility for overseeing district or school improvement plan design or implementation. This includes a vision and a method for execution of plans regarding incorporating student assessment, using student performance and school safety data to drive decision-making, the use of information technology to support improvement, professional development, and overall student achievement.
3. Oversight of instructional policies. This includes the creation, modification, and recommendation of final policy regarding any aspect of how teachers implement, deliver, and support curriculum. Whether or not making specific financial decisions in support of these policies is part of the oversight role, this person still has final decision-making responsibility for instruction.
4. Executive-level reporting on academic progress to a governing authority. This includes providing updates, documentation, data, or presentations in an official or executive capacity to a governing body regarding progress on student learning goals—whether or not these reports are tied to expenditures related to the successful delivery of the instruction.
5. Supervision and evaluation of direct reports responsible for instruction. This includes providing executive leadership for employees who report to the individual, and providing direction to establish work priorities and decision-making. This involves evaluation of educator efficacy as well as general work performance of staff.

(*This statement and numbered items that follow it were taken directly from the February 23, 2017, Memorandum issued by the MDE.)

Instructional Staff

As stated above, except as otherwise provided by law, the Academy shall use certificated teachers according to state board rule. Individuals that are considered instructional staff are responsible for implementing the Academy’s curriculum, developing assessments and monitoring student progress. Instructional staff whose main responsibility is working with students with disabilities must modify instructional techniques in order to enhance learning for all students.

Non-Instructional Staff

The staff that fall into this category are not required to hold an administrator certificate or a teaching certificate. The individuals in this category support the Academy’s pursuit of its mission, vision, and educational goals.

MM1, Inc.

Employee Management Service Agreement

INDEPENDENT CONTRACT AGREEMENT

This Independent Contractor Agreement (the "Agreement") is made and entered into as of July 1, 2019 by and between **MM1, Inc.** ("MM1"), whose headquarters or principal place of business is located at 3170 Old Farm Lane, Commerce Twp., Michigan 48390 and **GREATER HEIGHTS ACADEMY**, located at 3196 W. Pasadena Ave., Flint, MI 48504 (the "Academy") a Michigan public school academy formed under Part 6(A) of the Revised School Code (the "Code"), as amended, being MCL §380.501 to §380.507. This Agreement is supplemented by an Addendum attached hereto and made a part hereof and dated as of even date herewith (the "Addendum"). Notwithstanding anything in this Agreement to the contrary, to the extent there is a conflict between the language of this Agreement and the Addendum, the language of the Addendum shall control.

The Academy is a charter school organized as a public school academy under the Code. The Academy has been issued a contract (the "Contract") by **CENTRAL MICHIGAN UNIVERSITY** (the "Authorizer") to organize and operate a public school academy. The Authorizer is the statutory authorizing body. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

MM1 represents and warrants that it is a duly organized Michigan for-profit corporation, in good standing, and that MM1 (its officers, employees and agents) has the educational background, managerial experience, expertise, training, capacity, qualifications, and financial resources to provide the Services contemplated under this Agreement through its affiliated network of service providers, MM1 provides human resource related administrative services and employees to the Academy.

The Academy and MM1 desire to enter into an independent contracting relationship whereby MM1 will be engaged to provide the human resource personnel and administrative services as set forth in this Agreement (the "Services"). This Agreement between the Academy and MM1 Services sets forth the understandings with respect to the relationship between them, the scope of their relationship and the limitations on the relationship between the parties.

The Academy and MM1 further state that MM1 shall have full and unfettered authority to hire and terminate worksite employees to fulfill the contractual terms and conditions as set forth herein, without any involvement, control, or direction of the Academy.

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

I. SERVICES

- 1.1 MM1 agrees to contract to the Academy and the Academy agrees to contract from MM1 the Worksite Employees on the terms and conditions in this Agreement. "Worksite Employees" means all employees assigned to fulfill the Academy worksite job positions, excluding the Superintendent/Principal, Director of Finance, and Director of Operations who shall be employees of the Academy as addressed in the Addendum to this Agreement. MM1 shall also provide and control and be responsible for all human resources and personnel administrative services, payroll, benefits and related administrative functions for Worksite Employees.

- 1.2 The Academy shall retain control over its business operations, instructional activity and all other matters, including but not limited to: the curriculum, books, equipment and educational supplies; state funding; finances and budgeting; parent relations; student achievement and guidance; student discipline; food; building and property management; transportation; sports and extracurricular activities, public relations; and the day to day working conditions of the Worksite Employees. The Academy shall employ an Academy Superintendent/Principal who will work on-site at the Academy and report directly and only to the Academy Board. MMI shall have no authority to hire, direct, supervise, evaluate, discipline, or fire the Superintendent/Principal.
- 1.3 The Academy and MMI will consult with each other on personnel related issues; however, the personnel are exclusively MMI employees and MMI has exclusive and complete control and decision making authority over these areas. Whenever a timely response is requested (or is by its nature required), MMI and the Academy agree to respond to any communication from the other as soon as possible but in no event more than forty-eight (48) hours from the origination of any such communication. Further, MMI shall designate a contact person who is available to respond to Academy communication within such period.

II. TERM OF AGREEMENT

- 2.1 **Effective Date.** MMI shall provide services commencing on July 1, 2019 (“Effective Date”). This Agreement shall remain in full force and effect through and including June 30, 2020 (“Term”), subject to a continued Contract from the Academy Board, continued state per pupil funding and the termination provisions contained in Section 2.2 below. The maximum term of this Agreement shall not exceed the length of the Charter the Agreement, and this Agreement shall be terminated at the end of the sixty (60) day written notice of termination period.
- 2.2 **Termination.** This Agreement shall remain in full force and effect until one of the following occurs:
 - (a) In the event one party shall be in Default under Section 6.6, the other party may immediately terminate this Agreement.
 - (b) During the Term of this Agreement, either party may terminate the Agreement with sixty (60) days written notice of intent to terminate and this Agreement shall be terminated at the end of the sixty (60) day written notice of termination period.
 - (c) If the Academy’s Charter Contract issued by the Central Michigan University (“CMU”) Board of Trustees is revoked, terminated or a new Charter Contract is not issued to the Academy after expiration of the Academy’s Charter Contract, this Agreement shall automatically terminate on the same date as the Academy’s Charter Contract is revoked, terminated or expires without further action of the parties.
 - (d) This Agreement shall automatically terminate in the event of a State-mandated shut down of the Academy.
- 2.3 **Dissolution / Bankruptcy.** This Agreement shall terminate automatically without notice to the Academy if a petition in Bankruptcy Court is filed by or against the Academy, shall have been voluntarily or involuntarily adjudicated bankrupt by any Court of competent jurisdiction, or if a petition is filed for reorganization of the Academy, or if a receiver shall have been appointed for all or a substantial part of the Academy’s business.
- 2.4 **Amendment Caused By Academy Site Closure or Reconstitution.** In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the State School Reform/Redesign Officer under Section 507 of the Code, MCL 380.507; or (ii) to

undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and Section 10.4 of the Contract Terms and Conditions, and such closure of an Academy site or reconstitution causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and MM1 shall have no recourse against the Academy or the University Board/Authorizer for implementing such site closure or reconstitution.

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

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

(b) The Academy shall immediately notify in writing each Worksite Employee that this Agreement has been terminated. The Academy shall reimburse MM1 for all Worksite Employee compensation and reimbursements pursuant to Section 3, if any, due through the date of termination of this Agreement.

(c) Upon termination or expiration of this Agreement, MM1 will assist in the transition to a new provider, self-management or dissolution in accordance with the Authorizer's Educational Service Provider Policies in conjunction with the scope of services of this Agreement.

2.6 Timing of Termination. The Academy and MM1 agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school year. If a breach cannot be remedied, the Academy and MM1 agree to work cooperatively to transition management and operations of the school without disrupting the school's operation. MM1 shall perform this transition in accordance with the Authorizer's Educational Service Provider Policies in conjunction with the scope of services of this Agreement.

III. PAYMENTS & FEES

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

3.2 Human Resources Management Service Fees. The Academy shall pay all Human Resources Management Service Fees set forth in Schedule A for the Services rendered by MM1 pursuant to this Agreement (the "Fees"). All other fees that may be subject to this Agreement are also set forth by Schedule A. For new employees hired after execution of this Agreement (as opposed to the Effective Date), the Academy agrees to pay MM1 an Employee Processing Fee of fifteen (\$15) dollars per Worksite Employee as set forth in Schedule A.

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

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

3.3 Payment. Payment shall be processed by wire transfer or by Automated Clearing House debit. Payments are due no later than the payroll check date unless the Academy chooses direct deposit for their paychecks ("Due Date"). In that case, payments are due two business days prior to the payroll check date.

3.4 Reimbursements. In addition to the Service Fees detailed in Schedule A, the Academy shall amend its budget and reimburse MM1 for any and all additional costs and expenses requested and approved by the Greater Heights Academy Board of Directors ("Academy Board") in writing in advance, and increases in Pass-Through Costs (see Schedule A) mandated by state law or regulation. Any increases in Fixed Costs (See Schedule A) shall be borne and paid by

MM1, without reimbursement from the Academy. The Academy acknowledges that MM1 is the employer of record and in addition to the fees received by MM1 pursuant to this Agreement, MM1 shall retain all federal and state tax benefits, credits or deductions in consideration of services rendered to the Academy pursuant to this Agreement, including but not limited to IRS Sec 125 Plan benefits and savings. Further, the Academy shall reimburse MM1 for any benefits premium unnecessarily incurred by MM1 because a Worksite Employee is laid off or terminated during a benefit month (i.e., the prepaid cost of the premium for the remainder of the month following termination). In the event this Agreement is terminated by MM1, and the Academy has not fully paid all Fees and payments owing as of the date of termination, the Academy shall immediately pay MM1 for any Fees owing, payroll, benefit payments or other costs incurred with respect to Employees owing as of the date of termination. In the event MM1 procures equipment, materials or supplies on behalf of or as agent for the Academy such items shall be the property of the Academy provided MM1 is reimbursed for such costs without administrative charge.

- 3.5 **Late Payments.** All payments not made or sent by the Academy on or before the due date shall be subject to a late charge of three (3%) percent of the amount due. Checks returned from the Academy's bank will be subject to the late payment charge of fifty (\$50.00) dollars plus any additional costs incurred by MM1. All amounts shall bear interest at the rate of one and one half (1 ½ %) percent per month, or portion thereof that such amounts remain unpaid.
- 3.6 **Modification.** Any required adjustment to Federal, State or local taxes shall be effective on the date of such adjustment or change. In the event MM1 fails to include the additional cost on the next invoice when due the same shall be due retroactive to the date of change, as mandated, and shall be due by the Academy upon receipt of the next invoice.
- 3.7 **Verification by the Academy.** The Academy will provide MM1 a true, correct and complete list of the Academy's most recent payroll. MM1, through its Liaison, will verify all time submissions of Worksite Employees. If the Academy believes that there is an error in the Worksite Employees submitted time or payment, it shall be the responsibility of the Academy to communicate and provide written notice of the error. Until corrected, the Academy shall not deduct any amount from payment of its current invoice as a credit or setoff. Errors, upon verification, shall be corrected by an adjustment on the next invoice.
- 3.8 **Continuing Liabilities.** In the event that this Agreement is terminated, by either party, the Academy shall be responsible for any insurance or employment liabilities prepaid or incurred by MM1 with respect to the Worksite Employees in the ordinary course on a pro rata basis through the date of termination. Such charges shall be paid by the Academy to MM1 upon receipt of an invoice for such amounts.
- 3.9 **Unemployment Insurance Expense Reimbursement.** In the event of the sale, dissolution, liquidation, reorganization or closing of the Academy's business which causes MM1 to terminate or lay-off any Worksite Employee assigned to the Academy under this Agreement, the Academy agrees to promptly reimburse MM1 for claims paid for Worksite Employees and related charges incurred by MM1 with respect to such employees prior to such sale, dissolution, liquidation, reorganization or closing of the Academy's business.
- 3.10 **Workers Compensation Injury Reporting.** In order for MM1 to pro-actively manage workers compensation claims for the benefit of MM1 and the Academy, all work related injuries must be reported by the Academy to MM1 on a First Report of Occupational Injury form (supplied by MM1) within twenty-four (24) hours of injury. A fee of one hundred twenty-five dollars (\$125.00) will be charged to the Academy for each work related injury not properly reported within forty-eight (48) hours of occurrence, after the first failure to report within forty-eight (48) hours.

IV. WORK ENVIRONMENT & RELATED MATTERS

- 4.1 **Worksite Employees.** With MM1's guidance, the Academy shall comply with all safety, health and work laws, regulations and rules at its own expense. With MM1's guidance, the

Academy shall also comply with all safe work practices and use of protective equipment required by federal, state or local law at the worksite locations. Accordingly, MM1 shall consult with the Academy, and the Academy shall have certain risks and responsibilities including but not limited to, premises liability, safety risks attendant to the ownership of premises and equipment (which are traditionally assigned to the owner of a business, location, or equipment).

- 4.2 **The Academy Responsibilities.** The Academy shall at its expense (i) comply with all applicable health and safety laws, regulations, ordinances, directives, and rules of controlling Federal, State and local government and (ii) will immediately report all employee accidents and injuries to MM1 by completing an Injury Report Form provided by MM1 within twenty-four (24) hours after the accident. The Academy shall provide or ensure use of all personal protective equipment, as required by Federal, State or Local law, regulation, ordinance, directive, or rule or as deemed necessary by MM1. MM1, MM1's workers compensation carrier and MM1's liability insurance carrier shall have the right to inspect the Academy's place of business at all times to insure compliance with this Section and with the terms of this Agreement. MM1, through its Liaison, shall be responsible for providing records of hours worked by the Worksite Employees. The Academy shall reimburse MM1 for any overtime pay that is or becomes due to or owed to any Worksite Employee.
- 4.3 **Annual Budget Preparation.** The Board will cause to be prepared an annual budget that shall conform to the State accounting manual and the Uniform Budgeting and Accounting Act, MCL 141.421 et seq. and in a form satisfactory to the Board and in compliance with the Charter Contract. The budget shall contain reasonable detail as requested by the Board and as necessary to comply with the General Accepted Accounting Practices (GAAP) standards. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy including, but not limited to, the projected cost of all services and programs provided by the Academy, rent and lease payments, debt service, maintenance and repairs to Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Academy. The proposed budget shall be submitted to the Board for approval not later than thirty (30) days prior to the date when the approved budget is required to be submitted to the Charter Board under the Contract. Upon approval by the Academy Board, copies of the budget will be given to MM1 personnel.
- 4.4 **Budget Reserve.** The Academy Board shall be responsible for determining the budget reserve amount to be included as part of the Academy's annual budget. Under Michigan law, the parties acknowledge and agree that the budget reserve may not be less than five percent (5%) of the State School Aid received by the Academy. The Academy shall be responsible for implementing fiscal policies that will assist the Academy in attaining a minimum five percent (5%) fund balance.
- 4.5 **Records.** All financial, educational and student records and related documents prepared by MM1 or otherwise created in connection with the rendering of services at the Academy's offices are the property of the Academy and shall be prepared in accordance with practices and procedures determined by MM1 and the Academy. Such records shall be maintained in secured files on the premises of MM1, and the Academy shall have access to such records at all reasonable times as authorized by law. The Academy may make copies of records necessary for it to perform its duties and obligations under this Agreement. MM1 shall make any and all reports with regard to its employees required by applicable law and shall assist the Academy in timely complying with any and all compliance and reporting obligations it may have to the Michigan and United States Departments of Education, the Charter Board or as otherwise mandated by applicable laws, rules and regulations.

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

V. REPRESENTATIONS & WARRANTIES OF THE ACADEMY

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

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

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

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

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

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

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

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

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

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

5.6 **Employer Relations.**

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

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

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

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

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

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

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

VI. COVENANTS OF PARTIES

- 6.1 **Criminal Background Checks.** MM1 and the Academy acknowledge that all Worksite Employees, or any other personnel provided by MM1 to the Academy must be in compliance with all the Academy policy, procedures, rules and regulations. The School Leader shall conduct criminal background checks on all MM1 employees that are assigned to the Academy and all subcontractors assigned to regularly and continuously work under contract at the Academy, as required by law. MM1 shall conduct unprofessional conduct checks on all of its employees that are assigned to the Academy. MM1 agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b and related provisions of the Code pertaining to criminal background checks and criminal conduct. MM1 shall require that the results of the unprofessional conduct check are received, reviewed and used (subject to a verification process) by the School Leader, acting on behalf of the Academy and /or Board, only as permitted by law to confirm that the individual does not have a criminal history and to evaluate the qualifications of the individual for his/her assignment. MM1 shall follow all applicable laws as it relates to this Section 6.2
- 6.2 **Liability Insurance.** The Academy shall furnish upon signing this Agreement and keep in full force and effect at all times during the Term of this Agreement general liability insurance in an amount not less than one million (\$1,000,000) dollars. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. MM1 and the Academy shall maintain such policies of insurance as required by the Michigan Universities Self-Insurance Corporation (M.U.S.I.C.) and the Academy's Charter Contract issued by the CMU Board of Trustees (the "Charter Contract") or Applicable Law. In the event that CMU or M.U.S.I.C. requests any change in coverage by MM1, MM1 agrees to comply with any change in the type or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change.
- 6.3 **Sexual Molestation/Abuse Coverage.** The Academy, MM1 and any subcontractor of the Academy or MM1 shall obtain and maintain a sexual molestation/sexual abuse policy of insurance relative to students as required by M.U.S.I.C. and the Contract.
- 6.4 **Motorist Insurance.** In the event that a MM1 employee is assigned to fill a job function requiring the employee to operate a vehicle for the Academy, the Academy shall furnish liability insurance. The policy shall insure against public liability for injury and property with a minimum combined single limit of five hundred thousand (\$500,000) dollars. The policy shall include uninsured motorist coverage with limits of no less than one hundred thousand (\$100,000) dollars. In states where "no-fault" laws apply, equivalent personal injury and property damage coverage shall be included. The Academy shall issue a Certificate of Insurance providing for not less than thirty (30) days advance notice of cancellation or material changes. This coverage period shall survive this Agreement.
- 6.5 **Indemnification.**
- (a) **The Academy.** To the extent permitted by law, the Academy agrees to defend, indemnify and hold harmless MM1, its officers, directors, shareholders, agents and employees from any claims made by Worksite Employees for any claims, demands, losses, costs, fees, penalties, fines or damages arising from any actions, conduct or omissions of the Academy or its officers, directors, shareholders, agents or employees. Such claims shall include, but are not limited to, charges of discrimination brought through the State Department of Labor, the Equal Opportunity Commission, the Workers' Compensation Bureau (or such similar department, commission or board other than State), fees and lawsuits alleging failure to comply with Federal and State wage and hour laws, wrongful termination, discrimination, denial of due process or other employment-related causes of actions resulting from employee discipline or termination. The Academy shall defend and indemnify MM1, its officers, directors, shareholders, agents and employees from employee claims of sexual harassment by the Academy. The Academy shall be entitled to select its counsel and counsel for this

indemnification provision. The duty to defend includes the right to pay actual attorney's fees incurred in defending such claims, and the duty to indemnify includes the duty to pay any award imposed by an administrative agency, judgment or settlement against MM1.

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

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

6.6 **Default.** Either party shall be in "Default" under this Agreement if following ten (10) days written notice from the other (provided, however, such period shall be extended for an additional reasonable period if the default is of a non-monetary nature and is such that it cannot be cured within ten (10) days and the party has diligently commenced the curing of such default and is diligently pursuing the same to completion) the party has failed to cure a material breach of this Agreement or any bankruptcy, receivership or insolvency proceeding is instituted by or against the party. Any action or inaction by MM1 pertaining to this Agreement that is not cured within sixty (60) days of notice thereof which causes the Charter Contract to be revoked, terminated, suspended or to be put in jeopardy of revocation, termination or suspension by Central Michigan University is a material breach.

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

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

(b) The Academy shall, upon request by MM1, make available comparable employment opportunities to Worksite Employees eligible for reinstatement following leave as required by

the Family & Medical Leave Act (“FMLA”) or any comparable law, the Academy shall bear the sole cost of compliance for any Worksite Employee eligible for reinstatement under the FMLA unless such noncompliance is caused by MM1.

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

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

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

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

- 6.8 **Property Rights.** With exception of curriculum or educational materials developed or copyrighted by MM1, the Academy owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by the ESP at the direction of the Academy Board with Academy funds. MM1 recognizes that educational materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

VII. REPRESENTATIONS & WARRANTIES OF MM1

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

- 7.1 **Authorization.** MM1 has been duly authorized to execute and deliver this Agreement. MM1’s execution and performance of this Agreement will not, to the best of its knowledge, with or without the giving for the passage of time or both, violate the provisions of any law, rule or regulation applicable to MM1.
- 7.2 **Government Investigations.** MM1 has fully disclosed to the Academy all government investigations, lawsuits or other adversary proceeding involving MM1 for five (5) years preceding the execution of this Agreement.

- 7.3 **Compliance.** MMI is in compliance with all Federal, State and local laws respecting employment practices, terms and conditions of employment, wages and hours, and is not engaged in any discriminatory employment or unfair labor practice. There are no arrearages in the payment of wages, taxes or workers compensation assessment or penalties.
- 7.4 **Student Confidentiality.** Except as permitted under the Code, MMI shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of an Academy student's education records. If MMI receives information that is part of an Academy student's education records, MMI shall not sell or otherwise provide the information to any other person except as provided under the Code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.
- 7.5 **Breach of Personally Identifiable Information.** The parties agree that in the event either party becomes aware of a data breach of personally identifiable information or education records as defined in Section 1136 of the Code, MCL 380.1136 ("PII") with respect to information not suitable for public release, the other party shall be immediately notified in writing. The parties then shall mutually meet and confer with respective legal counsel to determine appropriate steps to be taken as required by state or federal law.
- 7.6 **Employee Non-Compete Agreement.** MMI agrees that no contract with employees leased to the Academy shall contain a non-compete clause prohibiting employment with other educational institutions or employee leasing companies.
- 7.7 **Payment Obligations of MMI.** MMI acknowledges that until this Agreement is terminated or expires, it shall fulfill its responsibility to pay salaries, benefits, payroll taxes, worker compensation, unemployment compensation and liability insurance for employees leased to the Academy or working on Academy operations irrespective of whether MMI receives any advancement of costs or payment of services from the Academy

VIII. MUTUAL OBLIGATIONS

- 8.1 **Waiver of Subrogation.** Each party releases and discharges the other party, and any officer, agent, employee or representative of such party, from any liability whatsoever arising from the loss, damage or injury, for any reason, for which insurance is carried by the insured party at the time of such loss, damage or injury, to the extent of any recovery by the insured party. Provided, however, this paragraph shall not apply if its application would invalidate insurance protection.
- 8.2 **Mutual Cooperation.** The parties agree that, except where conflicts prevent it, they shall render to each other reasonable assistance and shall cooperate in good faith with each other to ensure the proper and adequate defense of any claim, action, suit or proceeding brought by a third party.
- 8.3 **Confidentiality.** The parties agree to cooperate in such a manner as to preserve and uphold the confidentiality of all business records and the attorney-client and work-product privileges, subject to the Michigan Freedom of Information Act ("FOIA") and the disclosure provisions of the Code.

IX. MISCELLANEOUS

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

- 9.2 **Independent Contractor.** MM1 is an independent contractor of the Academy and neither party is the agent of the other. The Academy agrees to define "school official" in the Academy's annual notification of rights under 20 U.S.C. §1232g, 34 C.F.R. §99, the Family Educational Rights and Privacy Act ("FERPA") to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, who is under the direct control of the Academy with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. §99.33(a) governing the use and redisclosure of personally identifiable information from education records. The Academy designates MM1 and certain of its employees as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. MM1 and its employees agree to comply with FERPA and corresponding regulations applicable to school officials.
- 9.3 **Enrolling New Worksite Employee.**
- (a) **Selection of Worksite Employees.** MM1 shall engage new Worksite Employees only as set forth below. The Academy, through its Superintendent/Principal, shall recommend all job candidates to MM1 for interview and potential hiring, and shall not offer employment to any individual without consent of MM1. MM1 shall employ and assign to the Academy all such qualified and certified classroom teachers, instructors and support staff that the Academy, through its Superintendent/Principal, approves and deems necessary to accomplish the educational mission of the Academy, and as provided in the Academy's approved budget and as directed by the Academy Board. Based upon recommendations by the Academy, MM1 shall make the final selection of all Worksite Employees assigned to the Academy. MM1 shall comply with the Immigration Reform and Control Act.
- (b) **Hiring, Evaluating, Supervising, Disciplining and Firing.** MM1 shall have the complete and exclusive authority and control over hiring, evaluating, supervising, disciplining and firing of Worksite Employees.
- (c) **MM1 Requirements.** MM1, or its designated subcontractor (approved by the Academy) shall be responsible for performing all pre-employment, background, license and eligibility review and other screening and investigation required by federal, state or local law, including the Code, as if employed by the Academy directly. Employment records of Worksite Employees shall be made available to the Academy upon request for purposes of auditing such records for compliance with applicable law. An FBI and State Police records check as required by the Code shall be obtained by the Academy and paid for by the Academy regarding each Worksite Employee for whom such records check has not already been completed.
- 9.4 **Assignment/Amendment.** This Agreement may not be assigned by either party without prior written consent of the other party and prior notice to CMU. None of the terms and provisions of this Agreement may be modified or amended except by an instrument in writing executed by each party. Any modification or assignment of this Agreement must be done in a manner consistent with CMU's Educational Service Provider Policies.
- 9.5 **Severability.** If any provision of this Agreement should be invalid, illegal or unenforceable, the validity and enforceability of the remaining provisions contained in this Agreement shall not in any way be affected thereby and the provision deemed invalid, illegal, or unenforceable shall be construed and enforced to the greatest extent legally possible.
- 9.6 **Waiver.** Failure by either party to require performance by the other party or to claim a breach of any provision of this Agreement will not be construed as a waiver of any subsequent breach nor prejudice either party with regard to any subsequent action.
- 9.7 **Section Headings.** The Section Headings of this Agreement are for the convenience of the parties only and in no way alter, modify, limit or restrict contractual obligations of the parties.

- 9.8 **Forms.** The Academy shall utilize forms provided by MMI unless otherwise required by law or regulation.
- 9.9 **Notices.** Any notice or other communication required by this Agreement shall be sufficiently given in writing and delivered personally, sent by confirmed facsimile transmission, overnight air courier (postage prepaid), or by registered or certified mail (postage prepaid with return receipt requested) addressed as follows:

For the Academy, to:

Greater Heights Academy
3196 W. Pasadena Ave.
Flint, MI 48504

with a copy to:

Gregory M. Meihn, Partner
Foley & Mansfield, PLLP
130 E. Nine Mile Road
Ferndale, MI 48220

For MMI, to:

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

with a copy to:

David L. Steinberg, Esq.
David L. Steinberg, P.C.
27777 Franklin Road, Ste. 2500
Southfield, MI 48025-4519

- 9.10 **Entire Agreement.** This constitutes the entire agreement between the parties with regard to the subject matter herein. No prior oral or written agreement, practice or course of dealing between the parties relating to the subject matter herein shall supersede this Agreement.
- 9.11 **Authorization.** The individual executing this Agreement is authorized on behalf of the Academy to bind the Academy to the terms set forth herein.
- 9.12 **Compliance with Academy's Contract.** MMI agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by the Central Michigan University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this ESP Agreement."

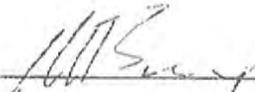
[Signatures appear on next page following]

Greater Heights Academy
Board of Directors Member
3196 W. Pasadena Ave.
Flint, MI 48504

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

Greater Heights Academy,
a Michigan public school academy

MMI, Inc.,
a Michigan corporation

By: 

By: 

NAME: Matthew Barcey

Ralph Cunningham

Its: Board of Directors Member

Its: President

Dated: 10/15, 2019

Dated: 10/15, 2019

**ADDENDUM
TO EMPLOYEE MANAGEMENT SERVICES AGREEMENT DATED EFFECTIVE AS OF
JULY 1, 2019, BY AND BETWEEN GREATER HEIGHTS ACADEMY, A MICHIGAN
PUBLIC SCHOOL ACADEMY AND MM1, INC.**

This Addendum (this "Addendum") to the above-entitled Employee Management Services Agreement (the "Agreement") is effective the 1st day of July, 2019, by and between Greater Heights Academy, a Michigan public school academy (the "Academy") and MM1, Inc., a Michigan Corporation ("MM1") with reference to the following:

RECITALS:

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

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

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

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

1. Superintendent/Principal, Director of Finance, and Director of Operations. The Academy shall employ its Superintendent/Principal, Director of Finance, and Director of Operations who will work on-site at the Academy and report directly and only to the Academy Board. The Superintendent/Principal, Director of Finance, and Director of Operations are addressed in the Administrative Services Agreement executed contemporaneously herewith. MM1 shall have no authority to hire, direct, supervise, evaluate, discipline or fire the Superintendent/Principal, Director of Finance, or Director of Operations.

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

3. Personnel Requirements. The Academy, through its Superintendent/Principal, shall advise MM1 of the teachers, instructors, and administrators required by the Academy to perform its mission, as provided in the budget adopted by the Academy Board. Job descriptions and qualifications shall be consistent with Schedule 5 of the Charter Contract (as defined in the Agreement). MM1 shall comply with the Code with respect to the evaluation and compensation systems. (See Sections 1249 and 1250 of the Code). By July 15, 2019, the Academy Board shall adopt a personnel classification and pay plan and provide such plan to MM1. The Academy Board shall notify MM1 of any significant changes in the level of funding provided to the Academy.

4. Worksite Employee Handbook and Policies. MM1 shall provide the Academy with its handbook of personnel policies and procedures, which policies and procedures guide MM1 with respect to the discipline, layoff or termination of Worksite Employees. If a Worksite Employee has a problem or dispute regarding a co-worker, a student, parent, or any other matter, the Worksite Employee shall first bring the problem or dispute to the attention of the MM1 Liaison. If the problem

or dispute is not resolved in a reasonable time period, the Worksite Employee shall take the matter to MM1 and the Superintendent/Principal. If the issue continues and is related to a co-worker, the issue is to be resolved by MM1. If the issue continues and is related to a student or parent, the issue shall be referred to the Academy Board.

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

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

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

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

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

10. Payment. The Academy Board shall either pay or reimburse MM1 for approved fees or expenses upon properly presented documentation and approval by the Academy Board or a properly designated Academy Board member. The Academy Board may advance funds to MM1 for the fees or expenses associated with the Academy's operation provided that satisfactory documentation for the fees and expenses are supplied for Academy Board ratification. No corporate costs of MM1 shall be charged to, or reimbursed by, the Academy.

11. Academy Records. The financial, educational and student records pertaining to the Academy are Academy property and shall be kept confidential, subject to FOIA and the Code. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. Except as permitted under the Charter Contract and applicable law, this Agreement shall not restrict CMU's or the public's access to Academy records. All records should be kept in accordance with applicable State and Federal requirements.

12. Access to MM1 Records. All financial and other records of MM1 related to the Academy shall be made available to the Academy, the Authorizer upon request and the Academy's independent auditor, who shall be solely selected by the Academy Board.

13. Purchases. All equipment, materials and supplies purchased by MM1 on behalf of or as agent of the Academy, shall be and remain the property of the Academy. MM1 agrees to comply with the Code including, but not limited to, Sections 1267 and 1274 of the Code, MCL 380.1267 and MCL 380.1274, as if the Academy were making these purchases directly from a third party supplier. If MM1 procures equipment, materials and supplies at the request of or on behalf of the Academy, no added service charges or administrative fees shall be imposed.

14. Proprietary Rights. All curriculum and educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by MM1 at the direction of the Academy Board with Academy funds, shall be the sole proprietary property of the Academy. Those curriculum or educational materials previously developed or copyrighted by MM1, or that are developed by MM1 from funds from the Academy paid to MM1 as part of MM1's fee for services, shall be the sole proprietary property of MM1. All educational materials, from any source, as well as teaching techniques used by the Academy, are subject to disclosure under the Code and FOIA.

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

16. Marketing and Development. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program as approved by the Academy Board, and shall not include any costs for the marketing and development of the business of MM1.

17. Performance Evaluation of MM1. The Academy Board may develop and implement a process for the review and evaluation of the performance by MM1 under the Agreement. The policies and procedures providing for any such evaluation process shall be provided in writing to MM1. The Academy Board shall communicate in writing to MM1 the results of any such performance review.

18. Compliance with Academy's Contract. MM1 agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by Central Michigan University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement. Any additional costs of compliance because of changes mandated by CMU will be borne by the Academy and MM1 equally, provided that any additional costs to MM1 shall be limited to its duties and obligations under this Agreement. The Academy and MM1 enter into this Agreement with the full understanding that the Educational Service Provider Policies, as amended June 1, 2018 (the "Policies") issued by CMU's Charter Schools Office may undergo revisions. The Academy and MM1 agree to amend the Agreement within sixty (60) days of the effective date of CMU's revised Educational Service Provider Policies to conform with such new policies, or as soon as mandated by CMU.

19. Required Disclosure. On an annual basis, MM1 shall provide the Academy Board all of the same information that a school district is required to disclose under section 18(2) of the State School Aid Act, MCL 388.1618(2), for the most recent school fiscal year in which the information is available. Within thirty (30) days of receiving the information under section 18(2), the Academy Board shall make this information publicly available on its website, in a form and manner prescribed by the Michigan Department of Education. MM1 shall be responsible to provide only the items MM1 is responsible for in conjunction with the scope of services in this Agreement.

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

WITNESS:

Mary Ellen Worden

MMI, INC.,
a Michigan corporation

BY: Ralph Cunningham
Ralph Cunningham
ITS. PRESIDENT

DATE: 10/15, 2019

WITNESS:

Maury Mitchell

GREATER HEIGHTS ACADEMY,
a Michigan public school academy

BY: M. Sancy
NAME: Matthew Barclay
ITS. BOARD OF DIRECTORS MEMBER

DATE: 10/15, 2019

SCHEDULE A
To Employee Management Service Agreement
Between MM1, Inc. and Greater Heights Academy

Pass-Through Costs/Reimbursements	Current Rates¹
Michigan Unemployment Tax	4.86%
Employer Portion of Social Security	6.20%
Employer Portion of Medicare	1.45%
Federal Unemployment Tax	0.08%

Fixed Workers Compensation Costs	Per \$100 of Earnings
Code: 8868 Teachers	.68%
Code: 8810 Clerical	.45%
Code: 9015 Bldg. Maintenance	6.99%
Code: 9058 Food Service	2.60%
Code:	

Fixed Fees	
Admin Fee, as a percentage of gross wages paid to Worksite Employees	4.0%
Employee Processing Fee (per new hire) ²	\$15.00

¹ Subject to change as mandated by state or federal law or regulation.

² Assessed only for new Worksite Employees hired after initial transfer and hire of Worksite Employees following execution of the Agreement.

Greater Heights Academy
Contract Amendment No. 3

Tab 2

EDUCATIONAL PROGRAMS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver, and support the educational programs identified in this schedule.

Mission Statement

The mission of Greater Heights Academy (“Academy”) is to achieve individual academic success for all students through a positive family/school/community partnership.

Vision Statement

The Academy’s vision is to provide the highest quality comprehensive educational environment that inspires excellence in academics and character by:

- educating the whole (social, emotional, physical, academic) child;
- setting high expectations;
- partnering with parents and community;
- fully maximizing available resources; and
- ranking in the top 10% statewide.

Values

At the Academy, students are the first priority. The Academy promotes a caring and structured environment. Structure and consistency are the fundamental elements of effective discipline and the Academy adheres to set standards. The Academy understands and recognizes that a parent is a child’s first and primary educator and diligently pursues a strong and beneficial home/school partnership.

How the educational program fulfills the Academy’s mission, vision, and values

The mission statement for the Academy focuses on and addresses individualized academic success. The Academy’s Multi-Tiered System of Supports (“MTSS”) program ensures all students in need of intervention services are identified quickly and an action plan for remediation is put in place. Continuous progress monitoring evaluates the success of the student(s) and helps determine if adjustments to the instruction are necessary. In addition, students who are excelling according to the standards based reporting system and assessments are provided enrichment opportunities that meet individual needs and are a part of the individualized academic success.

Further, the mission indicates all students have the capability to learn. The MTSS program ensures no child is left behind and students receive quality instruction to meet individual needs. The mission also addresses creating educational success through positive family, school and community partnerships. The staff and administration at the Academy realize that parents are a child’s first teacher. Parent input is crucial to the success of each student and the Academy implements a variety of programs, such as Parent University, to encourage parent participation. In addition, the Academy establishes partnerships with several universities, theaters and museums to enhance student learning and to build a sense of community.

The Academy ensures the vision is accomplished by inspiring excellence in every area of the school, from classroom discipline, to staff evaluation and accountability, to parent and community

engagement. Decisions made are a result of keeping the students at the forefront of the decision-making process. Students are the Academy's first priority.

Educational Program Delivery

There is a strong belief within the Academy that all students can succeed. This is demonstrated at the classroom level by using a variety of best practices designed to meet the differentiated needs of individual learners.

The Academy's core instruction:

- is based on scientific research.
- is a delivery system that relies on best practice.
- is explicit and systematic.
- allows for varied rates of learning.
- takes advantage of whole class, small group, and individual learning structures.
- includes ongoing professional development to provide teachers with the tools necessary to ensure student achievement.
- is consistent within and across classrooms.

Curriculum

The Academy takes a backward design approach when planning for and implementing the curriculum. The Michigan Academic Standards ("MAS") are priority and components of the curriculum, including reporting, assessment, lessons and activities, are designed around the MAS. The standards-based reporting system ensures students are evaluated according to established grade level benchmarks. Formative as well as summative assessments are utilized to monitor student academic progress.

The Academy utilizes Atlas™, a curriculum management tool supported by Rubicon International and Oakland Schools. Atlas is available on the Oakland School's website. The Academy uses Atlas for science and English language arts ("ELA"). The Academy uses the Michigan Citizenship Collaborative Curriculum ("MC3") for social studies. Atlas provides curriculum for lessons aligned to the MAS.

The Academy's kindergarten classroom is self-contained, and first through sixth grade classrooms are departmentalized; allowing for flexibility and ample time for differentiating instruction. In working as a collaborative team, daily schedules are planned to maximize student potential. The Academy has established the expectations regarding individual schedules. English language arts instruction is a maximum of 120 minutes block incorporating reading, writing, spelling and handwriting instruction with a deliberate focus on integrating other content areas as possible. Mathematics instruction receives a maximum of a 120 minute block, which also provides for deliberate cross curricular integration. Social studies and science are provided extended block scheduling weekly to allow students to engage in in-depth projects and explorations whose content is reinforced during daily ELA and Math blocks.

Reading

A balanced literacy approach is used in kindergarten through sixth grade to teach reading and writing. The curriculum taken from the Oakland Schools Atlas website encompasses the reading

curriculum for the Academy. Teachers develop unit plans utilizing these materials as a guide. Individual lesson plans include the MAS and rubrics for assessment. Resources from Atlas are among the resources utilized on a regular basis to deploy curricular units of instruction.

Writing

Kindergarten through sixth grade writing teachers implement the curriculum in the Oakland Schools Atlas website. Teachers develop unit plans utilizing this material as a guide. Individual lesson plans include the MAS and rubrics for assessment. Lesson plans from Oakland School's Atlas Curriculum are utilized on a regular basis.

Math

Kindergarten through sixth grade math instruction is guided by lessons from the Eureka Math curriculum. Math lessons develop skills, problem-solving strategies, and make connections to the real world. Pacing and preparation guides, curriculum maps, curriculum overviews, standards checklists, and materials lists can be accessed here: <https://eureka-math.org/teacher-resource-pac>.

Social Studies

The MC3 is used for kindergarten through sixth grade social studies. The MC3 is a model curriculum created through the collaborative efforts of several Intermediate School Districts and Regional Education Service Agencies. The curriculum includes research based lessons, and the units of study are complete with overarching questions to examine social studies concepts as well as resources and aligned assessments.

Science

Lessons from Oakland Schools Atlas guide science instruction for kindergarten through sixth grade. Students examine science concepts and theories. Opportunities to conduct hands-on investigations assist students in applying concepts.

Health

The Michigan Model for Health™ curriculum provides staff the resources to teach health. The health curriculum is instructed utilizing a live event learning model in addition to a variety of hands-on lessons.

Specials

In addition to the core content areas, the Academy provides instruction in specials courses; these courses may include, but are not limited to: Spanish, music, physical education, robotics, art and technology. Specials classes are selected each year based on student preference and the availability of qualified staff. All specials courses are intended to provide enrichment opportunities and cross curricular support.

Educational Program Approaches--Researched-based Strategies

A crucial component for success integrated into the daily schedule is common plan time for all instructional staff. When developing the schedule, this is the first piece that goes into the plan. If schools are to develop as professional learning communities, collaboration must be embedded into the daily routine practices (Dufour, Dufour, & Eaker, 2006). Common planning time allows for

shared leadership opportunities as well as establishing a mentoring program amongst staff. The Academy institutes grade level planning times and, when possible, plans the daily schedule to accommodate vertical planning.

The Academy's instructional strategies reflect the following research-based methodologies:

- *student-centered*: investigating students' interests takes precedence over studying arbitrarily selected content.
- *experiential*: students are immersed in the most direct possible experience of the content through hands-on activities in every subject.
- *holistic*: students encounter whole ideas, events and materials in context, not by studying subparts isolated from actual use.
- *authentic*: real, rich, complex ideas and materials are at the heart of lessons.
- *expressive*: to fully engage ideas, construct meaning and remember information, students must regularly employ the whole range of communicative media – speech, writing, drawing, poetry, drama, music, movement and visual arts.
- *reflective*: learners have multiple opportunities to reflect and debrief their experiences.
- *social*: learning is socially constructed and often interactional; teachers create classroom interactions that scaffold learning.
- *collaborative*: cooperative learning activities are embedded in lesson plan activities.
- *democratic*: classrooms are model communities; students learn what they live as citizens of the school.
- *cognitive*: students develop true understanding of concepts through higher-order thinking associated with the various fields of inquiry and through self-monitoring of their thinking.
- *developmental*: students grow through a series of definable but not rigid stages; lessons align to the developmental level of students.
- *constructivist*: students re-create and reinvent every cognitive system they encounter, including language, literacy and mathematics.
- *challenging*: students learn best when faced with genuine challenges, choices and responsibility in their own learning.

Specific curriculum initiatives embedded in classroom instruction include, but are not limited to, standards-based reporting, differentiated instruction and reader and writer's workshop. The Academy's standards-based reporting is based upon the research of Ken O'Connor (2002). The goal, in regard to grading, is to create a system with accurate grades. In order to make grades accurate, behaviors and attitudes must be separate from the academic portion of the reporting system. Content area teachers are provided a separate section for citizenship on the report card. This alleviates the need to embed citizenship grades into the academic portion. Students who are demonstrating positive choices in regards to responsibility are recognized. Consequences and remediation steps are taken to curb negative behaviors such as late and missing work.

The Academy's second and third goals in regard to grading are to make grades meaningful and consistent. This is accomplished by administering common assessments on a consistent basis. In addition, grades for the report cards are only taken on the summative assessments. In order to keep grading consistent, the curriculum has clearly defined performance standards and benchmarks across grade levels and content areas.

The fourth goal is to make grades supportive of learning. This is accomplished by ensuring that the classroom focus is on learning. This begins at the Academy Board level and continues to the individual student level. The three big ideas, as presented by Richard Dufour of Solution Tree, are a core component of the Academy's structure (Dufour, Dufour, & Eaker, 2006). The Academy believes the fundamental purpose is to ensure all students learn at high levels and are committed to becoming lifelong learners. In addition, collaborative teamwork and interdependence among teachers and administrators is a way to continuously improve the school. Evidence that students are learning and are ready to respond immediately when timely feedback reports otherwise is a clear indicator of a professional learning community.

Differentiated instruction is the process of “ensuring that what he/she learns, and how the student demonstrates what he/she has learned is a match for that student's readiness level, interests, and preferred mode of learning” (Tomlinson, 2008). At the Academy, a pre-assessment is administered prior to each unit or instructional sequence. Depending on the student's mastery of the concepts in the pre-assessment, he/she may be taken down a different learning path. Students who have not mastered the concepts receive further instruction at the appropriate level. If the opposite is true and the student has already mastered the assessed concepts, the student receives instruction on the same concepts, but at a deeper level of instruction. The idea is not to move the student ahead, but to advance higher learning skills by providing more difficult experiences in which to demonstrate knowledge. The Academy believes this style of instruction is more rewarding and challenging to students.

The writer's workshop model is implemented as outlined in the Atlas units of instruction. All writing teachers run workshops utilizing the four structures: mini-lesson, independent writing, conferring/conferencing and sharing. No portion holds more value than another and assessment does not only occur at the end of a unit or completion of a piece, but rather is continuous. Evidence has demonstrated that in order to provide more accurate information to parents, students, and staff the assessment (formative and summative) must also occur within the creation of the writing piece.

The reader's workshop model at the Academy is based on the research of Fountas & Pinnell (Fountas & Pinnell, 2001) as outlined in the Atlas units of instruction. All reading teachers run the workshops utilizing the four structures: mini-lesson, independent reading, guided reading (conferring) and/or literature study and group sharing. Similar to the writer's workshop, no portion holds more value than another.

Other instructional strategies that are components of the instruction may include, but are not limited to the following: *Super Kids*, *Recipe for Reading*, *Daily Five*, *Words Their Way* and *Understanding By Design* (“UbD”). *Recipe for Reading* contains a comprehensive, multisensory, phonics-based reading program. The program is based on a skill sequence and lesson structure designed for beginning, at-risk or struggling readers (Traub & Bloom, 2000).

Adaptations and Modifications

Instructional planning at the Academy is focused upon ensuring student success. The result is a curriculum that allows students to derive meaning from all educational experiences. Instructors believe active student engagement is a key feature of student success and there is an expectation that all teachers design lessons and assessments that engage students.

The Academy's core curriculum:

Is available to all children.

Is preventative and proactive.

Includes, but is not limited to:

- differentiated instruction by adaptations.
- use of diagnostic assessments.
- small, flexible groups.
- curriculum that is scaffolded.
- data driven decisions and progress monitoring.

Multi-Tiered Systems of Support

The Academy subscribes to a four “tiered” MTSS structure:

Tier I is subject area classroom instruction (general education students and special education students). Teachers use differentiated instruction, when possible, to meet student needs. Frequent formative assessments determine the extent to which content is learned prior to a summative assessment. Summative assessments in the form of unit tests, papers, projects, presentations and demonstrations, indicate mastery of content. If students do not master the given content, teachers reteach and reassess as necessary.

Tier II encompasses the classroom instruction outlined above and additional “needs-based learning.” Students who are identified through standardized assessments and teacher observation as performing below grade level receive additional support in the classroom. This support could come from the classroom teacher or an interventionist assigned to the classroom. These students receive more frequent progress monitoring to determine academic growth. Tier II students are supported and monitored for 10 weeks. If students have an Individualized Educational Program (“IEP”) goal, the student is not supported by an interventionist, as the student is supported by special education staff.

Tier III encompasses Tier I and II instruction with the addition of “individualized learning.” Students who do not make accelerated progress after 10 weeks of receiving Tier II instruction are identified as Tier III students. An interventionist, services targeted students outside of the classroom (not during core instruction). A learning plan is formulated to the specific student's needs, along with individualized assessments. If the student is not making accelerated progress after five weeks, a child study is initiated and a student study team meets to recommend and implement additional strategies to assist the student. After a subsequent five week timeframe, if the student is not making accelerated progress to grade level, the student is referred to special education for testing.

Tier IV encompasses Tier I instruction and “specially designed learning.” The students identified for Tier IV are students qualifying for special education services, based on a documented learning or speech disability. The students receive classroom instruction by the general education teacher and support by a special education teacher, based on IEP goals. Students may also receive modified content or instructional delivery.

Even though the pyramid is designed with a timeframe, there are extenuating circumstances where a child needs to be moved from one tier to another prior to the end of the designated timeframe. If this occurs, a leadership meeting is scheduled with the Intervention Coordinator(s), the Director of Special Education, Curriculum Director, Assistant Director and Director. Information is presented and a decision for the individual child is made.

The Academy has taken into consideration that the majority of students who attend the school are from an urban setting. In response to this demographic, the Academy has incorporated a specific block of time dedicated to intervention for all students. Highly qualified staff are utilized for instruction during the intervention block. Formative assessments are implemented and analyzed on a daily basis to determine placement of students in the different subject area workshops.

Balanced Calendar

The Academy adopted a balanced calendar with the intent of increasing class time and decreasing summer loss of skills due to the extended break. Students have a 6-week summer rather than the traditional 10-week summer as required by MDEs state waiver. In addition, students typically have a 1-week intercession around the first marking period, a 2-week break in December, a 1-week intercession around the 3rd marking period, and a 2 week break in the spring. The intent of the decreased summer break and multiple breaks throughout the year is to lessen student stress as well as reduce the summer loss seen in schools adhering to the traditional school calendar. All breaks are confined to a two-week maximum.

Academic Day

The Academy's daily schedule affords students an intervention block as well as a morning meeting. In addition, the Academy offers after school enrichment programs based on the MAS, but presented in a live event learning model. The morning meeting is a way for teachers and students to share, communicate important messages and establish the expectations for the day. The morning meeting not only builds a community within the classroom, but provides an opportunity for students to reflect on how to plan work. The intervention block provides additional time on task and allows students to receive small group instruction that is focused and intentional. Teachers and interventionists focus on a specific skill and provide additional practice and corrective feedback to increase student achievement.

Special Education Program

The Special Education Department works as a team consisting of special education teachers, speech pathologists, school social worker, occupational therapist, paraprofessionals and a school psychologist to coordinate and provide services for students.

The full inclusion model is emphasized with students who have IEPs. Collaboration between general education staff and special education staff allows the inclusion model to be effective. Teachers work collaboratively by planning lessons, co-teaching, attending professional development opportunities and by researching and applying research-based teaching strategies. In addition to students having additional academic support to correspond with specific IEP goals, there are ancillary services available to enhance the learning potential such as speech therapy, occupational therapy and social work services.

It is the goal of the Special Education Department to act as a resource to the classroom teacher in the development and implementation of appropriate instructional and socialization strategies. Professional development opportunities, classroom presentations and school wide presentations are available to better educate all staff and students of the varied individual needs of specific disabilities.

The Academy is committed to offering creative and effective programming for students with special needs. The Special Education Department utilizes the resources available through the local Intermediate School District (Genesee ISD), Central Michigan University (“CMU”) and the Michigan Department of Education.

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the IEP team, and together the team will make decisions that are subject to requirements regarding provision of the least restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible, or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

Accelerated Program

The Academy’s Accelerated Program is also a tiered model. Tier I utilizes a differentiated instruction approach and is designed to meet the unique learning styles, learning rates, interests, abilities and needs of the students within the general education classroom. Students in Tier II receive instruction from regular classroom teachers who provide advanced work and special activities. The instructors utilize differentiation, extended learning experiences, compacting of previously mastered information, consistent challenging curriculum, accelerated pace and discovery learning. Tier III consists of an individually designed program to meet the specific needs

of the child. In this case, a student receives an individual schedule that allows the student to move to a higher grade for instruction. It may be that the student moves for one content area or does an entire grade skip.

Students are selected to be involved in this program as a result of high scores on the state assessment, Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® Growth™ (“MAP®”), and through teacher recommendation. Homeroom teachers and all specials teachers are aware of, and have the responsibility to, oversee the students’ core academics and challenge these students in the specific areas of strength.

Assessment Plan

Student assessment is viewed as an essential component in the monitoring of student achievement. Aligned standardized assessments and periodic benchmark assessments as well as a variety of formative and culminating assessments are incorporated into daily practice. Assessments are aligned with the curriculum and instruction and have been designed by matching the appropriate measurement method to the type of learning targets (knowledge, reasoning, skill, performance or disposition).

Assessment data informs all instruction at the Academy. Frequent formative assessments are given to determine student learning during a unit of study. These formative assessments consist of, but are not limited to: “thumbs-up/down,” individual whiteboards for checking for understanding, entrance/exit cards, homework check, visual representations of learning, verbal answering, content area games, and written spot checks. Teachers are required to indicate formative assessments in lesson plans and keep anecdotal notes. Quarterly data drop meetings are held with the curriculum director and the reading/math classroom teachers. Additional data drop meetings are conducted by the intervention and special education departments. Individualized goals and action plans are a result of the aforementioned meetings.

Summative assessments take the form of unit tests, papers, projects, presentations and demonstrations to indicate mastery of content. Teachers reteach and reassess when necessary if students do not master the given content. Teachers are required to indicate summative assessments in lesson plans.

Standardized and other norm/criterion referenced assessments are outlined in a yearly “assessment calendar.” The assessments are given periodically and drive classroom instruction. Assessment data (e.g. NWEA MAP) is the driving force behind the intervention program (previously outlined). Developmental Reading Assessment® (“DRA), Moby Max, Word Analysis and Michigan Literacy Progress Profile (“MLPP”) tasks, along with formative assessments, are used to inform reading instruction. Students are placed in leveled or strategy groups determined by performance on the aforementioned reading assessments. The Reader’s Workshop method of instruction (mini-lesson, guided reading/ conferring, independent reading/literature study and sharing) guides the reading classes.

Moby Max Math and Diagnostic Readiness assessments, along with formative assessments, are used to drive math instruction. Students work in differentiated groups to attain mastery of content.

In the core content areas of writing, science and social studies, as well as in specials classes, formative and teacher-generated summative assessments drive instruction. Cumulative grade level assessments are written by content area committees to indicate student progress over time. After analyzing the data, core committees determine effectiveness of grade level instruction.

Program Evaluation

The Academy utilizes a systematic process of evaluation to determine the effectiveness of the implementation, delivery and support of the Educational Program.

Formative Evaluation of Educational Program

Daily lesson plans are submitted to the Director/Assistant Director and are based on the Oakland Schools units of instruction and/or pacing and curriculum guides created by the Academy. The units of instruction and pacing guides all incorporate the following:

- objectives with corresponding grade level content expectations
- theme/unit
- indication of cross-curricular activities
- indication of vocabulary
- rubrics/scoring guide
- formative assessment
- summative assessment
- indication of homework
- indication of writing
- teacher and student guidelines
- indication of school improvement plans initiative
- indication of differentiated instruction

Teachers create daily lesson plans which focus intently on a daily learning objective, student misconceptions and assessment. The lesson plan is updated daily to include information on individual students' level of mastery on the daily lesson. This data is shared with MTSS staff and becomes an integral part of the Tier 2 process.

In addition to collecting lesson plans, the Director/Assistant Director/Curriculum Director provides feedback to the instructional staff through the lesson plan rubric. This feedback promotes collaborative dialogue.

Content area curriculum chairs meet with the Director/Assistant Director/Curriculum Director on a monthly basis to ensure the staff is making progress in regards to the curriculum initiatives and school improvement goals. Curriculum chairs also meet with the instructional staff on a monthly basis. This time is dedicated to reviewing the school improvement plans as well as working on ensuring alignment of the curriculum to the MAS. Following the end of the second marking period, the curriculum chairs observe the staff implementing the lessons.

Lead teachers meet with the Director/Assistant Director on a daily basis to ensure the staff is making progress in regards to school objectives and goals. Lead teachers also meet with assigned teams and with the MTSS team weekly to ensure the data cycle is running smoothly for MTSS

processes. Lead teachers act as mentors, co-teachers and coaches to the teams and support each classroom team in both academic, behavioral and cultural objectives.

Summative Evaluation of Educational Program

In addition to the formative evaluation of programs, a summative process occurs as well. The Academy's performance appraisal is an integral part of the staff assessment, training and development process. Administration completes an evaluation for all teachers based on the Charlotte Danielson Framework for Teaching each year. The performance appraisal process measures teacher performance against an established framework based on best practices, achievement of Personal Development Objectives, and expected school improvement initiatives. The evaluation includes teacher performance-based assessment calculated on student achievement growth.

Each year, as part of continuing individual development, each teacher is asked to visit the classrooms of *at least* two other teachers to observe colleagues' teaching and operational methods. This is designed to be an opportunity for teachers to learn from one another by observing other teachers in action. Documentation of the classroom visits is verified through the completion of an *observation summary* that lists key learning for the observer.

Timeline of Classroom Observations

Classroom Observations

Teachers receive both formal and informal observations yearly. All formal observations must be scheduled between the teacher and administrator. The typical observational cycle consists of the following steps:

- Pre Observation Meeting to establish a focus for the observation.
- Observation
- Post Observation Meeting: to reflect and set goals

This observational cycle is recursive based on an improvement model; as such it is never intended to be punitive in nature.

Resources

- Beth Newingham's Third Grade. (n.d.). *Hill Elementary School Troy Michigan*. Retrieved from <http://hill.troy.k12.mi.us/staff/bnewingham/myweb3/>
- Calkins, L. (2003). *Units of study for primary writing: A yearlong curriculum*. Portsmouth, NH: FirstHand.
- DuFour, R. B., DuFour, R., & Eaker, R. E. (2006). *Professional learning communities at work: Plan book*. Bloomington, IN: Solution Tree.
- Fountas, I. C., & Pinnell, G. S. (2001). *Guiding readers and writers: Teaching comprehension, genre, and content literacy*. Portsmouth, NH: Heinemann.
- O'Connor, K. (2002). *How to grade for learning: Linking grades to standards*. Arlington Heights, IL: SkyLight Professional Development.
- Danielson, C. (2014). The Framework for Teaching Evaluation Instrument. www.danielsongroup.org

Greater Heights Academy
Contract Amendment No. 3

Tab 3

CURRICULUM

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.4, the Academy shall implement, deliver, and support the curriculum identified in this schedule.

The Academy has adopted Great Minds® Eureka Math™, Oakland Schools K-12 Public Rubicon Atlas, Michigan Model for Health™, and Academy written curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Great Minds Eureka Math <https://greatminds.org/resources/login>
- Oakland K12 Public Atlas <https://oaklandk12-public.rubiconatlas.org/Atlas/Public/View/Default>
- Michigan Model for Health http://www.michigan.gov/mdhhs/0,5885,7-339-73971_4911_4912_74286---,00.html

Elementary

The following subjects/courses are offered at the Academy.

Course	K	1	2	3	4	5	6
English Language Arts	X	X	X	X	X	X	X
Mathematics	X	X	X	X	X	X	X
Science	X	X	X	X	X	X	X
Social Studies	X	X	X	X	X	X	X
Health	X	X	X	X	X	X	X
Physical Education	X	X	X	X	X	X	X

Greater Heights Academy
Contract Amendment No. 3

Tab 4

PROMISSORY NOTE
(Term Loan)

COPY

Borrower's Name and Address: GREATER HEIGHTS ACADEMY , a Michigan non-profit corporation 3196 W. Pasadena Avenue Flint, Michigan 48504	Bank's Name and Address: CHEMICAL BANK , a division of TCF National Bank 333 East Main Street, Midland, Michigan 48640	Loan Number: 801451006 Effective Date: December 19, 2019 Maturity Date: December 1, 2024 Loan Amount: \$1,092,000.00
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FOR VALUE RECEIVED, the undersigned (the "**Borrower**") promises to pay to the order of **CHEMICAL BANK, a division of TCF National Bank** (the "**Bank**") at any office of Bank or where otherwise requested by Bank, the principal sum of **ONE MILLION NINETY TWO THOUSAND AND 00/100 DOLLARS (\$1,092,000.00)** plus interest thereon pursuant to the provisions that follow:

1. **SINGLE ADVANCE:** The principal sum shown above is the maximum amount of principal Borrower can borrow under this Note. After the initial principal advance, future principal advances are not contemplated. All advances are subject to the terms and conditions as provided in this Note and in the Loan Agreement between Borrower and Bank of even date (the "**Loan Agreement**").

2. **PURPOSE:** The purpose of the loan evidenced by this Note (the "**Loan**") is to assist Borrower in financing the cost to purchase certain real property located at 3196 W. Pasadena Avenue, Flint, Michigan (the "**Property**").

3. **CLOSED END CREDIT:** Bank and Borrower agree that Borrower may not borrow under this Note up to the maximum principal sum more than one time.

4. **INTEREST RATE:** Except as otherwise provided herein, the outstanding principal indebtedness evidenced by this Promissory Note (this "**Note**") shall bear interest as follows:

a. From the date hereof, until this Note is paid in full on or prior to Maturity, interest (computed on the basis of a 365/360-day year for the actual number of days outstanding) on the unpaid principal balance of this Note shall accrue at a fixed rate of FOUR and 50/100 PERCENT (4.50%) per annum;

5. **INSTALLMENT PAYMENTS:** Except as otherwise provided herein, the indebtedness evidence by this Note shall be paid in monthly installments of principal and interest in the amount of EIGHT THOUSAND FOUR HUNDRED THREE DOLLARS AND 67/100 DOLLARS (\$8,403.67) each, which shall be due and payable commencing February 1, 2020 and

continuing on the 1st day of each successive month thereafter until December 1, 2024 (the "**Maturity Date**"), at which time the remaining unpaid principal balance shall be paid in full. All outstanding principal, late payment charges, accrued and unpaid interest shall all be due and payable on the Maturity Date, or any acceleration of said Maturity Date under the terms of this Note.

6. **MAXIMUM INTEREST RATE:** Notwithstanding anything contained in this Note to the contrary, the effective rate of interest under this Note shall never be more than the maximum rate permitted by law.

7. **DEFAULT RATE:** Notwithstanding anything contained in this Note to the contrary, upon the occurrence of an Event of Default or otherwise at Maturity, the Interest Rate shall increase by five (5) percentage points (the "**Default Rate**") and shall continue to accrue at such Default Rate until the Event of Default is cured to the satisfaction of Bank or until indebtedness of Borrower to Bank under this Note is paid in full, whichever first occurs.

9. **POST MATURITY:** Borrower agrees to pay interest on the unpaid balance of this Note owing after Maturity and until paid in full at the Default Rate (as defined below). For the purpose of deciding when the Default Rate applies, the term "**Maturity**" or "**Maturity Date**" means the date of the last applicable scheduled payment due on this Note or the date Bank accelerates payment on this Note, whichever is earlier and at all times subject to applicable notice and cure periods. For purposes of this Note, any reference to "**notice and cure periods**" shall mean the notice and cure periods, if any, set forth in Section 26 of this Note and all other notice and cure periods identified under the Loan Agreement and other Loan Documents.

10. **LATE CHARGE:** If a payment is made more than 10 days after it is due, Borrower agrees to pay a late charge of five percent (5%) of the late payment, with a minimum late charge of \$50.00.

11. **ADDITIONAL CHARGES:** In addition to principal payments and interest and late charges, Borrower agrees to pay to Bank a service charge of \$31.00 for each payment (check or automatic payment) that is dishonored or returned unpaid.

12. **NO OBLIGATION TO RENEW.** Bank shall be under no obligation to renew the credit facility represented by this Note after Maturity. Any consideration to renew said credit facility will be contingent on the timely receipt and satisfactory review of the required financial information and reports as required by Bank during the term of this Note, Borrower's satisfactory performance of all of Borrower's obligations under this Note, the Loan Agreement, the related loan, security and guaranty documents and subject to such other underwriting criteria as Bank determines in its sole discretion.

13. **SECURITY:** Repayment of the indebtedness and performance of all obligations of Borrower to Bank under this Note shall be secured by the following: (a) Mortgage to be executed by Borrower to and for the benefit of Bank and granting to Bank a first priority mortgage covering the Property (the "**Mortgage**") as said Property is more particularly described in the Mortgage; (b) Assignment of Leases and Rents to be executed by Borrower to and for the benefit of Bank covering the Property (the "**Assignment**"); and (c) Uniform Commercial Code fixture filing by Borrower to and for the benefit of Bank covering the Property (the "**UCC Recording**"). Additionally, repayment

of the Indebtedness under this Note and performance of all obligations of Borrower to Bank under this Note and the other Loan Documents shall be secured by a certain Intercept Agreement in form and substance approved by Bank (the "**Intercept Agreement**") wherein funds provided by the State of Michigan to Central Michigan University (the "Authorizer") or any replacement Authorizer, and eventually funded to or for the benefit of Borrower will be subject to an intercept wherein such funds shall be re-directed and made payable to Bank ahead of Borrower upon the occurrence and continuation of any Event of Default (as the term "Event of Default" is defined hereunder).

14. **SUBORDINATION.** Borrower shall cause Charter Schools Development Corporation ("**CSDC**") to fund a loan in an amount not in excess of \$857,000.00 to Borrower for the purpose of further assisting Borrower in financing the acquisition of the Property (the "CSDC Loan"). Any and all forms of collateral under the CSDC Loan shall at all times be made subordinate to the first priority lien of the Mortgage, Assignment and UCC Recording. Borrower shall cause CSDC to execute such documents of subordination that may be required by Bank (the "**Subordination**") and to provide such other documentation or information as shall be requested by Bank from time to time during such term of the Loan until all indebtedness of Borrower to Bank under this Note and the other Loan Documents (collectively the "**Indebtedness**") is paid in full

15. **DEFINITIONS.** This Note, the Loan Agreement, Mortgage, Assignment, UCC Recording, Intercept Agreement, Subordination, and any other security documents referred to in this Note or the Loan Agreement, together with any other related documents executed in conjunction herewith are sometimes collectively referred to herein as the "**Loan Documents**". All of the property and assets securing this Note under the Loan Documents are collectively referred to herein as the "**Collateral**".

16. **EXPENSES:** Borrower shall reimburse Bank for all reasonable out-of-pocket expenses heretofore or hereafter incurred by Bank in connection with making the Loan and any renewals, extensions or modifications of the Loan and in connection with taking any security for the Loan, including, without limitation, filing and recording fees, reasonable attorneys' fees and expenses, and costs of credit reports, surveys, appraisals, title work and mortgagee's title insurance. Each out-of-pocket expense (if not reimbursed to Bank on or before the date of this Note shall be reimbursed to Bank at the time of the first required interest payment under this Note after the expense is incurred.

17. **PREPAYMENTS:**

(a) Except as otherwise provided below herein, in the event the Loan is fully or partially prepaid, then such prepayments of principal under the Loan may only be made upon payment of a prepayment fee equal to a percentage of the principal amount prepaid determined as follows: (i) for prepayments made during the 1st year after the effective date of the Loan, the fee is 5% of the prepaid amount; (ii) for prepayments made during the 2nd year after the effective date of the Loan, the fee is 4% of the prepaid amount; (iii) for prepayments made during the 3rd year after the effective date of the Loan, the fee is 3% of the prepaid amount; (iv) for prepayments made during the 4th year after the effective date of the Loan, the fee is 2% of the prepaid amount; and (v) for prepayments made during the 5th year after the effective date of the Loan, the fee is 1% of the prepaid amount.

(b) Notwithstanding the foregoing subsection 17(a) above to the contrary, Borrower shall not be required to pay any prepayment penalty or premium if any of the following occur: (i) the Loan is fully or partially prepaid within the last thirty (30) days of the 5th year after the effective date of the Loan; or (ii) if condemnation proceeds or insurance proceeds are paid to Bank to the extent such proceeds are applied by Bank first to recover the reasonable costs incurred by Bank to obtain such proceeds and thereafter to be applied against principal pursuant to the terms for application of payments under Section 20 of this Note.

Any partial prepayment will not excuse or reduce any later scheduled payment until this Note is paid in full (unless, when Borrower makes the prepayment, Bank and Borrower agree in writing to the contrary).

18. **MANAGEMENT OF BORROWER.** Any material changes in Borrower's management from that in effect at the time this Note is executed or from that which is allowed under the terms of the Loan Agreement, without the prior written consent of Bank, which consent shall not be unreasonably withheld, shall be a non-monetary Event of Default hereunder.

19. **APPLICABLE LAW.** This Note shall be governed by the laws of the State of Michigan. Any term of this Note that conflicts with applicable law will not be effective, unless the law expressly permits the variation by written agreement between Bank and Borrower. If any provision of this Note cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this Note. Except as otherwise expressly provided herein, this Note may not be amended or terminated except in writing and executed by the proper and duly authorized representatives of Borrower and Bank. Time is of the essence in this Note.

20. **APPLICATION OF PAYMENTS.** Each payment Borrower makes on this Note will first reduce the amount Borrower owes Bank for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If Bank and Borrower agrees to a different application of payments, any such agreement must be expressly set forth herein.

21. **INTEREST ACCRUAL.** Interest accrues on the principal remaining unpaid hereunder from time to time outstanding from the date hereof until said principal amounts are paid in full. If Borrower receives the principal in more than one advance, each advance will start to earn interest only when the advance is made. The interest rate in effect on this Note at any given time will apply to the entire principal sum outstanding at that time. Notwithstanding anything to the contrary, Borrower does not agree to pay and Bank does not intend to charge any rate of interest that is higher than the maximum rate of interest Bank could charge under applicable law for the extension of credit that is agreed to in this Note (either before or after Maturity). If any notice of interest accrual is sent and is in error, Bank and Borrower shall agree to correct it, and if Bank actually collects more interest than allowed by law and this Note, Bank agrees to refund it to Borrower.

22. **BANK PAYMENTS.** Bank may add amounts to the principal if Bank makes any payments that are otherwise the obligations of Borrower under this Note or any Loan Documents with interest accruing at the interest rate set forth herein.

23. **SET-OFF.** Subject to any applicable notice and cure periods, and limitations and restrictions imposed under any applicable law, Borrower agrees that Bank may at any time during the continuance of any Event of Default set off any amount due and payable under this Note ("Any Amount Due And Payable Under This Note" as defined below) against any right Borrower has to receive money from Bank ("Right To Receive Money From Bank" as defined below).

For purposes of this Note, the term "Right To Receive Money From Bank" means:

- (a) any deposit account balance Borrower has with Bank, both now and in the future;
- (b) any money owed to Borrower on an item presented to Bank or in Bank's possession for collection or exchange; and
- (c) any repurchase note or other non-deposit obligation.

For purposes of this Note, the term "Any Amount Due And Payable Under This Note" means the total amount of which Bank is entitled to demand payment under the terms of this Note at the time Bank sets off. This total includes any balance as of the due date for which Bank properly accelerates under this Note.

If Borrower's Right To Receive Money From Bank is also owned by someone who has not agreed to pay this Note, Bank's right of set-off will apply to Borrower's interest in the obligation and to any other amounts Borrower could withdraw on Borrower's sole request or endorsement. Bank's right of set-off does not apply to an account or other obligation where Borrower's rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

Bank will not be liable for the dishonor of any check when the dishonor occurs because Bank set off this debt against any accounts of Borrower. Borrower hereby agrees to hold Bank harmless from any such claims arising as a result of Bank's exercise of Bank's right to set-off.

24. **REPRESENTATIONS AND WARRANTIES:** Borrower is a non-profit corporation duly formed and in good standing under the laws of the State of Michigan; the person(s) executing this Note, the Loan Agreement and the other Loan Documents as identified officers of Borrower has/have been duly authorized to act pursuant to the terms of Borrower's Bylaws and pursuant to a corporate certificate to be executed by the Secretary of Borrower and confirmed by a Director of Borrower, in form and substance for such corporate certificate as shall be approved by Bank; this Note, the Loan Agreement and the other Loan Documents are valid and binding obligations of Borrower, fully enforceable in accordance with their respective terms, except as enforceability may be subject to the effect of any bankruptcy, fraudulent conveyance, insolvency, moratorium, reorganization or other similar laws affecting creditors rights generally, and to the discretionary nature of specific performance, injunctive relief and other equitable remedies; execution and delivery by Borrower of the Loan Documents and other documents relating to the Loan do not conflict with or violate any agreement to which Borrower is a party; all financial information provided to Bank by or on behalf of Borrower has been prepared and will continue to be

prepared in accordance with accounting principles consistently applied and fully and fairly presents in all material respects the financial condition of Borrower and there has been no material adverse change in Borrower's business, property, or condition since the date of Borrower's latest financial statement delivered to Bank; and, to Borrower's knowledge, there are no actions or proceedings pending or threatened in any court or before any governmental department or agency which would affect the validity of any of the Loan Documents.

25. **EVENTS OF DEFAULT.** Each of the following shall be an "Event of Default" under this Note:

(a) if Borrower fails to make a Loan installment payment of principal and/or interest when due for such installment under this Note;

(b) if Borrower fails to pay any other payment or performance of any other monetary obligation required under this Note or under the Loan Agreement (other than a scheduled principal and/or interest payment), including, but not limited to, any late charge, out-of-pocket expense, or loan processing fee at any time owing to Bank under this Note and Borrower fails to cure such payment within ten (10) days after written notice of such failed payment is provided to Borrower.

(c) if Borrower fails to pay any other indebtedness of Borrower to Bank, which failure is not cured within any applicable notice and cure period, if any, that may be provided in any agreement or instrument evidencing such other indebtedness;

(d) if Borrower fails in the performance of any non-monetary obligation required by Bank under this Note, the Loan Agreement or any other Loan Documents in any material respect and fails to cure such requirement within thirty (30) days after written notice of such failure is provided to Borrower, unless Bank shall determine in good faith that Bank's interest or security would be materially impaired during the applicable thirty (30) day period, in which case Bank may provide such shorter notice and opportunity to cure as Bank may reasonably determine;

(e) if Borrower fails to pay, or keep any promise, on any other debt or other loan Borrower has with Bank in any material respect, and fails to cure such failure within any applicable notice and cure periods;

(f) if any other creditor of Borrower levies upon or attaches any property which is collateral for the Loan, and such levy or attachment is not discharged within sixty (60) days;

(g) if Borrower becomes insolvent (for purposes of this Note, an entity or natural person shall be deemed "insolvent" if either their liabilities exceed assets or they are unable to pay debts as they become due);

(h) if any warranty or representation made by or for Borrower in connection with the Loan, or if any financial data or any other information now or hereafter furnished to Bank by or on behalf of Borrower, shall prove to be false, inaccurate, or misleading in any material respect at the time they were made;

- (i) if any collateral securing the Loan is used in a manner or for a purpose which threatens confiscation by a legal authority;
- (j) if Borrower changes Borrower's name or assumes an additional name without providing at least thirty (30) days prior written notice to Bank;
- (k) if Borrower voluntarily suspends transaction of Borrower's business for more than thirty (30) days for whatever reason;
- (l) if there shall be entered against Borrower one or more judgments or decrees in excess of \$25,000.00 which are not insured against or satisfied or appealed from and bonded within the time or times limited by applicable rules of procedure for appeal as of right, or if a writ of attachment or garnishment against Borrower shall be issued and levied and not released or bonded over within sixty (60) days after such issue or levy;
- (m) if Borrower shall materially default beyond any applicable notice and cure periods in the due payment of any indebtedness to whomsoever owed, or shall materially default beyond any applicable notice and cure periods in the observance or performance of any term, covenant, or condition in any mortgage, security agreement, guaranty, subordination, instrument, lease, or agreement to which Borrower is a party;
- (n) if Borrower voluntarily files any petition in Bankruptcy or makes an assignment for the benefit of creditors or consents to or does not object to any proceedings for the appointment of a receiver (except for Bank's benefit);
- (o) if any involuntary proceedings in Bankruptcy are commenced against Borrower and are not dismissed within thirty (30) days after the commencement thereof;
- (p) if a receiver is appointed over Borrower over any of Borrower's assets over Borrower's objections (except for Bank's benefit), which appointment is not dismissed or terminated within thirty (30) days thereafter;
- (q) if Bank, in good faith, reasonably believes that the value of any collateral securing this Note or the ability of Borrower to pay this Note or otherwise meet Borrower's obligations under this Note, the Loan Agreement or the other Loan Documents is or soon will be impaired, time being of the essence; provided, however, Borrower shall have 30 days after Bank notifies Borrower of the occurrence of such an Event of Default to demonstrate to Bank's reasonable satisfaction that the value of any collateral securing this Note or the ability of Borrower to pay this Note or otherwise meet Borrower's obligations under this Note, the Loan Agreement or the other Loan Documents is not or will not soon be impaired; or
- (r) upon the occurrence of any other Event of Default under and as defined in any of the other Loan Documents.

26. **REMEDIES.** Subject to any applicable notice and cure periods, and limitations and restrictions imposed under any applicable law, upon the occurrence of an Event of Default, Bank has, but is not limited to, the following remedies:

- (a) Bank at its option may demand immediate payment of all that Borrower owes Bank under this Note (principal, accrued unpaid interest and other accrued unpaid charges);
- (b) Bank may set off this debt against any right Borrower has to the payment of money from Bank, in accordance with Section 23 of this Note;
- (c) Bank may demand security, additional security, or additional parties to be obligated to pay this Note as a condition for not using any other remedy;
- (d) Bank may refuse to make advances to Borrower and may terminate and require an acceleration of any line of credit available to Borrower from Bank;
- (e) Bank may use any remedy Bank has under state or federal law or under any Loan Documents; and/or
- (f) Bank may use any remedy given to Bank in any agreement securing or evidencing this Note or the Loan.

By selecting any one or more of these remedies Bank does not give up Bank's right to use later any other remedy. By waiving Bank's right to declare an event to be an Event of Default, Bank does not waive Bank's right to consider later the event an Event of Default if it continues or happens again.

27. **COLLECTION COSTS AND ATTORNEY'S FEES.** Borrower agrees to pay all reasonable costs of collection, replevin or any other or similar type of cost if there shall occur an Event of Default under this Note. In addition, if Bank hires an attorney to collect this Note, Borrower also agrees to pay any reasonable fee Bank incurs with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, Borrower also agrees to pay the reasonable attorney's fees and costs Bank incurs to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

28. **WAIVER.** Borrower hereby waives any and all rights to require Bank to:

- (a) demand payment of amounts due (presentment);
- (b) obtain official certification of nonpayment (protest); or
- (c) except as otherwise provided in this Note, give notice that amounts due have not been paid (notice of dishonor).

Borrower waives any defenses Borrower has based on suretyship or impairment of collateral. Borrower does not waive any rights of notice and/or cure periods provided under this Note, the Loan Agreement or any other Loan Document.

No delay by Bank in the exercise of any right or remedy shall operate as a waiver thereof. No single or partial exercise by Bank of any right or remedy shall preclude any other or future exercise thereof or the exercise of any other right or remedy. No waiver by Bank of any default or of any provision hereof shall be effective unless in writing and signed by Bank. No waiver of any right or remedy on one occasion shall be a waiver of that right or remedy on any future occasion. The modification or waiver of any of Borrower's obligations or Bank's rights under this Note must be contained in a writing signed by Bank. Bank may perform Borrower's obligations without causing a waiver of those obligations or rights. Borrower's obligations under this Note shall not be affected if Bank amends, compromises, exchanges, fails to exercise, impairs or releases any of the following obligations under this Note and the documents referred to herein: (a) any of the obligations belonging to Borrower, endorser or guarantor; (b) any of its rights against the Borrower, guarantor or endorser; or (c) any interest in the collateral securing the obligations.

29. **OBLIGATIONS INDEPENDENT.** Borrower understands that Borrower is primarily liable for this Note even if someone else has also agreed to pay it (by, for example, signing this Note or a separate guaranty or endorsement). Bank may sue Borrower alone, or anyone else who is obligated on this Note now or in the future, or any number of obligated parties together, to collect this Note. Bank may without notice release any party to this Note without releasing any other party. If Bank gives up any of Bank's rights, with or without notice, it will not affect Borrower's duty to pay this Note. Borrower agrees that Bank may, at Bank's option, extend this Note or the debt represented by this Note, or any portion of this Note or debt, from time to time without limit or notice and for any term without affecting Borrower's liability for payment of this Note. Borrower will not assign Borrower's obligations under this Note without Bank's prior written approval.

30. **CREDIT INFORMATION.** Borrower agrees and authorizes Bank to obtain credit information about Borrower from time to time (for example, by requesting a credit report) and to report to others Bank's credit experience with Borrower (such as a credit reporting agency). Borrower agrees to provide Bank, upon Bank's reasonable request from time to time, any financial statement or information Bank may reasonably require in form satisfactory to Bank. Borrower warrants that to the best of its knowledge, the financial statements and information Borrower provides to Bank are or will be accurate, correct and complete in all material respects.

31. **TO THE EXTENT NOT PROHIBITED BY LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS NOTE, ANY RIGHTS, REMEDIES, OBLIGATIONS, OR DUTIES HEREUNDER, OR THE PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF.** Except as prohibited by law, Borrower waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Borrower (a) certifies that neither Bank nor any representative, agent or attorney of Bank has represented, expressly or otherwise, that Bank would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Note, and (b) acknowledges that, in accepting this Note and the other Loan Documents to which Bank is a party, Bank is relying upon, among other things, the waivers and certifications contained in this Section 31.

32. **NOTICE.** Any notice, request, demand, waiver, consent, approval or other communication required to be given pursuant to this Note (each, a "Notice") shall be in writing and shall be deemed given to the intended recipient upon completion of any of the following: (i) actual receipt by the intended recipient by whatever means; (ii) receipted personal delivery thereof at the intended recipient's address set forth above; or (iii) delivery by a nationally recognized private overnight courier service providing proof of such delivery to the intended recipient at the address set forth above with all courier fees prepaid. All notices are to be given or made to the parties at their respective addresses appearing on this Note or to such other address as any party may designate by a notice given in accordance with the provisions of this Section 32.

33. **SEVERABILITY.** The declaration of invalidity or unenforceability of any provision of this Note or the documents referred to herein shall not affect the validity or enforceability of the remaining provisions of any of the foregoing.

34. **ASSIGNMENT.** Borrower agrees not to assign any of Borrower's rights, remedies or obligations described in this Note without the prior written consent of Bank, which consent may be withheld in Bank's sole discretion. Borrower agrees that Bank may assign some or all of its rights and remedies described in this Note without prior notice to or consent from Borrower.

35. **MISCELLANEOUS:** This Note shall bind the undersigned and the undersigned's successors and assigns; provided, however, the undersigned shall have no right to assign or transfer its rights or obligations under this Note without the prior written discretionary consent of Bank. In the event of any conflict between the terms and provisions of this Note and the terms and provisions of the Loan Agreement, the terms and provisions of this Note shall control.

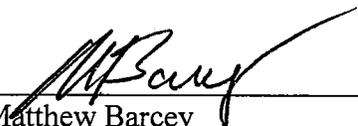
SIGNATURES: Borrower agrees to all of the terms of this Note and by acceptance hereof. Bank agrees to the terms of this Note. Borrower has signed this Promissory Note for delivery to Bank to be effective as of December 19, 2019.

Address of Borrower:

3196 W. Pasadena Avenue
Flint, Michigan 48504

BORROWER:

GREATER HEIGHTS ACADEMY,
a Michigan non-profit corporation

By: 
Matthew Barcey

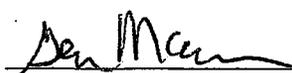
Its: President

Accepted by Bank:

CHEMICAL BANK,
a division of TCF National Bank

and
By: 
Thomas Tucker

Its: Secretary

By: 
Glen Maurer

Its: Vice President

AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,092,000.00	12-19-2019	12-24-2024	801451006			01686	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.

Borrower: Greater Heights Academy
3196 W. Pasadena Ave.
Flint, MI 48504

Lender: Chemical Bank, a Division of TCF National Bank
East Metropolitan Community Bank - 5802
2508 South Louise Ave
Sioux Falls, SD 57106
(586) 783-4500

Disbursement Date: December 19, 2019
Interest Rate: 4.500

Repayment Schedule: Balloon
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	01-24-2020	8,395.90	4,914.00	3,481.90	1,088,518.10
2	02-24-2020	8,395.90	4,218.01	4,177.89	1,084,340.21
3	03-24-2020	8,395.90	3,930.73	4,465.17	1,079,875.04
4	04-24-2020	8,395.90	4,184.52	4,211.38	1,075,663.66
5	05-24-2020	8,395.90	4,033.74	4,362.16	1,071,301.50
6	06-24-2020	8,395.90	4,151.29	4,244.61	1,067,056.89
7	07-24-2020	8,395.90	4,001.46	4,394.44	1,062,662.45
8	08-24-2020	8,395.90	4,117.82	4,278.08	1,058,384.37
9	09-24-2020	8,395.90	4,101.24	4,294.66	1,054,089.71
10	10-24-2020	8,395.90	3,952.84	4,443.06	1,049,646.65
11	11-24-2020	8,395.90	4,067.38	4,328.52	1,045,318.13
12	12-24-2020	8,395.90	3,919.94	4,475.96	1,040,842.17
2020 TOTALS:		100,750.80	49,592.97	51,157.83	
13	01-24-2021	8,395.90	4,033.26	4,362.64	1,036,479.53
14	02-24-2021	8,395.90	4,016.36	4,379.54	1,032,099.99
15	03-24-2021	8,395.90	3,612.35	4,783.55	1,027,316.44
16	04-24-2021	8,395.90	3,980.85	4,415.05	1,022,901.39
17	05-24-2021	8,395.90	3,835.88	4,560.02	1,018,341.37
18	06-24-2021	8,395.90	3,946.07	4,449.83	1,013,891.54
19	07-24-2021	8,395.90	3,802.09	4,593.81	1,009,297.73
20	08-24-2021	8,395.90	3,911.03	4,484.87	1,004,812.86
21	09-24-2021	8,395.90	3,893.65	4,502.25	1,000,310.61
22	10-24-2021	8,395.90	3,751.16	4,644.74	995,665.87
23	11-24-2021	8,395.90	3,858.21	4,537.69	991,128.18
24	12-24-2021	8,395.90	3,716.73	4,679.17	986,449.01
2021 TOTALS:		100,750.80	46,357.64	54,393.16	
25	01-24-2022	8,395.90	3,822.49	4,573.41	981,875.60
26	02-24-2022	8,395.90	3,804.77	4,591.13	977,284.47
27	03-24-2022	8,395.90	3,420.50	4,975.40	972,309.07
28	04-24-2022	8,395.90	3,767.70	4,628.20	967,680.87
29	05-24-2022	8,395.90	3,628.80	4,767.10	962,913.77
30	06-24-2022	8,395.90	3,731.29	4,664.61	958,249.16
31	07-24-2022	8,395.90	3,593.43	4,802.47	953,446.69
32	08-24-2022	8,395.90	3,694.61	4,701.29	948,745.40
33	09-24-2022	8,395.90	3,676.39	4,719.51	944,025.89
34	10-24-2022	8,395.90	3,540.10	4,855.80	939,170.09
35	11-24-2022	8,395.90	3,639.28	4,756.62	934,413.47
36	12-24-2022	8,395.90	3,504.05	4,891.85	929,521.62
2022 TOTALS:		100,750.80	43,823.41	56,927.39	
37	01-24-2023	8,395.90	3,601.90	4,794.00	924,727.62
38	02-24-2023	8,395.90	3,583.32	4,812.58	919,915.04
39	03-24-2023	8,395.90	3,219.70	5,176.20	914,738.84
40	04-24-2023	8,395.90	3,544.61	4,851.29	909,887.55
41	05-24-2023	8,395.90	3,412.08	4,983.82	904,903.73
42	06-24-2023	8,395.90	3,506.50	4,889.40	900,014.33
43	07-24-2023	8,395.90	3,375.05	5,020.85	894,993.48
44	08-24-2023	8,395.90	3,468.10	4,927.80	890,065.68
45	09-24-2023	8,395.90	3,449.00	4,946.90	885,118.78
46	10-24-2023	8,395.90	3,319.20	5,076.70	880,042.08
47	11-24-2023	8,395.90	3,410.16	4,985.74	875,056.34
48	12-24-2023	8,395.90	3,281.46	5,114.44	869,941.90
2023 TOTALS:		100,750.80	41,171.08	59,579.72	
49	01-24-2024	8,395.90	3,371.02	5,024.88	864,917.02
50	02-24-2024	8,395.90	3,351.55	5,044.35	859,872.67
51	03-24-2024	8,395.90	3,117.04	5,278.86	854,593.81

**AMORTIZATION SCHEDULE
(Continued)**

Loan No: 801451006

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52	04-24-2024	8,395.90	3,311.55	5,084.35	849,509.46
53	05-24-2024	8,395.90	3,185.66	5,210.24	844,299.22
54	06-24-2024	8,395.90	3,271.66	5,124.24	839,174.98
55	07-24-2024	8,395.90	3,146.91	5,248.99	833,925.99
56	08-24-2024	8,395.90	3,231.46	5,164.44	828,761.55
57	09-24-2024	8,395.90	3,211.45	5,184.45	823,577.10
58	10-24-2024	8,395.90	3,088.41	5,307.49	818,269.61
59	11-24-2024	8,395.90	3,170.79	5,225.11	813,044.50
60	12-24-2024	816,093.42	3,048.92	813,044.50	0.00
2024 TOTALS:		908,448.32	38,506.42	869,941.90	
TOTALS:		1,311,451.52	219,451.52	1,092,000.00	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

MORTGAGE

(Commercial Property)

This MORTGAGE executed on December 17, 2019 and made effective as of December 19, 2019 (the "Effective Date"), from **GREATER HEIGHTS ACADEMY**, a Michigan non-profit corporation (the "Mortgagor"), with offices located at 3196 W. Pasadena Avenue, Flint, Michigan 48504, to **CHEMICAL BANK**, a division of TCF National Bank (the "Lender"), with offices located at 333 East Main Street, Midland, Michigan 48640.

FOR VALUE RECEIVED, Mortgagor mortgages, warrants and grants a security interest to Lender in the parcels of land located in the City of Flint, County of Genesee, and State of Michigan as described on the attached **Exhibit "A"**, and (a) all buildings, structures and other improvements now or in the future located on the land and all easements, hereditaments and appurtenances now or in the future belonging to the land; (b) all fixtures now or in the future attached to or used in connection with the land; (c) all equipment (including, without limitation, all machinery, engines, boilers, elevators and plumbing, heating, air conditioning and ventilating equipment) now or in the future located on the land, all of which equipment shall be considered to be fixtures and a part of the realty; (d) all rents, income and profits arising from the land or from the buildings, structures, other improvements, fixtures and equipment now or in the future located on the land; and (e) all rights to make divisions of the land that are exempt from the platting requirements under the laws of the State of Michigan. In this Mortgage, the above-described land, buildings, structures, improvements, easements, hereditaments, appurtenances, fixtures and equipment are collectively called the "Premises".

This is a future advance mortgage made and given to secure payment and performance of:

- (a) all indebtedness and obligations of the Mortgagor, whether now existing or hereafter arising or now or hereafter owing to the Lender, including, but not limited to, all future advances, all obligations of the Mortgagor under this Mortgage and under all notes, loan agreements, security agreements, pledge agreements, assignments, mortgages, leases, guaranties and other agreements, instruments and documents, heretofore or hereafter executed by Mortgagor, and
- (b) any and all partial or full extensions or renewals of such indebtedness and obligations referenced above herein; (all of the foregoing being hereinafter collectively termed the "Indebtedness").

The Indebtedness includes, but is not necessarily limited to, all obligations and indebtedness, whether now existing or hereafter arising pursuant to a certain Promissory Note from Mortgagor to

Lender of even date herewith in the principal amount of ONE MILLION NINETY TWO THOUSAND AND 00/100 (\$1,092,000.00) DOLLARS and all replacements, extensions, renewals and modifications thereof (the "Promissory Note") and all obligations and liabilities whether now existing or hereafter arising, contained in any loan documents executed in connection with the Promissory Note (the "Loan Documents").

Subject to all the terms and provisions of this Mortgage, the Mortgagor does also hereby mortgages and warrants unto the Lender any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Premises as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to or decrease in value of the Premises, to the extent of all amounts which may be accrued by this Mortgage on the date of receipt of any such award or payment by the Lender, and of reasonable counsel fees, costs and disbursements reasonably incurred by the Lender in connection with the collection of such award or payment. The Mortgagor agrees to execute and deliver from time to time, such further instruments as may be requested by Lender to confirm such assignment to the Lender of any such award or payment.

If Lender assigns this Mortgage and the Indebtedness that is secured by it at the time of the assignment, then this Mortgage shall also secure all Indebtedness and obligations then and in the future owing to the assignee by Mortgagor. From and after the assignment, each reference in this Mortgage to Lender shall be considered to refer to the assignee.

Mortgagor further warrants, represents and agrees as follows:

1. **Payment of Indebtedness.** Mortgagor agrees to pay the Indebtedness and perform all obligations now or in the future owing by Mortgagor, including payment of all accrued interest of the Indebtedness, in accordance with the terms of all instruments, documents or agreements evidencing such Indebtedness and performance obligations of Mortgagor (collectively the "Instruments").

2. **Warranties.** Mortgagor warrants and represents to Lender the following: (a) to the best of Mortgagor's knowledge, all financial statements and other information concerning Mortgagor, the Premises, any guarantor of any of the Indebtedness and any person obligated on any of the Indebtedness, that have been furnished to Lender, are true and correct in all material respects; (b) all financial statements and other information concerning Mortgagor, the Premises, any guarantor of any of the Indebtedness and any person obligated on any of the Indebtedness that shall in the future be furnished by Mortgagor to Lender shall be true and correct in all material respects; (c) the execution, delivery and performance of this Mortgage by Mortgagor will not violate any law, rule, judgment, order, agreement or instrument binding upon Mortgagor and will not require the approval of any public authority or any third party; and (d) this Mortgage is the valid and binding obligation of Mortgagor, enforceable in accordance with its terms, except as enforceability may be subject to the effect of any bankruptcy, fraudulent conveyance, insolvency, moratorium, reorganization or other similar laws affecting creditors rights generally, and to the discretionary nature of specific performance, injunctive relief and other equitable remedies. Mortgagor further represents and warrants to Lender that Mortgagor is a non-profit corporation duly organized and validly existing in good standing in the State of Michigan; that Mortgagor has full power and authority to carry on its business as presently conducted and to enter into and perform its obligations under this Mortgage; that the execution, delivery and performance of this Mortgage by Mortgagor have been duly

authorized by all necessary action of its members or other governing body and will not violate Mortgagor's articles of organization, operating agreement or other governing instrument.

3. **Assignment of Leases and Contracts.** Mortgagor assigns and mortgages to Lender, and grants to Lender a security interest in, as additional security for the Indebtedness, all of Mortgagor's right, title and interest in and to all existing and future oral or written leases of all or any part of the Premises or of any interest in them and all existing and future land contracts or other agreements by which the Premises or any interest in them is being or shall be sold, together with all rents and profits arising from, and all other proceeds of, those leases, land contracts or other agreements. Mortgagor shall at all times during the term of the loan that is the subject of the Promissory Note (the "Loan") comply with all covenants and obligations provided under that certain Assignment of Leases and Rents executed by Mortgagor to and for the benefit of Lender as of even date herewith. Mortgagor will pay and perform all obligations and covenants required of it by the terms of each lease, land contract or other agreement. If Mortgagor shall default in the payment or performance of any obligation or covenant, then Lender shall have the right, but shall have no obligation, to pay or perform it on behalf of Mortgagor, and all sums expended by Lender in doing so shall be payable by Mortgagor to Lender upon demand, together with interest at the Default Rate. Neither this section nor section 10 of this Mortgage implies that Lender consents to the sale, lease or transfer of the Premises or any interest in them.

4. **Minerals.** Mortgagor assigns and mortgages to Lender, and grants to Lender a security interest in, as additional security for the Indebtedness, all of Mortgagor's right, title and interest in and to (a) all oil, gas and other minerals located in, on or under the Premises; (b) all oil, gas or mineral leases, royalty agreements and other contracts that have been or in the future are entered into with respect to the Premises or with respect to any oil, gas or other minerals located in, on or under the Premises ("Mineral Leases"); and (c) all rents, profits, royalties and income at any time arising from the leases or from the sale of oil, gas or other minerals located in, on or under the Premises. Upon the occurrence of an Event of Default (as the term "Event of Default" is defined at section 14 of this Mortgage), Lender shall be entitled to the present and full possession, receipt and use of and right to such oil, gas, other minerals, Mineral Leases, rents, profits, royalties and income, for application to the Indebtedness in any manner that Lender in its sole discretion shall determine.

5. **Taxes.** Mortgagor will cause real property taxes to remain exempt in connection with the Premises due to its use as a charter school and non-profit corporation. It shall be an Event of Default under this Mortgage at the sole discretion of Lender in the event real property taxes become due and owing against the Premises (the "Taxes"). In the event Lender does not elect to declare the assessment of real property taxes to be an Event of Default under this Mortgage, then at Lender's sole discretion, Lender may require that Mortgage pay funds to establish a tax escrow for the payment of the Taxes when due (the "Tax Escrow") to be held by Lender. Mortgagor shall thereafter periodically provide payment, on each date that Lender shall designate, of an amount equal to (a) the amount that Lender from time to time reasonably estimates will be sufficient to permit Lender to pay the Taxes when levied against the Premises, at least ten (10) days before it is due and payable; divided by (b) the number of payments by Mortgagor that will occur between (i) the date of Lender's request, the date of any new estimate by Lender of the amount of the annual tax, assessment or other charge or the date when Lender last paid the tax, assessment or other charge on behalf of Mortgagor (whichever date is applicable); and (ii) the tenth day before the tax, assessment or other charge will

be due and payable. Upon demand by Lender, Mortgagor will pay to Lender any additional sums that are reasonably necessary to make up any deficiency in the amount necessary to enable Lender to pay fully those Taxes when due. All sums that Mortgagor pays to Lender under this section may be commingled with the general funds of Lender, and no interest shall be payable to Mortgagor with respect to them. If any other Event of Default under this Mortgage occurs, then Lender may apply any funds of Mortgagor it then holds in escrow under this section against the Indebtedness, in any manner that Lender shall determine.

6. **Insurance.** Mortgagor will cause all buildings, improvements, other insurable parts of the Premises and rents and other income from the Premises to be insured against loss or damage by fire, by hazards included within extended coverage and by other risks that Lender from time to time may reasonably require, in amounts and with insurers that are reasonably acceptable to Lender, and Mortgagor shall cause all premiums on the insurance to be paid when due. All insurance policies required herein shall be provided by such insurers having an A.M. Best Financial Strength Rating (FSR) of A- or better and an A.M. Best Financial Size Category Rating (FSC) of IX or better (or the equivalent rating from any successor rating agency or entity reasonably selected by mortgagee if A.M. Best Company discontinues publishing rating of insurance companies or if the rating system is changed). Lender shall not, however, require hazard insurance covering any building or buildings that are part of the Premises to be in an amount greater than the replacement cost of the building or buildings. Within ten (10) days after Lender notifies Mortgagor that the Premises are located in a special flood hazard area but are not covered by flood insurance in the amount required by applicable law (including, without limitation, the Federal Flood Insurance Act of 1968, as amended), Mortgagor shall obtain and at all times maintain in effect the required insurance. Each policy evidencing insurance required by this section shall provide that loss shall be payable to Lender as its interest shall appear at the time of the loss, shall contain a standard mortgagee clause, shall be in form and substance acceptable to Lender and certificates of insurance evidencing such coverage shall be delivered to Lender in such ACORD form and with such identified terms and coverage as shall be required by Lender. Each policy shall provide that the insurer: (a) shall give Lender at least ten (10) days' prior written notice before such policy is canceled due to non-payment of policy premium when due; and (b) shall give Lender at least thirty (30) days' prior written notice before such policy is altered or cancelled for any other reason. All of the insurance policies required hereby shall be evidenced by one or more certificates of insurance delivered to Lender by Mortgagor on or before the closing date, upon renewal of such policies and otherwise at such other times as Lender may request from time to time and at such other times as Lender may request from time to time.

Upon foreclosure of this Mortgage or other transfer of the Premises in satisfaction of the Indebtedness, all rights, title and interest of Mortgagor in and to any insurance policies then in force, including the right to any premium refund, shall vest in the purchaser or grantee.

In the event of a fire or other casualty to the improvements to the Premises, which fire or other casualty is not caused by the willful misconduct of Mortgagor, Mortgagor shall be entitled to utilize the proceeds of the casualty insurance for the rebuilding or restoration of such improvements to the condition or better as existed prior to such casualty, subject to the following conditions:

(a) There shall not exist any Event of Default under this Mortgage, the Promissory Note which it secures, or any other Loan Documents (as defined in the Loan Agreement) beyond any applicable notice and cure period, if any;

(b) Lender shall have determined, in its reasonable discretion, that the use of the proceeds for rebuilding or restoration of the Premises will not cause the likelihood of repayment of the Indebtedness or security for the Indebtedness to be impaired; and

(c) Such rebuilding or restoration shall be capable of being completed prior to the scheduled maturity of the Promissory Note.

Upon the determination by Lender that insurance proceeds may be utilized for repair or restoration of the improvements, all insurance proceeds shall be deposited with Lender and advances for repair and restoration shall be made in accordance with and subject to all limitations and conditions of Lender's then current practices and procedures for administering commercial construction loans. No interest shall be payable to Mortgagor in connection with the insurance proceeds so deposited. Regularly scheduled payments under the Promissory Note shall remain payable as provided therein notwithstanding said fire or other casualty and regardless whether Lender consents to the use of proceeds for rebuilding or restoration as provided herein.

If there shall occur any destruction of or damage to the Premises and Lender does not consent to rebuilding or restoration under the terms of this Mortgage, Lender shall have the right to make proof of the loss or damage, if Mortgagor does not promptly do so, and Lender is authorized to settle, adjust or compromise any claims for loss or damage under any insurance policy. Mortgagor shall immediately endorse and deliver to Lender all proceeds of any policy.

Lender may require Mortgagor to pay a reasonable fee to Lender for determining whether the Premises are located in a special flood hazard area, if either (i) Lender undertook the determination because of a revision of flood plain areas; or (ii) Lender purchased required flood insurance, under this section 6, after Mortgagor failed to purchase the required insurance following Lender's notification to Mortgagor that Mortgagor was required to do so.

7. Maintenance and Repair. Mortgagor will maintain the Premises in good condition and repair; will not commit or suffer any waste of the Premises; will not remove, demolish or substantially alter any building or fixture on the Premises without the prior written consent of Lender; will cause to be complied with all laws, ordinances, regulations and requirements of any governmental authority applicable to the Premises or to activities on the Premises; will promptly repair, restore, replace or rebuild any part of the Premises that is damaged or destroyed by any casualty upon receipt of any available insurance proceeds therefor; and will promptly pay when due all charges for utilities and other services to the Premises.

8. Lender's Right to Perform; Receiver. Upon the occurrence of an Event of Default under this Mortgage (including, without limitation, its obligations to keep the Premises in good condition and repair, to pay taxes and assessments and to obtain and maintain insurance), then Lender shall have the right, but shall have no obligation, to perform, or cause to be performed, the obligation, and all reasonable sums expended by Lender in doing so shall become part of the Indebtedness, payable by Mortgagor to Lender upon demand, together with interest at the Default Rate. Lender and any persons authorized by Lender shall have the right to enter upon the Premises at all reasonable times for the purpose of inspecting the Premises or effecting maintenance or repairs or taking any other action under the preceding sentence. The failure of Mortgagor to pay funds into the

Tax Escrow or similar charges upon the Premises when due or to obtain and maintain required insurance shall constitute waste and shall entitle Lender to petition a court of competent jurisdiction for appointment of a receiver of the Premises for the purpose of preventing the waste. The receiver, subject to the order of the court, may collect the rents and income from the Premises and exercise control over the Premises as the court shall order. Any payment or performance by Lender, under this Mortgage, of an obligation that Mortgagor has failed to perform under a lease or other agreement, and any exercise by Lender of any right, remedy or option under a lease or other agreement, shall not be considered an assumption by Lender of the lease, land contract or other agreement or of any obligation or liability under it.

9. **Condemnation.** If all or any part of the Premises are taken, whether temporarily or permanently, under power of eminent domain or by condemnation, the entire proceeds of the award or other payment for the taking shall either be paid directly to Lender or, in the case of a partial taking or condemnation that does not prevent the continued use of the Property for a multi-tenanted commercial building, shall be used to make such necessary repairs or alterations to permit such continued use of the Property, subject to the terms of this Mortgage.

10. **Sale or Transfer.** If there shall be a sale or transfer, by operation of law or otherwise, of all or any part of the Premises by or through Mortgagor, Lender may deal with the buyer or transferee with respect to this Mortgage and the Indebtedness as fully and to the same extent as it might with Mortgagor, without in any way releasing, discharging or affecting the liability of Mortgagor under this Mortgage and upon the Indebtedness and without waiving Lender's right to accelerate payment of the Indebtedness under section 15 of this Mortgage by reason of the sale or transfer.

11. **Property Information.** From time to time upon Lender's reasonable written request, Mortgagor shall promptly provide detailed financial statements relating to the Premises, prepared in accordance with generally accepted accounting principles or otherwise prepared in forms approved by Lender, for the periods and as of the dates that Lender shall require, which statements shall show, without limitation, all income and expenses, capital expenditures, tenant improvements, leasing commissions, and all indebtedness secured by mortgages or liens upon the Premises; and (e) any additional information concerning the Premises and the leasing of them that Lender shall reasonably request. Mortgagor shall cause Lender to have the right during normal business hours (whether or not any part of the Premises is then being leased) and with twenty-four hour prior written notice, to inspect and make copies of Mortgagor's records concerning the Premises and any lease of or other transaction or matter concerning the Premises.

12. **Environmental Warranties and Agreements.** Mortgagor warrants and represents to Lender, and agrees, as follows:

(a) To the best of Mortgagor's knowledge, the Premises and all activities of Mortgagor and all other persons on the Premises are and shall continue to be in compliance with all environmental laws and all access laws. The Premises is not and shall not become a site or source of environmental contamination. To the best of Mortgagor's knowledge, no asbestos or polychlorinated biphenyls are present on or contained in the Premises.

(b) In this Mortgage (i) "environmental law" means at any time any applicable federal, state or local law (including common law), ordinance, rule, regulation, permit, order or other legally binding requirement that then (A) regulates the quality of air, water, soil or other environmental media; (B) regulates the generation, management, transportation, treatment, storage, recycling or disposal of any wastes; (C) protects public health, occupational safety and health, natural resources or the environment; or (D) establishes liability for the investigation, removal or remediation of, or harm caused by, environmental contamination; (ii) "hazardous substance" means at any time any substance or waste that is then subject to or regulated by any environmental law; (iii) "environmental contamination" means the presence of a hazardous substance in or on, or the release, discharge or emission of a hazardous substance from, the Premises in excess of any limit or criterion established or issued under any environmental law; and (iv) "access law" means at any time any applicable law, ordinance, rule, regulation or order that then regulates the accessibility of the Premises to disabled persons, including, but not limited to, the federal Americans With Disabilities Act, as amended.

(c) Except as shown on environmental reports provided by Mortgagor to Lender or otherwise obtained by Lender, Mortgagor has no knowledge of any violation of federal, state or local environmental laws regarding the Premises and has provided these representations and warranties in connection with its ownership of the Premises and its review of any environmental report of the Premises required by Lender as a condition for providing the loan that is the subject of the Promissory Note.

13. **Access to Premises.** Lender and any persons authorized by Lender shall have the right to enter upon the Premises during normal business hours after not less than three (3) business days prior written notice (unless reasonable remediation efforts require shorter period of notice not less than twenty-four (24) hours) to Mortgagor for the purpose of (i) appraising the Premises; (ii) investigating (including, without limitation, sampling soil, water and air) whether the Premises and activities upon it are in compliance with environmental laws and access laws and whether the Premises is a site or source of environmental contamination; or (iii) removing or remediating any environmental contamination. Without limiting the foregoing, Lender shall have the right to conduct and submit to appropriate governmental agencies a baseline environmental assessment of the Premises as required under the laws of the State of Michigan, as such laws shall be amended or added from time to time. If, at the time of appraisal, investigation, assessment, removal or remediation, there shall have occurred and be continuing an Event of Default under this Mortgage, then Mortgagor shall reimburse Lender on demand for all actual and reasonable costs and expenses of the appraisal, investigation, assessment, removal or remediation, together with interest at the Default Rate. Mortgagor shall execute any consultant contract, waste manifest, notice and other documents that Lender requests to enable Lender to take or conduct any action or activity contemplated by this section, if Mortgagor is given a reasonable opportunity to negotiate the terms of the contract, manifest, notice or other document.

14. **Events of Default and Acceleration.** Upon the occurrence of any of the following events of default, all or any part of the Indebtedness shall, at the option of Lender, or any affiliate of the Lender, become immediately due and payable without notice or demand (each an "Event of Default"):

- (a) If Mortgagor shall have failed to make any payment of principal or interest when due for such installment under the Promissory Note;
- (b) If Mortgagor shall have failed to make any other payment under the Promissory Note or on any other indebtedness now or hereafter owed by Mortgagor to Lender and has not cured such payment default within any applicable cure period permitted under the applicable document or instrument;
- (c) If default occurs in the performance of any obligation to Lender under this Mortgage, whether or not Lender shall have performed the obligation on Mortgagor's behalf, and whether or not Mortgagor shall have reimbursed Lender for any payments or expenses it incurred in curing the default, and such default has not been cured within thirty (30) days after Lender sends written notice thereof to Mortgagor, unless Lender determines in good faith that Lender's interest or security would be materially impaired during the applicable thirty (30) day period, in which case Lender may provide such shorter notice and opportunity to cure as Lender may reasonably determine;
- (d) If default occurs in the performance of any other obligation to Lender under the Promissory Note or under any other mortgage, security agreement, loan agreement, assignment, guaranty or other agreement that now or in the future secures or relates to any of the Indebtedness or that evidences, secures or relates to any guaranty of any of the Indebtedness (each a "Security Document" and collectively the "Security Documents") and such default has not been cured within the applicable cure period after receipt of any required notice;
- (e) If any warranty, representation or statement that has been or in the future made to Lender by Mortgagor or by any guarantor of all or part of the Indebtedness ("Guarantor") in this Mortgage or in any Security Document, credit application, financial statement or otherwise, shall have been false in any material respect when made or furnished;
- (f) If Mortgagor shall default in payment of the principal of or interest on any indebtedness for borrowed money now or in the future owed to Lender and such default has not been cured within the applicable cure period after receipt of any required notice;
- (g) If Mortgagor dissolves, becomes insolvent or makes an assignment for the benefit of creditors;
- (h) If Mortgagor, without the written consent of Lender, shall sell, convey or transfer the Premises or any interest in the Premises or any rents or profits from the Premises or if any mortgage, lien or other encumbrance or any writ of attachment, garnishment, execution or other legal process shall be issued against or placed upon the Premises or any interest in them or any rents or profits from them and such other lien or encumbrance or writ of attachment, garnishment, execution or other legal process shall not be removed within sixty (60) days of it first occurring, except in favor of Lender, or if any part of the Premises or any interest in them shall be transferred by operation of law;
- (i) If all or any material part of the Premises shall be damaged or destroyed by fire or other casualty, regardless of insurance coverage for the loss, unless Mortgagor shall complete

restoration of the improvements pursuant to section 6 of this Mortgage, or shall be taken by condemnation or power of eminent domain, except partial condemnations for easements, rights-of-way, road widening or related interests which do not materially adversely affect the value of the Premises provided Lender consents to such condemnation in writing, under terms required by Lender;

(j) If any law or government regulation shall impose a tax or assessment upon mortgages or debts secured by mortgages and such tax or assessment is not paid by Mortgagor within the latest to occur of the following (i) thirty (30) days after notice of the same is provided to Mortgagor; or (ii) thirty (30) days before such tax or assessment is due.

(k) If a voluntary case in bankruptcy or receivership shall be started by Mortgagor or if an involuntary case in bankruptcy, receivership or insolvency shall at any time be commenced against Mortgagor which is not dismissed within thirty (30) days after the commencement thereof.

All or any part of the Indebtedness also may become, or may be declared to be, immediately due and payable under the terms and conditions contained in any Security Document, Instrument or other agreement that at any time evidences, secures or relates to the Indebtedness.

15. **Remedies.** Lender shall have all rights and remedies given by this Mortgage or otherwise permitted by law. In addition, if the Indebtedness shall not be paid at maturity, Lender shall have the right and is hereby authorized:

(a) To collect and receive all rents, profits and other amounts that are due or shall later become due under the terms of any leases, land contracts or other agreements, now or in the future in effect, by which the Premises or any interest in them are then being sold or leased or under any Mineral Lease, and to exercise any other right or remedy of Mortgagor under any lease, land contract, other agreement or Mineral Lease; but Lender shall have no obligation to make any demand or inquiry as to the nature or sufficiency of any payment received or to present or file any claim or take any other action to collect or enforce the payment of any amounts to which Lender may become entitled, and Lender shall not be liable for any of Mortgagor's obligations under any lease, land contract or other agreement.

(b) To obtain or update abstracts of title, title searches, title insurance and surveys with respect to the Premises, and Mortgagor shall reimburse Lender for all actual and reasonable costs of doing so, together with interest at the Default Rate.

(c) To foreclose this Mortgage by action under applicable law.

(d) To sell, release and convey the Premises at public sale, and to sign and deliver to the purchasers at the sale good and sufficient deeds of conveyance, paying any surplus funds, after payment of the Indebtedness in full and the expenses of the sale, including attorney fees as provided by law, to Mortgagor, all in accordance with Chapter 32 of the Michigan Revised Judicature Act, as it may be amended from time to time, and any similar statutory provisions that may later be enacted in addition to Chapter 32 or in substitution for it.

(e) To exercise any and all rights and options under any lease, land contract or other agreement by which any part or all of the Premises are then being leased or purchased, including any option to purchase the Premises or to renew or extend the term of any lease, land contract or other agreement, but Lender shall have no obligation to exercise any right or option.

All rights and remedies of Lender under this Mortgage, whether or not exercisable only on default, shall be cumulative and may be exercised from time to time, and no delay by Lender in the exercise of any right or remedy shall be a waiver of it, and no single or partial exercise of any right or remedy shall prevent other or further exercise of it or the exercise of any other right or remedy, except to the extent otherwise provided by law. In this Mortgage, "Maturity" means the time when the Indebtedness shall be or shall become due and payable, whether by the terms of the Instruments or Security Documents or pursuant to section 14 of this Mortgage or otherwise.

16. **Security Interest In Fixtures.** Mortgagor grants to Lender a security interest in all fixtures now or in the future located on the Premises. If the Indebtedness is not paid at Maturity, Lender, at its option, may enforce this security interest in fixtures under the Michigan Uniform Commercial Code or other applicable law or may include fixtures in any foreclosure of this Mortgage under section 15 of this Mortgage. Any requirement of reasonable notice with respect to any sale or other disposition of fixtures shall be met if Lender sends the notice at least five (5) days before the date of sale or other disposition.

17. **Indemnification.** Mortgagor shall indemnify and hold harmless Lender with respect to any and all claims, demands, causes of action, liabilities, damages, losses, judgments and expenses (including attorney fees) that shall be asserted against or incurred by Lender by reason of (a) any representation or warranty by Mortgagor in this Mortgage being inaccurate in any respect; (b) any failure of Mortgagor to perform any of Mortgagor's obligations under this Mortgage; or (c) any past, present or future condition or use of the Premises (whether known or unknown), other than an excluded condition or use, including, but not limited to, liabilities arising under any "environmental law", as defined in section 12 of this Mortgage. An "excluded condition or use" is one that both (i) does not exist or occur, to any extent, at any time before Mortgagor has permanently given up possession and control of the Premises by reason of a foreclosure of this Mortgage or Lender's acceptance of a conveyance of the Premises to Lender in lieu of foreclosure; and (ii) was not caused or permitted to exist, in whole or part, by any act or omission of Mortgagor. Indemnification by Mortgagor under this section shall not limit any other right or remedy (including Lender's right to accelerate payment of the Indebtedness) that is available to Lender by reason of the circumstance in respect of which indemnity is made. Mortgagor's obligations under this section shall survive foreclosure of this Mortgage and any conveyance of the Premises in lieu of foreclosure.

18. **Waivers.**

(a) Mortgagor and any other person who in the future obtains a mortgage or lien upon, or any other interest in, the Premises waives, with respect to any foreclosure of this Mortgage: (i) any right to marshaling of the Premises and any right to require a minimum bid or "upset" price; and (ii) the benefit of any stay, extension, exemption or moratorium law, now existing or later enacted.

(b) Lender may at any time release all or any part of the Premises from the lien of this Mortgage or release the liability of any person for the Indebtedness, with or without consideration and without giving notice to, or obtaining the consent of, the holder of any mortgage or lien upon, or other interest in, the Premises. A release shall not impair or affect the validity or priority of this Mortgage, regardless of the effect of the release upon the mortgage, lien or other interest or the holder of it. This subsection does not imply that Lender consents to the placing of a mortgage, lien or other encumbrance on the Premises.

(c) Mortgagor (i) waives notice of any advances or other extensions of credit included in the Indebtedness; (ii) waives any right to require Lender to sue upon or otherwise enforce payment of the Indebtedness or to enforce any security for it before exercising its rights and remedies under this Mortgage; and (iii) agrees that the validity and enforceability of this Mortgage shall not be impaired or affected by any failure of Lender to obtain or perfect, or to secure priority of, any other security at any time given, or agreed to be given, by any person for the Indebtedness.

(d) Lender is authorized, from time to time and without notice to or consent of Mortgagor and with or without consideration, to give and make any extensions, renewals, modifications, waivers, settlements and compromises, on such terms and conditions as Lender may see fit, with regard to any of the Indebtedness at any time owing or with regard to any security for the Indebtedness that is not owed by Mortgagor provided that the security provided by this Mortgage shall not increase without the prior written consent of Mortgagor. Any of these actions shall not impair or affect the validity or enforceability of this Mortgage.

19. **Expenses.** Mortgagor shall pay to Lender on demand all actual and reasonable expenses, including attorney fees and legal expenses, paid or incurred by Lender in collecting or attempting to collect the Indebtedness or in protecting and enforcing the rights of and obligations to Lender under any provision of this Mortgage, including, without limitation, taking any action in any bankruptcy, insolvency or reorganization proceedings concerning Mortgagor or foreclosing this Mortgage by advertisement or by action. The expenses shall bear interest, from the date paid or incurred by Lender, at the Default Rate.

20. **Application of Proceeds.** If any rents or profits or, subject to the provisions of section 6 and section 9 of this Mortgage, any proceeds of insurance or proceeds of any condemnation or eminent domain award or proceeds from any sale of the Premises at foreclosure are paid to Lender, Lender shall have the right to apply the rents or profits or proceeds, in amounts and proportions that Lender shall in its sole discretion determine, to the full or partial satisfaction of any or all of the indebtedness and obligations secured by this Mortgage, including any contingent or secondary obligations, whether or not they shall then be due and payable by the primary obligor.

21. **Notices.** Any notice, request, demand, waiver, consent, approval or other communication required to be given pursuant to this Mortgage shall be in writing and shall be deemed given to the intended recipient upon completion of any of the following: (i) actual receipt by the intended recipient by whatever means; (ii) receipted personal delivery thereof at the intended recipient's address set forth above; or (iii) delivery by a nationally recognized private overnight courier service providing proof of such delivery to the intended recipient at the address set forth above with all courier fees prepaid. All notices are to be given or made to the parties at their

**EXHIBIT "A" TO MORTGAGE
GREATER HEIGHTS ACADEMY TO CHEMICAL BANK**

Parcel 1: Real property situated in the City of Flint, County of Genesee and State of Michigan, described as follows: Part of the Southwest 1/4 of the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, described as beginning at a point of the South line of said Section 34, which is South 88 degrees 05 minutes 05 seconds East 400.00 feet from the South 1/4 of said Section 34; thence continuing along said South line South 88 degrees 05 minutes 05 seconds East 596.38 feet to a point which is the intersection of the West line of the recorded plat of Washington Park Subdivision, as recorded in Liber 9 of Plats, Page(s) 37 and 38, Genesee County Records and said South line; thence North 01 degree 47 minutes 15 seconds East 733.00 feet along said West line of Washington Park Subdivision to the Northwest corner of Lot 44 of said Washington Park Subdivision; thence North 88 degrees 05 minutes 05 seconds West 594.55 feet to a point which is 400.00 feet from the North an South 1/4 line of said Section 34; thence South 01 degree 55 minutes 50 seconds West parallel to said North and South 1/4 line 733.00 feet to the point of beginning, according to Survey recorded in Liber 2106 of Deeds, Page 809, Genesee County Records.

Tax Parcel ID Number: 14-34-400-008
Commonly known as: 3196 W. Pasadena Avenue

Parcel 2: Real property situated in the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, Township of Mt. Morris, Genesee County, Michigan, described as follows: Beginning North 88 degrees 42 minutes 15 seconds East along the South line of Section 34, a distance of 300.00 feet from the South 1/4 of said Section 34; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 400.00 feet; thence South 88 degrees 42 minutes 15 seconds West parallel with the South line of Section 34, a distance of 100.00 feet; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 533.00 feet; thence North 88 degrees 42 minutes 15 seconds East, parallel with the South line of Section 34, a distance of 200.34 feet; thence South 01 degree 17 minutes 45 seconds East 933.00 feet to the South line of Section 34; thence South 88 degrees 42 minutes 15 seconds West along the South line of Section 34, a distance of 100.00 feet to the point of beginning.

Tax Parcel ID Number: 14-34-400-007
Commonly known as: Vacant

EXECUTION VERSION

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE

GREATER HEIGHTS ACADEMY
PUBLIC SCHOOL ACADEMY SUBORDINATE REVENUE BOND, SERIES 2019
(GENERAL OBLIGATION)

Registered Owner: Charter Schools Development Corporation
Principal Amount: \$857,000
Interest Rate: 5.5%
Date of Issuance: December 17, 2019

FOR VALUE RECEIVED, Greater Heights Academy, County of Genesee, State of Michigan (the "Academy"), hereby acknowledges itself indebted and promises to pay, but only as provided in this Bond, to the Registered Owner specified above, or its registered assigns, the Principal Amount specified above in the principal installment amounts on the dates set forth on the attached Exhibit A, which is hereby incorporated and made part hereof, in lawful money of the United States of America, together with interest thereon at the Interest Rate set forth above, commencing on December 17, 2019, and monthly thereafter on the last day of each month as set forth on the attached Exhibit A. Payments shall be made via ACH/auto debit from Academy's operating account. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve months of thirty days each. The Academy agrees that it will deposit via ACH/auto debit with the Registered Owner payment of principal of and interest on this Bond in immediately available funds by 3:00 p.m. on the dates set forth on the attached Exhibit A.

Academy shall make payments of principal and interest based on a 15 year amortization schedule with a final payment due on the 60th month following the date of issuance.

This Bond is issued under and in pursuance of the provisions of Act 451, Public Acts of Michigan, 1976, as amended, a resolution adopted by the Board of Directors of the Academy on December 17, 2019 (the "Resolution"), and a loan agreement (the "Loan Agreement") dated December 17, 2019 between the Academy and the Registered Owner for the purpose of financing the Project as more fully described in the Resolution.

For the prompt payment of this Bond, both principal and interest, the subordinate full faith and credit of the Academy is hereby pledged. As further security for the repayment of the Bond,

Greater Heights Academy

the Academy has granted to the Registered Owner a second lien mortgage (the "Mortgage") on the Academy's school facility as more fully described in the Resolution. This Bond is also subject to the terms and conditions of the Loan Agreement of even date herewith which is incorporated by reference.

The Bond is being issued on a subordinate basis to the Academy's full faith and credit pledge for the repayment of a certain Bond of even date herewith issued by the Academy to Chemical Bank and the first lien mortgage on the Project granted to Chemical Bank further securing the Chemical Bank Bond.

The Academy shall be precluded from incurring any additional indebtedness that is senior to the Mortgage and the subordinate full faith and credit pledge by the Academy under this Bond, except for that certain Bond of even date herewith issued by the Academy to Chemical Bank. With the written consent of the Registered Owner, the Academy may incur additional indebtedness secured by the Mortgage and on a parity basis with the subordinate full faith and credit pledge by the Academy under this Bond. Without the consent of the Registered Owner, the Academy may incur additional indebtedness subordinate to the Mortgage and the subordinate full faith and credit pledge by the Academy under this Bond.

THIS BOND IS A SUBORDINATE FULL FAITH AND CREDIT OBLIGATION OF THE ACADEMY PAYABLE SOLELY FROM THE ACADEMY'S FUNDS PLEDGED THEREFOR PURSUANT TO THE RESOLUTION. ALL STATE SCHOOL AID IS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE AND THE LEGISLATURE IS NOT REQUIRED TO APPROPRIATE MONIES FOR SUCH PURPOSE. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THE STATE OF MICHIGAN, CENTRAL MICHIGAN UNIVERSITY (THE "AUTHORIZING BODY" OF THE ACADEMY), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT NOR ANY TAXING POWERS OF THE STATE OF MICHIGAN, THE AUTHORIZING BODY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO THE PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THIS BOND. THE ACADEMY HAS NO TAXING POWER.

This Bond is transferable only upon the books of the Academy by the Registered Owner in person or the Registered Owner's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Academy, duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Resolution authorizing the Bond.

This Bond may be repaid in full at any time without penalty. Partial payoffs may be made no more than once per year and only upon 60 days written notice to the Registered Owner.

Greater Heights Academy

Any one of the following shall constitute an Event of Default hereunder:

Each of the following shall constitute an “Event of Default” under this Bond and the Loan Agreement:

1. **Payment Default.** Failure of the Academy to pay (i) on or before the due date thereof (subject to any applicable grace, notice or cure period provided in the Bond), any principal, interest or other sum owing on this Bond, or (ii) within ten (10) days after the giving of written notice, any sum otherwise owing to the Registered Owner.
2. **Performance Defaults.** Failure of the Academy to comply with or perform when due any other term, obligation, covenant or condition contained in the Loan Agreement, the Bond, the Mortgage or in any of the other Loan Documents (as defined in the Loan Agreement), or failure of Academy to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between Registered Owner and Academy.
3. **Receiver; Bankruptcy.** Should Academy (a) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its property, (b) admit in writing its inability to pay its debts as they mature, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent, (e) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or if corporate action shall be taken by Academy for the purposes of effecting any of the foregoing, or (f) by any act indicate its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver or trustee for any of its property, or permit any such, receivership, trusteeship or proceeding to continue undischarged for a period of sixty (60) days.
4. **Default in Favor of Third Parties.** Should a default beyond the expiration of any stated grace or cure period occur under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Academy’s property or Academy’s ability to repay this Bond or perform Academy’s Obligations under the Loan Agreement or any of the other Loan Documents or any Guarantor’s ability to perform any of his or its obligations under the Guaranty as set forth in the Loan Agreement.
5. **False Statements.** Any warranty, representation or statement made or furnished to Registered Owner by or on behalf of Academy or any Guarantor as set forth in the Loan Agreement is false or misleading in any material respect at the time made or furnished, or becomes false or misleading at any time thereafter.
6. **Defective Collateralization.** This Bond or any of the other Loan Documents ceases to be in full force and effect (including failure of any provision purporting to grant a

Greater Heights Academy

perfected security interest to create a valid and perfected security interest) at any time and for any reason.

7. **Insolvency.** The dissolution or termination of Academy's existence as a going business, or a trustee or receiver is appointed for Academy or for all or a substantial portion of the assets of Academy, or Academy makes a general assignment for the benefit of Academy's creditors.

8. **Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Academy, any creditor of any collateral securing this Bond, or by any governmental agency. This includes a garnishment, attachment, or levy on or of any of Academy's deposit accounts with Registered Owner. However, this Event of Default shall not apply if there is a good faith dispute by Academy as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding, and if Academy gives Registered Owner written notice of the creditor or forfeiture proceeding and furnishes reserves or a surety bond for the creditor or forfeiture proceeding satisfactory to Registered Owner.

9. **Material Adverse Effect.** Registered Owner determines that a Material Adverse Effect (as defined in the Loan Agreement) has occurred, or Registered Owner believes the prospect of payment or performance of this Bond is impaired.

10. **Insecurity.** Registered Owner, in good faith, deems itself insecure.

11. **Change in Ownership; Alienation of Title.** Any change in the ownership or control of Academy or any change in the legal or equitable title to the Property (as defined in the Loan Agreement).

12. **Judgment.** Unless adequately insured in the opinion of Registered Owner, the entry of a final judgment for the payment of money involving more than \$10,000.00 against Academy and the failure by Academy to discharge the same, or cause it to be discharged, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered, or to secure a stay of execution pending appeal of such judgment.

13. **Execution; Attachment.** Any execution or attachment shall be levied against the Collateral (as defined in the Loan Agreement), or any part thereof, and such execution or attachment shall not be set aside, discharged or stayed within thirty (30) days after the same shall have been levied.

14. **Right to Cure.** If any default, other than a default under Sections 1, 3, 6, 7, 8, 11, 12 or 13 above (for which no additional notice or cure period shall be provided), is curable and if Academy has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Academy, after receiving written notice from Registered Owner demanding cure of such default: (a) cures the default within ten

Greater Heights Academy

(10) days or such other time frame as otherwise specifically provided for herein; or (b) if the cure requires more than ten (10) days, immediately initiates steps that Registered Owner deems in Registered Owner's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical. Nothing in this Section 14 shall require Registered Owner to provide Academy with an additional ten (10) days to cure any event of default occurring hereunder or under any of the other Loan Documents, which event of default was not cured within any applicable grace period provided therein.

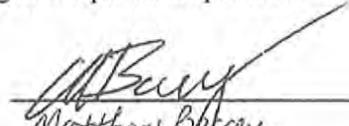
Upon the occurrence and continuation of any Event of Default hereunder, the Registered Owner has all rights and remedies as set forth in Article IX of the Loan Agreement.

No remedy by the terms of this Bond is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Registered Owner now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder, whether by the Registered Owner, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the issuance of this Bond, existed, have happened and have been performed in due time, folio and manner, as required by the Constitution and statutes of the State of Michigan, and that the amount of this Bond together with all other indebtedness of the Academy does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Greater Heights Academy, Genesee County, Michigan, by its Board of Directors, has caused this Bond to be executed in its name by its Authorized Officer as of the Date of Issuance.

GREATER HEIGHTS ACADEMY,
a Michigan nonprofit corporation

By: 
Name: Matthew Bufcey
Title: President

Greater Heights Academy

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____ Tax Identification or Social Security No. _____) the within Bond and all rights thereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular without alteration or enlargement or any change whatsoever.

EXHIBIT A

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS

[See Amortization Schedule Attached]

 Greater Heights Academy Subordinate Loan

Compounding Period: Monthly

Nominal Annual Rate: 5.500%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	12/19/2019	857,000.00	1		
2 Payment	02/01/2020	7,016.12	59	Monthly	12/01/2024
3 Payment	12/19/2024	652,289.73	1		

TValue Amortization Schedule - Normal, 365 Day Year

	Date	Payment	Interest	Principal	Balance
Loan	12/19/2019				857,000.00
2019 Totals		0.00	0.00	0.00	
1	02/01/2020	7,016.12	5,614.39	1,401.73	855,598.27
2	03/01/2020	7,016.12	3,921.49	3,094.63	852,503.64
3	04/01/2020	7,016.12	3,907.31	3,108.81	849,394.83
4	05/01/2020	7,016.12	3,893.06	3,123.06	846,271.77
5	06/01/2020	7,016.12	3,878.75	3,137.37	843,134.40
6	07/01/2020	7,016.12	3,864.37	3,151.75	839,982.65
7	08/01/2020	7,016.12	3,849.92	3,166.20	836,816.45
8	09/01/2020	7,016.12	3,835.41	3,180.71	833,635.74
9	10/01/2020	7,016.12	3,820.83	3,195.29	830,440.45
10	11/01/2020	7,016.12	3,806.19	3,209.93	827,230.52
11	12/01/2020	7,016.12	3,791.47	3,224.65	824,005.87
2020 Totals		77,177.32	44,183.19	32,994.13	
12	01/01/2021	7,016.12	3,776.69	3,239.43	820,766.44
13	02/01/2021	7,016.12	3,761.85	3,254.27	817,512.17
14	03/01/2021	7,016.12	3,746.93	3,269.19	814,242.98
15	04/01/2021	7,016.12	3,731.95	3,284.17	810,958.81
16	05/01/2021	7,016.12	3,716.89	3,299.23	807,659.58
17	06/01/2021	7,016.12	3,701.77	3,314.35	804,345.23
18	07/01/2021	7,016.12	3,686.58	3,329.54	801,015.69
19	08/01/2021	7,016.12	3,671.32	3,344.80	797,670.89
20	09/01/2021	7,016.12	3,655.99	3,360.13	794,310.76
21	10/01/2021	7,016.12	3,640.59	3,375.53	790,935.23
22	11/01/2021	7,016.12	3,625.12	3,391.00	787,544.23

Greater Heights Academy Subordinate Loan

	Date	Payment	Interest	Principal	Balance
	23 12/01/2021	7,016.12	3,609.58	3,406.54	784,137.69
2021 Totals		84,193.44	44,325.26	39,868.18	
	24 01/01/2022	7,016.12	3,593.96	3,422.16	780,715.53
	25 02/01/2022	7,016.12	3,578.28	3,437.84	777,277.69
	26 03/01/2022	7,016.12	3,562.52	3,453.60	773,824.09
	27 04/01/2022	7,016.12	3,546.69	3,469.43	770,354.66
	28 05/01/2022	7,016.12	3,530.79	3,485.33	766,869.33
	29 06/01/2022	7,016.12	3,514.82	3,501.30	763,368.03
	30 07/01/2022	7,016.12	3,498.77	3,517.35	759,850.68
	31 08/01/2022	7,016.12	3,482.65	3,533.47	756,317.21
	32 09/01/2022	7,016.12	3,466.45	3,549.67	752,767.54
	33 10/01/2022	7,016.12	3,450.18	3,565.94	749,201.60
	34 11/01/2022	7,016.12	3,433.84	3,582.28	745,619.32
	35 12/01/2022	7,016.12	3,417.42	3,598.70	742,020.62
2022 Totals		84,193.44	42,076.37	42,117.07	
	36 01/01/2023	7,016.12	3,400.93	3,615.19	738,405.43
	37 02/01/2023	7,016.12	3,384.36	3,631.76	734,773.67
	38 03/01/2023	7,016.12	3,367.71	3,648.41	731,125.26
	39 04/01/2023	7,016.12	3,350.99	3,665.13	727,460.13
	40 05/01/2023	7,016.12	3,334.19	3,681.93	723,778.20
	41 06/01/2023	7,016.12	3,317.32	3,698.80	720,079.40
	42 07/01/2023	7,016.12	3,300.36	3,715.76	716,363.64
	43 08/01/2023	7,016.12	3,283.33	3,732.79	712,630.85
	44 09/01/2023	7,016.12	3,266.22	3,749.90	708,880.95
	45 10/01/2023	7,016.12	3,249.04	3,767.08	705,113.87
	46 11/01/2023	7,016.12	3,231.77	3,784.35	701,329.52
	47 12/01/2023	7,016.12	3,214.43	3,801.69	697,527.83
2023 Totals		84,193.44	39,700.65	44,492.79	
	48 01/01/2024	7,016.12	3,197.00	3,819.12	693,708.71
	49 02/01/2024	7,016.12	3,179.50	3,836.62	689,872.09
	50 03/01/2024	7,016.12	3,161.91	3,854.21	686,017.88
	51 04/01/2024	7,016.12	3,144.25	3,871.87	682,146.01
	52 05/01/2024	7,016.12	3,126.50	3,889.62	678,256.39
	53 06/01/2024	7,016.12	3,108.68	3,907.44	674,348.95
	54 07/01/2024	7,016.12	3,090.77	3,925.35	670,423.60
	55 08/01/2024	7,016.12	3,072.77	3,943.35	666,480.25
	56 09/01/2024	7,016.12	3,054.70	3,961.42	662,518.83
	57 10/01/2024	7,016.12	3,036.54	3,979.58	658,539.25
	58 11/01/2024	7,016.12	3,018.30	3,997.82	654,541.43
	59 12/01/2024	7,016.12	2,999.98	4,016.14	650,525.29
	60 12/19/2024	652,289.73	1,764.44	650,525.29	0.00

Greater Heights Academy Subordinate Loan

Date	Payment	Interest	Principal	Balance
2024 Totals	736,483.17	38,955.34	697,527.83	
Grand Totals	1,066,240.81	209,240.81	857,000.00	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.499%	\$209,240.81	\$857,000.00	\$1,066,240.81

2nd Mtg

MORTGAGE

GREATER HEIGHTS ACADEMY
as Mortgagor

to

CHARTER SCHOOLS DEVELOPMENT CORPORATION
as Mortgagee

RELATING TO:

\$857,000
GREATER HEIGHTS ACADEMY REVENUE BOND, SERIES 2019

Dated as of December 17, 2019

Prepared by, and when recorded,
return to:
Alan S. Macdonald, Esq.
Macdonald + Macdonald PC
181 Harry S. Truman Parkway, Suite 260
Annapolis, MD 21401

MORTGAGE

THIS MORTGAGE ("Mortgage") is made as of December 17, 2019, by and between GREATER HEIGHTS ACADEMY, as Mortgagor ("Mortgagor") and CHARTER SCHOOLS DEVELOPMENT CORPORATION, as the registered owner of the Series 2019 Bond (as defined below), as Mortgagee ("Mortgagee").

PRELIMINARY STATEMENTS

A. Mortgagor is issuing its Public School Academy Revenue Bond, Series 2019 in the aggregate principal amount of \$857,000 (the "Series 2019 Bond") for the purposes set forth in the Series 2019 Bond. All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Series 2019 Bond.

B. Pursuant to the Series 2019 Bond, certain State School Aid payments have been pledged and assigned by Mortgagor to Mortgagee for the payment of the principal of and interest on the Series 2019 Bond.

C. The Series 2019 Bond is further secured by a lien on and security interest in the Mortgagor's school facility (defined below) pursuant to this Mortgage, granted by Mortgagor.

GRANTING CLAUSES

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Mortgagor hereby irrevocably grants a security interest in, mortgages, warrants, grants, bargains, sells, transfers, conveys and assigns to Mortgagee and to its assigns forever, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY, for the benefit and security of Mortgagee, under and subject to the terms and conditions hereinafter set forth, all of Mortgagor's estate, right, title and interests in, to and under any and all of the following property now owned, together with all cash and noncash proceeds thereof, which may be referred to herein as the "Mortgaged Estate:"

LAND

The real property located in the County of Genesee, State of Michigan (the "State"), described in Exhibit A attached hereto and by this reference incorporated herein (the "Land");

IMPROVEMENTS

Any and all buildings, structures, fixtures and improvements existing or to be constructed on the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements or situated thereon or on the Land, whether or not affixed thereto, and all replacements and substitutions therefor (collectively, the "Improvements" and, together with the Land, the "Real Property");

RENTS, REVENUES AND DERIVATIVE INTERESTS

All rents, issues, profits and royalties derived from the Real Property and the operation thereof (collectively the "Revenues"); all estate, right, title and interest of Mortgagor in and to all leases or subleases covering the Real Property or any portion thereof now or hereafter existing or entered into, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature; all right, title and interest of Mortgagor in and to all options to purchase or lease the Real Property or any portion thereof or interest therein, and any greater estate therein now owned; all interests, estate or other claims, both in law and in equity, which Mortgagor now has in the Real Property or any portion thereof or interest therein; all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto; all right, title and interest of Mortgagor, now owned, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property (all of the foregoing in this paragraph being, collectively, the "Derivative Interests" and, together with the Real Property, the "Project");

INTANGIBLES

All of Mortgagor's interest in all existing and future accounts, contract rights, general intangibles, files, books of account, plans, specifications, agreements, permits, licenses and certificates necessary or desirable in connection with the acquisition, ownership, leasing, construction, operation, servicing or management of the Project, whether now existing or entered into or obtained after the date hereof, and all existing and future names under or by which the Project or any portion thereof may at any time be operated or known (the "Intangibles");

CLAIMS AND AWARDS

All the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in the Project or Intangibles and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Project or Intangibles including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages; and

PROCEEDS

All of the rents, revenues, issues, profits, products and proceeds of any and all of the foregoing.

A security interest is granted by this Mortgage in that portion of the Mortgaged Estate which constitutes personalty pursuant to and as set forth in Article IV hereof.

MORTGAGE

Greater Heights Academy, Series 2019 Bond

TO HAVE AND TO HOLD the Mortgaged Estate hereby granted or mortgaged or intended to be granted or mortgaged, unto Mortgagee, and its successors in trust, heirs and assigns, upon the terms, provisions and conditions set forth herein in fee simple forever.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Secured Obligations (defined below) hereby shall be paid when due, and if Mortgagor shall keep, perform and observe all and singular the obligations, covenants, agreements and provisions in this Mortgage expressed to be kept, performed by and observed by or on the part of Mortgagor, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void, but otherwise shall be and remain in full force and effect.

THIS MORTGAGE SHALL SECURE THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS:

- (i) Payment of indebtedness evidenced by the Series 2019 Bond and all replacements, renewals, amendments, extensions, substitutions and modifications thereof bearing interest and being payable as provided therein;
- (ii) Performance of all obligations and covenants of Mortgagor under the Series 2019 Bond and each agreement of Mortgagor incorporated by reference therein or herein, or contained therein or herein;
- (iii) Payment of all other indebtedness and performance of all other obligations and covenants of Mortgagor contained in any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby or thereby to the extent related to the Series 2019 Bond; and
- (iv) Payment of all fees and expenses of Mortgagee to the extent related to the Series 2019 Bond;

The indebtedness and the obligations secured by this Mortgage which are described in (i) through (iv) above may be referred to herein as the "Secured Obligations."

It is the intention of the parties hereto that the Mortgaged Estate shall secure all of the Secured Obligations presently or hereafter owed, and that the priority of the security interest created by this Mortgage for all such Secured Obligations shall be controlled by the time of proper recording of this Mortgage. In addition, this Mortgage shall also secure unpaid balances of advances made with respect to the Mortgaged Estate for the payment of taxes, assessments, insurance premiums, costs or any other advances incurred for the protection of the Mortgaged Estate, together with interest thereon until paid, all as contemplated in this Mortgage, all of which shall constitute a part of the Secured Obligations. This paragraph shall serve as notice to all persons who may seek or obtain a lien on the Mortgaged Estate subsequent to the date of recording of this Mortgage, that until this Mortgage is released, any debt owed by Mortgagor to the extent related to the Series 2019 Bond, including advances made subsequent to the recording of this Mortgage, shall be secured with the priority afforded this Mortgage as recorded.

IT IS HEREBY COVENANTED, DECLARED AND AGREED that the Mortgaged Estate is to be held and disposed of by Mortgagee, upon and subject to the provisions of this Mortgage.

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

Mortgagor hereby represents, warrants, covenants and agrees:

Section 1.01. Payment of Secured Obligations. Mortgagor hereby grants this Mortgage to secure the payment and performance when due of the Secured Obligations. The consideration received by Mortgagor to execute and deliver this Mortgage and the liens and security interests created herein is sufficient and will provide a direct economic benefit to Mortgagor.

Section 1.02. Title of Mortgagor. Mortgagor has, subject to the matters set forth as exceptions in the loan policy of title insurance to be provided to Mortgagee in connection with this Mortgage as well as those exceptions provided in the attached Exhibit B (the "Permitted Encumbrances"), in its own right, good, marketable and indefeasible title in fee simple to the Mortgaged Estate, which is free from encumbrance superior to the encumbrance of this Mortgage, and has full right, power and authority to execute and deliver this Mortgage and to make the conveyances and grant the interests and security contemplated hereby. This Mortgage constitutes a valid first lien upon and security interest in the Mortgaged Estate, subject only to the Permitted Encumbrances.

Mortgagor hereby covenants that Mortgagor shall preserve such title and the validity and priority of the lien of this Mortgage and shall forever warrant and defend the same to Mortgagee against all lawful claims whatsoever; and shall execute, acknowledge and deliver all such further documents or assurances as may at any time hereafter be required by Mortgagee to protect fully the lien of this Mortgage.

Section 1.03. [Reserved]

Section 1.04. Maintenance; Repair; Alterations. Mortgagor shall: (i) keep the Mortgaged Estate in good condition and repair, subject to reasonable and ordinary wear and tear; not remove, demolish or substantially alter (except such alterations as may be required by applicable laws, ordinances or regulations) any of the Improvements; (ii) complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Land and promptly restore in like manner any Improvement which may be damaged or destroyed thereon, subject to the provisions of Section 1.07 hereof, and pay when due all claims for labor performed and materials furnished therefor; (iii) comply with all applicable laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Mortgaged Estate or any part thereof or requiring any alterations or improvements; (iv) not commit or permit any waste or deterioration of the Mortgaged Estate; (v) keep and maintain

abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; (vi) comply with the provisions of any lease, if this Mortgage is on a leasehold; (vii) use the Mortgaged Estate and continue to cause the Mortgaged Estate to be used as permitted under applicable law; and (viii) not commit, suffer or permit any act to be done in or upon the Mortgaged Estate in violation of any applicable law, ordinance or regulation.

Section 1.05. Required Insurance. Mortgagor shall provide, maintain and keep at all times in force those policies of insurance required in the Academy's Charter Contract with its Authorizing Body ("Charter Contract").

Section 1.06. Delivery of Insurance Policies; Payment of Premiums.

(a) All policies of insurance shall be issued by companies and in amounts as required by the provisions of the Charter Contract.

(b) In the event Mortgagor fails to provide, maintain, keep in force or deliver and furnish to Mortgagee evidence of the policies of insurance required by the Charter Contract, Mortgagee may procure such insurance or single-interest insurance for such risks covering Mortgagee's interest, and Mortgagor will pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums, together with interest thereon, shall be secured by this Mortgage.

(c) Upon occurrence of an Event of Default, Mortgagee shall apply any sums or amounts received pursuant hereto, or as Revenues or income of the Mortgaged Estate or otherwise, as required under the Series 2019 Bond. The receipt, use or application of any such sums by Mortgagee hereunder shall not be construed to affect the maturity of any Secured Obligation or any of the rights or powers of Mortgagee under the terms of the Series 2019 Bond or any of the obligations of Mortgagor under the Series 2019 Bond. Notwithstanding the application of such sums to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and Mortgagor shall not be excused in the remaining payment thereof.

Section 1.07. Insurance Proceeds. After the occurrence of any casualty to the Mortgaged Estate or any part thereof, Mortgagor shall give prompt written notice thereof to Mortgagee and each insurer and promptly submit a claim to such insurer(s) for payment of insurance proceeds. Proceeds of all insurance awards ("Insurance Proceeds") shall be held and disbursed by the Mortgagor. Notwithstanding the application of Insurance Proceeds to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and Mortgagor shall not be excused in the payment thereof.

Except as provided below, nothing contained in this Mortgage shall be deemed to excuse Mortgagor from repairing or maintaining the Mortgaged Estate as provided in Section 1.04 hereof. The application or release by Mortgagee of any Insurance Proceeds shall not cure or waive any Event of Default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

Section 1.08. Assignment of Policies Upon Foreclosure. In the event of the foreclosure of this Mortgage, or other transfer of title to the Mortgaged Estate, or any part thereof, by nonjudicial foreclosure sale or deed in lieu of foreclosure, the purchaser of the Mortgaged Estate, or such part thereof, shall succeed to all of Mortgagor's rights, including any rights to unexpired insurance and unearned or returnable premiums, in and to all insurance policies required by Section 1.05 hereof, subject to limitations on assignment of blanket policies, and limited to such rights as relate to the Mortgaged Estate or such part thereof. If Mortgagee acquires title to the Mortgaged Estate, or any part thereof, in any manner, it shall thereupon (as between Mortgagor and Mortgagee) become the sole and absolute owner of the insurance policies, and all proceeds payable thereunder with respect to the Mortgaged Estate, or such part thereof, required by Section 1.05 hereof, with the sole right to collect and retain all unearned or returnable premiums thereon with respect to the Mortgaged Estate, or such part thereof, if any.

Section 1.09. Expenses; Indemnification; Waiver of Offset.

(a) Mortgagor shall pay or reimburse Mortgagee for all reasonable expenses incurred by Mortgagee before and after the date of this Mortgage with respect to any and all transactions contemplated by this Mortgage including without limitation, the preparation of any document reasonably required hereunder or any amendment, modification, restatement or supplement to this Mortgage, the delivery of any consent, non-disturbance agreement or similar document in connection with this Mortgage or the enforcement of any of Mortgagee's rights. Such expenses shall include, without limitation, all reasonable title and conveyancing charges, recording and filing fees and taxes, mortgage taxes, intangible personal property taxes, escrow fees, revenue and tax stamp expenses, privilege taxes, use taxes, insurance premiums (including title insurance premiums), title search and title rundown charges, brokerage commissions, finders' fees, placement fees, court costs, surveyors', photographers', appraisers', architects', engineers', consulting professionals', accountants', and attorneys' fees and disbursements.

(b) If (i) any sale (or prerequisite to a sale), action or proceeding shall be commenced by Mortgagee (including but not limited to any sale of the Mortgaged Estate, or any action to foreclose this Mortgage or to collect the Secured Obligations), or any action or proceeding is commenced to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Mortgage (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of Mortgagor or any other person or entity obligated hereunder), or in which Mortgagee is served with any legal process, discovery notice or subpoena, and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Mortgage or issuance of the Series 2019 Bond or acceptance of a guaranty from a guarantor of the Secured Obligations or any of the transactions contemplated by this Mortgage and such action or proceeding does not relate to or arise out of the negligence, breach of trust or willful misconduct of Mortgagee as applicable, then Mortgagor will immediately reimburse or pay to Mortgagee all of the expenses which have been or may be incurred by Mortgagee with respect to the foregoing

(including reasonable counsel fees and disbursements), together with interest thereon, and any such sum and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Mortgage, prior to any right, or title to, interest in or claim upon the Mortgaged Estate attaching or accruing to this Mortgage, and shall be deemed to be secured by this Mortgage. In any action or proceeding to sell the Mortgaged Estate, to foreclose this Mortgage, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

(c) To the extent permitted by law, Mortgagor shall indemnify and hold harmless Mortgagee, from and against all claims, damages, losses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) arising out of or based upon any matter related to this Mortgage, the Mortgaged Estate or the occupancy, ownership, maintenance or management of the Mortgaged Estate by Mortgagor, including, without limitation, any claims based on the alleged acts or omissions of any employee or agent of Mortgagor except for such damages incurred due to the negligence, breach of trust or willful misconduct of Mortgagee or its affiliates, directors, officers, agents or employees. This indemnification shall be in addition to any other liability which Mortgagor may otherwise have to Mortgagee.

(d) Mortgagor waives any and all right to claim or recover against Mortgagee for loss of or damage to Mortgagor, the Mortgaged Estate, Mortgagor's property or the property of others under Mortgagor's control from any cause insured against or required to be insured against by the provisions of this Mortgage except for such damages incurred due to the negligence, breach of trust or willful misconduct of Mortgagee.

(e) All sums payable by Mortgagor under this Mortgage shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the Secured Obligations of Mortgagor hereunder shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Mortgaged Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Mortgaged Estate or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Mortgagor, or any action taken with respect to this Mortgage by any trustee or receiver of Mortgagor, or by any court, in any such proceeding; or (v) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Mortgagor shall have notice or knowledge of any of the foregoing. To the extent permitted by law, Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any Secured Obligation. Notwithstanding the above, Mortgagor may maintain a separate suit regarding such matters.

MORTGAGE

Greater Heights Academy, Series 2019 Bond

Section 1.10. Taxes and Impositions.

(a) Mortgagor agrees to pay, prior to delinquency, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Mortgaged Estate or any part thereof, or become due and payable, and which create, may create or appear to create a lien upon the Mortgaged Estate, or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and nongovernmental charges of like nature are hereinafter referred to as "Impositions").

(b) Subject to the applicable State law provisions, Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings.

(c) Mortgagor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Mortgaged Estate as a single lien.

Section 1.11. Utilities. Mortgagor shall pay when due all utility charges which are incurred for the benefit of the Mortgaged Estate or any part thereof or which may become a charge or lien against the Mortgaged Estate for gas, electricity, water or sewer services furnished to the Mortgaged Estate and all other taxes, assessments or charges of a similar nature, whether public or private, affecting the Mortgaged Estate or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 1.12. Actions Affecting Mortgaged Estate. Mortgagor shall appear in and contest any action or proceeding purporting to affect the title of Mortgagor in the Mortgaged Estate or any part thereof or security hereof or the rights or powers of Mortgagee; and Mortgagor shall pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Mortgagee may appear.

Section 1.13. Actions by Mortgagee To Preserve Mortgaged Estate. Should Mortgagor fail to make any payment or to do any act as and in the manner provided in this Mortgage, Mortgagee, without notice to, or demand upon, Mortgagor and without releasing Mortgagor from any Secured Obligation, may make or do the same in such manner and to such extent as Mortgagee, may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), Mortgagee shall have, and is hereby given the right, but not the obligation: (i) to enter upon and take possession of the Mortgaged Estate; (ii) to make additions, alterations, repairs and improvements to the Mortgaged Estate which it may consider necessary or proper to keep the Mortgaged Estate in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee shall affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (v) in

exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Any such costs and expenses incurred by Mortgagee and any such amounts paid by Mortgagee shall be secured hereby with the same priority afforded this Mortgage as recorded. Mortgagor shall immediately upon demand therefor by Mortgagee pay all of the foregoing costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and reasonable attorneys' fees provided, however, that Mortgagor shall not be liable to pay for any such costs or expenses incurred by Mortgagee due to the gross negligence, willful misconduct or breach of trust of Mortgagee or its affiliates, directors, officers, agents or employees.

Section 1.14. Survival of Warranties. Mortgagor shall fully and faithfully satisfy and perform the Secured Obligations. All representations, warranties and covenants of Mortgagor contained herein shall remain continuing obligations, warranties and representations of Mortgagor during any time when any portion of the obligations secured by this Mortgage remain outstanding.

Section 1.15. Eminent Domain. Should the Mortgaged Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Mortgagor receive any notice or other information regarding such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee. Mortgagee may participate in any such Condemnation proceedings, and Mortgagor shall from time to time deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. Mortgagor shall, at its sole cost and expense, diligently prosecute any such proceedings and shall consult with Mortgagee and cooperate with them in the carrying on or defense of any such proceedings. All proceeds of Condemnation awards or proceeds of sale in lieu of Condemnation with respect to the Mortgaged Estate and all judgments, decrees and awards for injury or damage to the Mortgaged Estate or any part thereof or interest therein shall be paid to Mortgagor or Mortgagee and shall be applied first to all reasonable costs and expenses incurred by Mortgagee, if any, in obtaining the proceeds. The balance of proceeds, if any, shall be paid to the Mortgagor.

Mortgagor hereby assigns and transfers to Mortgagee, and agrees to execute such further assignments of, all such proceeds, judgments, decrees and awards as Mortgagee may request. Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such judgment, decree or award. Mortgagor hereby authorizes, directs and empowers Mortgagee, at its option, and with notice to Mortgagor, on Mortgagor's behalf, or on behalf of the successors or assigns of Mortgagor, to adjust, compromise, claim, collect and receive such proceeds and to give proper receipts and acquittances therefor. Mortgagee shall not be, in any event or circumstance, liable or responsible for failure to collect or exercise diligence in the collection of any proceeds, judgments, decrees or awards unless such failure is due to Mortgagee's negligence, willful misconduct or breach of trust.

Section 1.16. Additional Security. In the event Mortgagee at any time holds additional security for any of the Secured Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with or after any sale is made hereunder.

Section 1.17. Additional Indebtedness. Except for the Permitted Encumbrances, Mortgagor shall not further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the Uniform Commercial Code in effect in the State, the "UCC").

Section 1.18. Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The covenants and agreements of Mortgagor contained herein shall apply to and be binding upon any successor owner of the Mortgaged Estate or any part thereof.

Section 1.19. Inspections. Mortgagee or their agents, representatives or workmen are authorized to enter upon notice of two Business Days to Mortgagor at any reasonable time upon or in any part of the Mortgaged Estate for the purpose of inspecting the same and all books, records and documents relating thereto.

Section 1.20. Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's sole cost and expense, all liens, encumbrances and charges upon the Mortgaged Estate, or any part thereof or interest therein other than the Permitted Encumbrances. Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Mortgagor shall thereafter diligently and in good faith proceed to cause such lien, encumbrance or charge to be removed and discharged. If Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either, by paying the amount claimed to be due, or by procuring the discharge of such lien, either, by depositing in court a bond in the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Any cost incurred by Mortgagee in connection with any such payment or discharge shall be secured hereby and shall be immediately due and payable without notice or demand.

Section 1.21. Restrictions Affecting Title. Mortgagor shall perform when due all obligations required to be performed by Mortgagor by the provisions of any agreement affecting title to the Mortgaged Estate or any part thereof.

Section 1.22. Further Assurances. Mortgagor shall, upon the execution and delivery hereof and thereafter from time to time, take such actions as Mortgagee may request to cause this Mortgage, each supplement and amendment to such instrument and financing statements with respect thereto and each instrument of further assurance (collectively, the "Recordable Documents") to be filed, registered and recorded as may be required by law and maintain the first lien or security interest, as applicable, hereof upon the Trust Estate and protect the validity of the Recordable Documents. Mortgagor shall take all action and do all things which it is authorized by law to take and do, and cooperate with Mortgagee as Mortgagee deems necessary

or desirable, to insure the release of all encumbrances against the Mortgaged Estate, except the Permitted Encumbrances, existing prior to the date hereof.

So long as any Secured Obligations shall remain unpaid, Mortgagor shall execute, acknowledge, where appropriate, and deliver from time to time promptly at the request of Mortgagee all such instruments and documents as in the opinion of Mortgagee are necessary or desirable to preserve the first priority lien created by this Mortgage. If Mortgagor shall fail or refuse to execute, acknowledge, where appropriate, and deliver such instruments and documents to preserve the first priority lien created by this Mortgage within 10 Business Days following a written request by Mortgagee, Mortgagor irrevocably constitutes and appoints Mortgagee as its attorney-in-fact to execute and deliver such instruments, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

Section 1.23. Performance of Covenants; Incorporation of Representations and Warranties. Mortgagor shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Series 2019 Bond and in all of its proceedings pertaining to this Mortgage. The covenants, representations and warranties of Mortgagor set forth in the Series 2019 Bond are incorporated by reference into this Mortgage as if stated in full in this Mortgage and such representations and warranties as incorporated herein shall be deemed to have been made as of the date of this Mortgage and shall survive the execution and delivery of this Mortgage.

Section 1.24. Notification of Event of Default Under Mortgage. Mortgagor agrees to notify Mortgagee immediately in writing of any default by Mortgagor in the performance or observance of any covenant, agreement, representation, warranty or obligation of Mortgagor set forth in this Mortgage. Mortgagor shall also notify Mortgagee in writing of any event or condition which with the lapse of time or the giving of notice would constitute an Event of Default.

Section 1.25. Required Notices. Mortgagor shall notify Mortgagee within three (3) days of: (a) receipt of any notice from any governmental or quasi-governmental authority relating to the structure, use or occupancy of the Real Property or alleging a violation of any legal requirement; (b) a substantial change in the occupancy or use of all or any part of the Real Property; (c) receipt of any notice from the holder of any lien or security interest in all or any part of the Real Property; (d) commencement of any litigation affecting or potentially affecting the financial ability of Mortgagor or the value of the Real Property; (e) a fire or other casualty causing damage to all or any part of the Real Property; (f) receipt of any notice, request for information, demand letter or notification of potential liability with regard to hazardous materials or any other environmental matter affecting the Real Property or Mortgagor's interest therein; or (g) receipt of any notice of the imposition of, or of threatened or actual execution on, any lien on or security interest in all or any part of the Mortgaged Estate.

Section 1.26. Organization; Due Authorization. Mortgagor is a public school academy duly organized, validly existing and in good standing under the laws of the State and has the requisite power, authority and legal right to carry on the business conducted by it and to engage in the transactions contemplated by the Series 2019 Bond. The execution and delivery of

the Series 2019 Bond and this Mortgage and the performance and observance of the respective provisions thereof have all been authorized by all necessary actions of Mortgagor.

Section 1.27. Liabilities; Compliance With Other Instruments. Mortgagor has no liabilities regarding the Mortgaged Estate except those hereunder and those otherwise contemplated or permitted by this Mortgage, none of which are delinquent. Mortgagor is not in default (i) in the payment of any taxes levied or assessed against it or its assets, (ii) under any applicable statute, rule, order or regulation of any governmental authority, (iii) under this Mortgage, or (iv) under any other agreement to which it is a party or by which it or any of its properties are bound.

Neither the execution and delivery of this Mortgage and the Series 2019 Bond, nor the consummation of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof, conflicts with or results or will result in a breach of any of the terms, conditions or provisions of the articles of incorporation of Mortgagor, any law, order, rule, regulation, writ, injunction or decree of any court or governmental authority, or any agreement or instrument to which Mortgagor is a party or by which it or any of its properties are bound, or constitutes or will constitute a default thereunder, or result or will result in the creation or imposition of any lien of any nature whatsoever upon any of its property or assets pursuant to the terms of any such agreement or instrument except the liens created or permitted by the Series 2019 Bond.

Section 1.28. Enforceability. This Mortgage and the Series 2019 Bond have been duly executed and delivered by Mortgagor and constitute valid and binding obligations of Mortgagor enforceable in accordance with their respective terms, except as the enforceability (but not the validity thereof) may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally.

Section 1.29. Pending Litigation. There are no proceedings pending or, to the knowledge of Mortgagor, threatened, against or affecting Mortgagor or any part of the Mortgaged Estate in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor or the right or ability of Mortgagor to enter into this Mortgage or the Series 2019 Bond, and if any such proceedings are subsequently initiated or threatened then Mortgagor will promptly provide written notice to Mortgagee. Mortgagor is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal.

Section 1.30. Compliance With Law. Mortgagor and the Mortgaged Estate are in substantial compliance with all laws, ordinances, governmental rules or regulations to which it is subject, including, without limitation, the Occupational Safety and Health Act of 1970, the Employee Retirement Income Security Act of 1974 and all laws, ordinances, governmental rules or regulations relating to environmental protection the violation of which would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor.

Section 1.31. After-Acquired Property. The Mortgage Estate shall include the right, title and interest of Mortgagor in and to all improvements, additions and appurtenances to, the Mortgaged Estate, hereafter acquired by or released to Mortgagor. As required, Mortgagor shall execute and deliver to Mortgagee any further assurances, mortgages, grants, conveyances or assignments as Mortgagee may reasonably require to subject such property to the lien of this Mortgage.

Section 1.32. Transfer of Interests in Mortgagor or Mortgaged Estate. Except in accordance with the terms and restrictions of the Series 2019 Bond, and except for the Permitted Encumbrances, Mortgagor shall not, by operation of law or otherwise, sell, convey, alienate, transfer, grant, bargain, mortgage, encumber or assign ownership or control of all or any interest direct or indirect in Mortgagor or any part of the Mortgaged Estate or any interest therein, without the prior written consent of Mortgagee.

Section 1.33. Lease Provisions. Any lease of all or any part of the Mortgaged Estate by Mortgagor permitted under this Mortgage and the Series 2019 Bond shall contain a provision obligating such lessee to enter into a subordination, attornment and nondisturbance agreement with Mortgagee, in form and substance satisfactory to Mortgagee.

Section 1.34. Defeasance Terminates Lien. Upon defeasance of the Series 2019 Bond, the lien of this Mortgage upon the Mortgaged Estate shall cease, and Mortgagee shall execute and deliver to Mortgagor at Mortgagor's sole cost and expense all documents necessary to effect such a release.

ARTICLE II

[RESERVED]

ARTICLE III

ASSIGNMENT OF LEASES AND RENTS

Section 3.01. Assignment. As additional security for the payment of the Indebtedness, insurance premiums, taxes and assessments, at the time and in the manner herein agreed, and for the performance of the covenants and agreement herein contained, pursuant to Act 210 of the Public Acts of Michigan of 1953, as amended, Mortgagor assigns, transfers, and sets over unto Mortgagee all of Mortgagor's estate, right, title and interest in and to (a) all present and future leases of the Mortgaged Estate or any portion thereof, all licenses and agreements relating to the management, leasing, occupancy or operation of the Mortgaged Estate, whether such leases, licenses and agreements are now existing or entered into after the date hereof ("Leases"); and (b) the rents, issues, revenues, receipts, deposits and profits of the Mortgaged Estate, including, without limitation, all amounts payable and all rights and benefits accruing to Mortgagor under the Leases ("Payments"). The term "Leases" shall also include all subleases and other agreements for the use or occupancy of the Real Property, all guarantees of and security for the

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tenant's performance thereunder, the right to exercise any landlord's liens and other remedies to which the landlord is entitled, and all amendments, extensions, renewals or modifications thereto. This assignment shall run with the land and be good and valid as against Mortgagor or those claiming by, under or through Mortgagor, from the date of the recording of this instrument. This assignment shall continue to be operative during the foreclosure or any other proceedings taken to enforce this Mortgage. In the event of a sale or foreclosure, which shall result in a deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency. This assignment is given as collateral security only and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor contained in any such assigned leases. Upon the occurrence and during the continuance of an Event of Default, Mortgagee shall be entitled to all the rights and remedies conferred by Act 210 of the Public Acts of Michigan of 1953, as amended. Payments collected by Mortgagee subsequent to any Event of Default shall be applied at the direction of, and in such order as determined by Mortgagee, to the costs, if any, of taking possession and control of and managing the Real Property and collecting such amounts, including to reasonable attorneys' fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Mortgaged Estate, premiums on insurance policies, taxes, assessments and other charges on the Mortgaged Estate, and the costs of discharging any obligation or liability of Mortgagor with respect to the Leases and to the sums secured by this Mortgage. MORTGAGOR HEREBY WAIVES ANY RIGHT TO NOTICE, OTHER THAN SUCH NOTICE AS MAY BE PROVIDED IN ACT 210 OF THE PUBLIC ACTS OF MICHIGAN OF 1953, AS AMENDED, AND WAIVES ANY RIGHT TO ANY HEARING, JUDICIAL OR OTHERWISE, PRIOR TO MORTGAGEE'S EXERCISE OF ITS RIGHTS UNDER THIS MORTGAGE AND/OR THE ASSIGNMENT OF AND RENTS GRANTED TO LENDERS HEREUNDER.

Section 3.02. Rights of Mortgagee. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may, at any time without notice (except if required by any Applicable Law), either in person, by agent or by a court-appointed receiver, regardless of the adequacy of Mortgagee's security, enter upon and take possession and control of the Mortgaged Estate to perform all acts necessary and appropriate to operate and maintain the Mortgaged Estate, including to execute, cancel or modify the Leases, make repairs to the Mortgaged Estate, execute or terminate contracts providing for the management or maintenance of the Mortgaged Estate, all on such terms as are deemed best to protect the security of this assignment. Mortgagee and the receiver shall have access to the books and records used in the operation and maintenance of the Mortgaged Estate and shall be liable to account only for those Rents actually received. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Estate by reason of anything done or left undone by Mortgagee hereunder, except to the extent of Mortgagee's gross negligence or willful misconduct. Any entering upon and taking possession and control of the Mortgaged Estate by Mortgagee or the receiver and any application of Payments as provided herein shall not cure or waive any Event of Default or invalidate any other right or remedy of Mortgagee.

Section 3.03. Mortgagor's Affirmative Obligations. Mortgagor shall: (a) fulfill, perform and observe in all respects each and every condition and covenant of Mortgagor contained in any Lease; (b) give prompt notice to Mortgagee of any claim or event of default

under any Lease given to or by Mortgagor, together with a complete copy or statement of any information submitted or referenced in support of such claim or event of default; (c) at the sole cost and expense of Mortgagor, enforce the performance and observance of each and every covenant and condition of any Lease to be performed or observed by any other party thereto, unless such enforcement is waived in writing by Mortgagee; and (d) appear in and defend any action challenging the validity, enforceability or priority of the lien created hereby or the validity or enforceability of any Lease.

Section 3.04. Negative Covenants. Mortgagor shall not, without Mortgagee's consent: (a) enter into any Lease; (b) modify or amend the terms of any Lease; (c) grant any consents under any Lease, including any consent to an assignment of any Lease, a mortgaging of the leasehold estate created by any Lease or a subletting by the tenant under any Lease; (d) terminate, cancel, surrender, or accept the surrender of, any Lease, or waive or release any person from the observance or performance of any material obligation to be performed under the terms of any Lease or liability on account of any warranty given thereunder; or (e) assign, transfer, mortgage, pledge or hypothecate any Lease or any interest therein to any party other than Mortgagee. Any lease, modification, amendment, grant, termination, cancellation, surrender, waiver or release in violation of the foregoing provision shall be null and void and of no force and effect.

Section 3.05. Effect of Assignment. The foregoing assignment shall not cause Mortgagee to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Mortgaged Estate or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; (c) responsible or liable for any waste committed on the Mortgaged Estate by the tenants under any of the Leases or any other parties, for any dangerous or defective condition of the Mortgaged Estate, or for any negligence in the management, upkeep, repair or control of the Mortgaged Estate resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person; (d) responsible for or under any duty to produce rents or profits; or (e) directly or indirectly liable to Mortgagor or any other person as a consequence of the exercise or failure to exercise any of the rights, remedies or powers granted to Mortgagee hereunder or to perform or discharge any obligation, duty or liability of Mortgagor arising under the Leases.

ARTICLE IV

SECURITY AGREEMENT

Section 4.01. Creation of Security Interest. With respect to any portion of the Mortgaged Estate which now constitutes fixtures governed by the UCC, this Mortgage shall constitute a security agreement between Mortgagor as the debtor and Mortgagee as the secured party, and Mortgagor hereby grants to Mortgagee a security interest in such portion of the Mortgaged Estate (such portion being the "Fixtures"). Cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the UCC. Mortgagor will execute and deliver to Mortgagee all financing statements that may from time to time be required by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any

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searches required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such property, and it is expressly agreed that if upon an Event of Default Mortgagee should proceed to dispose of such property in accordance with the provisions of the UCC, 10 days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may at its option, dispose of such property in accordance with Mortgagee's rights and remedies with respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the UCC.

Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity, or business form or structure and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may reasonably require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Mortgaged Estate described or referred to herein.

Some of the items of the Mortgaged Estate described herein are goods that are or are to become fixtures related to the Real Property, and it is intended that as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Estate is situated. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated in Section 6.05 of this Mortgage. The mailing address of Mortgagor, as debtor, is as stated in Section 6.05 of this Mortgage.

Section 4.02. Warranties; Representations and Covenants of Mortgagor. Mortgagor hereby warrants, represents and covenants, with respect to the Fixtures, as follows:

(a) except for the security interest granted hereby, Mortgagor is, and as to any of the Fixtures to be acquired after the date hereof will be, the sole owner of the Fixtures, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for Permitted Encumbrances. Mortgagor will notify Mortgagee and will defend the Fixtures against, all prohibited claims and demands of all persons at any time claiming the same or any interest therein;

(b) Mortgagor will not lease, sell, convey or in any manner transfer the Fixtures (except Fixtures transferred in the ordinary course of business and replaced by Fixtures of a similar nature and having at least the same value as the Fixtures replaced, and except for Permitted Encumbrances) without the prior written consent of Mortgagee;

(c) the Fixtures are not used or bought for personal, family or household purposes;

(d) the Fixtures will be kept on or at the Project and Mortgagor will not remove the Fixtures from the Project without the prior written consent of Mortgagee, except such portions or items of personal property which are consumed or worn out in ordinary usage,

all of which shall be promptly replaced by Mortgagor with new items of equal or greater quality; and

(e) all covenants and obligations of Mortgagor contained herein relating to the Mortgaged Estate shall be deemed to apply to the Fixtures whether or not expressly referred to herein.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT

Section 5.01. Events of Default. Any one or more of the following events shall be deemed an event of default hereunder (each, an "Event of Default"):

(a) the occurrence of a default or an Event of Default by Mortgagor under the Series 2019 Bond (other than this Mortgage) subject to any applicable notice or cure periods provided therein;

(b) a default or breach of any covenant contained in Section 1.05, 1.10 or 1.25;

(c) if Mortgagor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent within the meaning of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code"), or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(d) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Mortgagor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Mortgagor or of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Mortgagor and such appointment shall remain unvacated and unstayed for an aggregate of 30 days (whether or not consecutive);

(e) if a writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Mortgaged Estate, or any judgment

involving monetary damages shall be entered against Mortgagor which shall become a lien on the Mortgaged Estate or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 30 days after its entry or levy;

(f) if, during the term of the Series 2019 Bond secured by this Mortgage, Mortgagor shall without the prior written approval of Mortgagee (unless permitted as provided herein) sell, convey, alienate, mortgage or encumber the Mortgaged Estate or any part thereof or any interest therein, or shall be divested of its title or any interest therein, in any manner, whether voluntarily or involuntarily, or if there is any merger, consolidation or dissolution affecting Mortgagor, or if there is a transfer of a majority interest in Mortgagor in a series of transactions or as a single transaction;

(g) any assignment by Mortgagor of the whole or any part of the Revenues, issues or profits arising from the Mortgaged Estate (including, without limitation, the Revenues) to any person without the written consent of Mortgagee (unless permitted as provided herein) or if, without such consent, Mortgagor shall otherwise further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the UCC);

(h) if at any time any representation, warranty or statement made by Mortgagor in the Series 2019 Bond or any certificate delivered by Mortgagor shall be incorrect or misleading in any material respect, or any material misrepresentation shall at any time be made to Mortgagee by Mortgagor; or

(i) failure by Mortgagor to punctually perform or observe any covenant or agreement contained in this Mortgage (other than as set forth above) and such failure shall not have been cured within 30 days after written notice from Mortgagee of such failure.

Section 5.02. Acceleration Upon Default; Additional Remedies. Subject to the cure provisions of this Section 5.02, upon the occurrence of an Event of Default (which default is not cured within any applicable cure period) Mortgagee may, at Mortgagee's sole option exercised in Mortgagee's sole discretion, pursue any one or more of the following remedies:

(a) Declare all or any portion of the Secured Obligations to be due and payable, and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind except as otherwise provided herein;

(b) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Estate or any part thereof and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Estate, take any action described in Article II, III or IV hereof, sue for or

otherwise collect the Revenues thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon any Secured Obligations, all in such order as Mortgagee may determine. The entering upon and taking possession of the Mortgaged Estate, the taking of any action described in Article II, III or IV hereof, the collection of such Revenues and the application thereof as aforesaid, shall not cure or waive any default or notice of default or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Estate or the collection, receipt and application of Revenues, issues or profits, Mortgagee shall be entitled to exercise every right provided for the Series 2019 Bond or by law upon occurrence of any Event of Default, including the right to exercise the power of sale herein conferred;

(c) Commence an action to foreclose this Mortgage (either judicially or non-judicially), appoint a receiver, specifically enforce any of the covenants hereof, or sell the Mortgaged Estate pursuant to the power of sale herein conferred and in a manner provided under Michigan law;

(d) Exercise any or all of the remedies available to a secured party under the UCC, including, but not limited to:

(i) Either personally or by means of a court appointed receiver, commissioner or other officer, take possession of all or any of the Fixtures and exclude therefrom Mortgagor and all others claiming under Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor in respect of the Fixtures or any part thereof. In the event Mortgagee demands or attempts to take possession of the Fixtures in the exercise of any rights under the Series 2019 Bond, Mortgagor promises and agrees to promptly turn over and deliver complete possession thereof to Mortgagee;

(ii) Without notice to or demand upon Mortgagor, make such payments and do such acts as Mortgagee may deem necessary to protect its security interest in the Fixtures, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder and, in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

(iii) Require Mortgagor to assemble the Fixtures or any portion thereof, at a place designated by Mortgagee and reasonably convenient to both parties, and promptly to deliver such Fixtures to Mortgagee, or an agent or representative designated by it. Mortgagee shall have the right to enter upon any or all of Mortgagor's premises and property to exercise Mortgagee's rights hereunder;

(iv) Sell, lease or otherwise dispose of the Fixtures at public sale, with or without having the Fixtures at the place of sale, and upon such terms and in such manner as Mortgagee may determine. Mortgagee may be a purchaser at any such sale;

(v) Unless the Fixtures are perishable or threaten to decline speedily in value or are of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least 10 days' prior written notice of the time and place of any public sale of the Fixtures or other intended disposition thereof. Such notice may be mailed to Mortgagor at the address set forth in Section 6.05 herein and shall be deemed to be given on the date of mailing thereof; and

(vi) Any sale made pursuant to the provisions of this subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of all or a portion of the remainder of the Mortgaged Estate under power of sale as provided herein upon giving the same notice with respect to the sale of the Personal Property hereunder as is required for such sale of the remainder of the Mortgaged Estate under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under the UCC.

(e) Exercise any other rights or remedies which may now or hereafter be available to Mortgagee under this Mortgage or the Series 2019 Bond or pursuant to applicable law or in equity; or

(f) If held by Mortgagee, surrender the insurance policies maintained pursuant to Section 1.05, collect the unearned insurance premiums and apply such sums as a credit on the Secured Obligations in such priority and proportion as Mortgagee shall deem proper, and in connection therewith, Mortgagor hereby appoints Mortgagee as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Mortgagee to collect such insurance premiums.

THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON THE OCCURRENCE OF AN EVENT OF DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT AND THE SALE OF THE MORTGAGED ESTATE IN CONNECTION THEREWITH, NO HEARING IS REQUIRED AND THE ONLY NOTICE REQUIRED IS THE PUBLICATION OF NOTICE IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THE NOTICE ON THE PREMISES. THE MORTGAGOR HERBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND THE STATE TO A HEARING PRIOR TO SALE IN CONNECTION WITH FORECLOSURE OF THIS MORTGAGE BY ADVERTISEMENT AND ALL NOTICE REQUIREMENTS EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

Section 5.03. [Reserved].

Section 5.04. Appointment of Receiver. If an Event of Default (which is not cured within any applicable cure period) shall have occurred, Mortgagee as a matter of right and without notice to Mortgagor or anyone claiming under Mortgagor, and without regard to the value of the Mortgaged Estate or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Estate and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases in accordance with Michigan law and all the powers and duties of Mortgagee in case of entry as provided in Section 5.02(b) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Estate unless such receivership is sooner terminated. Mortgagee shall, in addition to and not in limitation of any of the foregoing or any other remedies provided in this Mortgage or otherwise available under applicable law, have all of the rights provided under the laws of the State.

Section 5.05. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation hereby and to exercise all rights and powers under this Mortgage or under the Series 2019 Bond or other agreement or any laws now or hereafter in force. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by the Series 2019 Bond to Mortgagee or to which Mortgagee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee. Mortgagee may pursue inconsistent remedies.

The acceptance by Mortgagee of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided. The acceptance by Mortgagee of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon

condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and failure of Mortgagor to pay such entire sum then due shall be and continue to be an Event of Default notwithstanding such acceptance of such amount on account, as aforesaid. Mortgagee shall be, at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Mortgagee thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon it, and the right to proceed with a sale under any notice of default, or an election to sell, or the right to exercise any other rights or remedies hereunder, shall in no way be impaired, whether any of such amounts are received prior or subsequent to such proceeding, election or exercise. Consent by Mortgagee to any action or inaction of Mortgagor which is subject to written consent or approval of Mortgagee hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions or inactions.

Section 5.06. Possession of Mortgaged Estate. In the event of a trustee's sale or foreclosure sale hereunder and after the time of such sale, and Mortgagor occupies the portion of the Mortgaged Estate so sold, or any part thereof, Mortgagor shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Estate so occupied, such rental to be due and payable daily to the purchaser. An action of unlawful detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Estate and premises; and this agreement and a trustee's deed shall constitute a lease and agreement under which the tenant's possession arose and continued. Nothing contained in this Mortgage shall be construed to constitute Mortgagee as a "mortgagee in possession" in the absence of its taking actual possession of the Mortgaged Estate pursuant to the powers granted herein.

Section 5.07. Relief from Stay. In the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, subject to court approval, Mortgagee shall thereupon be entitled and Mortgagor irrevocably consents to relief from any stay imposed by Section 362 of the Bankruptcy Code on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided in the Series 2019 Bond and Mortgagor hereby irrevocably waives its rights to object to such relief. In the event Mortgagor shall commence a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, Mortgagor hereby agrees that no injunctive relief against Mortgagee shall be sought under Section 105 or other provisions of the Bankruptcy Code by Mortgagor or other person or entity claiming through Mortgagor, nor shall any extension be sought of the stay provided by Section 362 of the Bankruptcy Code.

Section 5.08. Cash Collateral. To the fullest extent allowed by applicable law, Mortgagor hereby acknowledges and agrees that in the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (i) that all of the Revenues are, and shall for purposes be deemed to be, "proceeds, product, offspring, rents, or profits" of the Project covered by the lien of this Mortgage, as such quoted terms are used in Section 552(b) of the Bankruptcy Code; (ii)

that in no event shall Mortgagor assert, claim or contend that any portion of the Revenues are, or should be deemed to be, "accounts" or "accounts receivable" within the meaning of the Bankruptcy Code and/or applicable state law; (iii) that the Revenues are and shall be deemed to be in any such bankruptcy proceeding "cash collateral" of Mortgagee as that term is defined in Section 363 of the Bankruptcy Code; and (iv) that Mortgagee has valid, effective, perfected, enforceable and matured rights in and to the Revenues without any further action required on the part of Mortgagee to enforce or perfect its rights in and to such cash collateral, including, without limitation, providing notice to Mortgagor under Section 546(b) of the Bankruptcy Code.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Governing Law. This Mortgage shall be governed by the internal laws of the State without giving effect to its conflicts of law principles. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions of this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. If any conflict shall arise between the terms of this Mortgage and the Series 2019 Bond, the terms of the Series 2019 Bond shall govern.

Section 6.02. Waiver of Rights. To the extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted (i) providing for any appraisalment before sale of any portion of the Mortgaged Estate, or (ii) in any way extending the time for the enforcement of the collection of the Secured Obligations or creating or extending a period of redemption from any sale made in collecting the Secured Obligations. To the full extent Mortgagor may do so under the laws of the State, Mortgagor agrees that Mortgagor will not at any time insist upon, plea, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisalment, valuation, stay, extension, redemption or homestead exemption, and Mortgagor, for Mortgagor, Mortgagor's representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Estate, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisalment, stay of execution, homestead exemption, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Mortgagor expressly waives and relinquishes any and all rights, remedies and defenses that Mortgagor may have or be able to assert by reason of the laws of the State pertaining to the rights, remedies and defenses of sureties. The waivers and agreements contained in this section and elsewhere in this Mortgage are given by Mortgagor knowingly and voluntarily and upon advice of counsel.

MORTGAGE

Greater Heights Academy, Series 2019 Bond

Section 6.03. Limitation of Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Mortgagee for the use, forbearance, or detention of the money to be held or otherwise, or for the performance or payment of any covenant or obligation contained herein or therein, exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof or thereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance Mortgagee or holders of the Series 2019 Bond shall ever receive as interest under the Series 2019 Bond or this Mortgage or otherwise anything of value which would exceed interest at the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Series 2019 Bond or on account of other Secured Obligations and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Series 2019 Bond and such other Secured Obligations, such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance, or detention of the Secured Obligations shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such obligations until payment in full so that the rate of interest on account of Secured Obligations is uniform throughout the term thereof. The terms and provisions of this paragraph shall control all agreements between Mortgagor and Mortgagee.

Section 6.04. [Reserved]

Section 6.05. Notices. Unless otherwise required by law, whenever Mortgagee or Mortgagor shall desire to give or serve any notice, demand, request or other communication with respect to this Mortgage, each such notice, demand, request or other communication shall be in writing and shall be deemed to have been given: (a) upon receipt if sent by hand delivery; (b) one day after deposit with overnight courier; or (c) two days after deposit in the case of certified mail, postage prepaid, addressed to the following mailing addresses:

If to Mortgagor:	Greater Heights Academy 3196 West Pasadena Avenue Flint, MI 48504 Attention: President Telephone: 810-768-3860 Facsimile: 810-768-3865
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If to Mortgagee:

Charter Schools Development Corporation
7880 Milestone Parkway, Suite 425
Hanover, MD 21076
Attention: Rebecca Secrest
Telephone: 443-561-1283
Facsimile: 410-271-8362

Any party may at any time change its address for such notices by delivering to the other parties hereto, as aforesaid, a notice of such change.

Section 6.06. Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 6.07. Invalidity of Certain Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the Secured Obligations, or if the lien is invalid or unenforceable as to any part of the Mortgaged Estate, the unsecured or partially secured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured portion of the Secured Obligations, and all payments made on such obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Secured Obligations which is not secured or fully secured by the lien of this Mortgage.

Section 6.08. Subrogation. To the extent that proceeds of the Series 2019 Bond or advances under this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Mortgaged Estate, such proceeds or advances have been or will be advanced by Mortgagee, at Mortgagor's request, and Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released of record.

Section 6.09. Change in Ownership. If the ownership of the Mortgaged Estate or any part thereof or interest therein becomes vested in a person other than Mortgagor owning the same on the date hereof, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and the Secured Obligations in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Secured Obligations. No sale of the Mortgaged Estate, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Secured Obligations, given by Mortgagee, shall operate to release, discharge, modify, change or affect the original liability, if any, of Mortgagor or the liability of any guarantors or sureties of Mortgagor, either in whole or in part; provided that Mortgagor may be released from its original liability under this Mortgage upon transfer of the entire Mortgaged Estate with the written consent of Mortgagee.

Section 6.10. Assignment of Mortgagee's Interest. It is expressly agreed that any and all terms of this Mortgage, the Series 2019 Bond and all other agreements made or executed by Mortgagor or others in favor of Mortgagee, and all rights, powers, privileges, options and remedies conferred upon Mortgagee herein and therein, shall inure to and be for the benefit of,

and may be exercised by, Mortgagee, and the words "Mortgagee" shall also mean and include the successor or successors and the assign or assigns of Mortgagee. Mortgagor hereby specifically grants unto Mortgagee the right and privilege, at Mortgagee's option, to transfer and assign to any third person all or any part of Mortgagee's rights to receive funds or payments hereunder.

Section 6.11. Time Is of the Essence. Time is of the essence under this Mortgage and the Series 2019 Bond.

Section 6.12. Obligations of Mortgagor. The obligations of Mortgagor to make payments hereunder and under the Series 2019 Bond and to perform and observe all agreements on its part contained herein and therein with respect thereto shall be absolute and unconditional. Until this Mortgage is terminated or payment in full of all Series 2019 Bond is made, Mortgagor (i) will not suspend or discontinue any payments under the Series 2019 Bond or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Series 2019 Bond and this Mortgage; and (iii) except as provided herein will not terminate the Series 2019 Bond or this Mortgage for any cause.

Section 6.13. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2019 Bond or for any claim based thereon, this Mortgage or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of Mortgagor, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Series 2019 Bond.

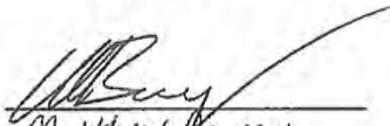
Section 6.14. Supplements; Amendments. This Mortgage may be supplemented or amended by written agreement between Mortgagor and Mortgagee.

Section 6.15 Power of Attorney. Mortgagee may act as attorney-in-fact or otherwise on behalf of Mortgagor pursuant to Sections 1.22, 3.01 and 5.02(f) of this Mortgage. This power of attorney is coupled with an interest, is durable and is not affected by subsequent disability or incapacity of the principal or lapse of time.

Section 6.16 Non-Merger. Should Mortgagee acquire title to the Real Property as a result of foreclosure or by conveyance from Mortgagor in lieu thereof, this Mortgage shall not merge in the fee estate of the Real Property but shall remain and continue as an existing and enforceable lien for the Secured Obligations until the same shall be released of record by Mortgagee in writing.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed on the day and year set forth in the acknowledgment attached hereto and effective on the date first written above.

GREATER HEIGHTS ACADEMY,
a Michigan nonprofit corporation

By: 

Name: _____

Title: President

EXHIBIT A

LEGAL DESCRIPTION

The land referred to in this Commitment, situated in the County of Genesee, City of Flint, State of Michigan, is described as follows:

Parcel 1: Real property situated in the City of Flint, County of Genesee and State of Michigan, described as follows: Part of the Southwest 1/4 of the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, described as beginning at a point of the South line of said Section 34, which is South 88 degrees 05 minutes 05 seconds East 400.00 feet from the South 1/4 of said Section 34; thence continuing along said South line South 88 degrees 05 minutes 05 seconds East 596.38 feet to a point which is the intersection of the West line of the recorded plat of Washington Park Subdivision, as recorded in Liber 9 of Plats, Page(s) 37 and 38, Genesee County Records and said South line; thence North 01 degree 47 minutes 15 seconds East 733.00 feet along said West line of Washington Park Subdivision to the Northwest corner of Lot 44 of said Washington Park Subdivision; thence North 88 degrees 05 minutes 05 seconds West 594.55 feet to a point which is 400.00 feet from the North an South 1/4 line of said Section 34; thence South 01 degree 55 minutes 50 seconds West parallel to said North and South 1/4 line 733.00 feet to the point of beginning, according to Survey recorded in Liber 2106 of Deeds, Page 809, Genesee County Records.

Tax Parcel ID Number: 14-34-400-008
Commonly known as: 3196 W. Pasadena Avenue

Parcel 2: Real property situated in the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, Township of Mt. Morris, Genesee County, Michigan, described as follows: Beginning North 88 degrees 42 minutes 15 seconds East along the South line of Section 34, a distance of 300.00 feet from the South 1/4 of said Section 34; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 400.00 feet; thence South 88 degrees 42 minutes 15 seconds West parallel with the South line of Section 34, a distance of 100.00 feet; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 533.00 feet; thence North 88 degrees 42 minutes 15 seconds East, parallel with the South line of Section 34, a distance of 200.34 feet; thence South 01 degree 17 minutes 45 seconds East 933.00 feet to the South line of Section 34; thence South 88 degrees 42 minutes 15 seconds West along the South line of Section 34, a distance of 100.00 feet to the point of beginning.

Tax Parcel ID Number: 14-34-400-007
Commonly known as: Vacant

EXHIBIT B

PERMITTED EXCEPTIONS
AS DISCLOSED IN TITLE INSURANCE POLICY

AMENDMENT NO. 4

to the
July 1, 2018 Contract to Charter
A Public School Academy and Related Documents

Issued To

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)



April 20, 2020

Ms. Tia Doyle
Greater Heights Academy
3196 W. Pasadena Ave.
Flint, MI 48504

Re: Approval of Continuity of Learning and COVID-19 Response Plan ("Plan")

Dear Ms. Doyle:

I am pleased to inform you that the Plan for Greater Heights Academy ("Academy") has been approved by The Governor John Engler Center for Charter Schools at Central Michigan University and will be transmitted by our office to the State Superintendent of Public Instruction and the State Treasurer. The Plan is effective as of the date indicated in the Plan. You may proceed with Plan implementation for the remainder of the 2019-2020 school year and, if applicable, other elements that affect the 2020-2021 school year.

Please also proceed with the following next steps:

- To fulfill one of the required assurances, immediately add a copy of the approved Plan, assurances document, and budget outline to the Academy's website. An approved copy of the Plan is attached and can be found in Epicenter.
- Present the Plan to the Academy's Board of Directors ("Academy Board") at its next scheduled meeting. At that meeting the Academy Board should approve any necessary amendments to the Academy's 2019-2020 budget or other relevant agreements needed to implement the Plan. In accordance with the Terms and Conditions of the Academy's charter contract ("Contract"), the approved Plan shall constitute a Contract amendment to the Contract upon approval by the Academy Board. This Contract amendment will remain in effect as long as the Plan remains in effect. Attached please find a draft resolution for the Academy Board to use in approving the Plan and Contract amendment.

If the Academy requires an amendment to the Plan, please contact Amy Densmore, Director of Charter Accountability, at (989) 506-0355 or via email at avanatten@thecenterforcharters.org to initiate that process.

Thank you for all your efforts to keep student learning moving forward in these trying times. If you have any further questions or need additional support, please do not hesitate to contact us.

Sincerely,

A handwritten signature in black ink that reads "Corey Northrop". The signature is written in a cursive, flowing style.

Corey Northrop
Executive Director

cc: Matthew Barcey, Board President
Ebony Gardner, Board Corresponding Agent

Attachments:

Approved Continuity of Learning and COVID-19 Response Plan
Academy Board Resolution

**RESOLUTION APPROVING THE CONTINUITY OF LEARNING AND COVID-19
RESPONSE PLAN (“PLAN”), BUDGET AMENDMENT RELATED TO PLAN AND
OTHER AGREEMENTS REFERENCED IN PLAN, AND APPROVAL OF CHARTER
CONTRACT AMENDMENT**

Greater Heights Academy (the “Academy”)

A regular meeting of the Academy Board of Directors was held on the 21st day of April, 2020, at 5:30 p.m.

The meeting was called to order at 5:31 p.m. by Board Member Matthew Barcey:

Present:	Matthew Barcey	Tia Doyle
	Marvin Miller	Russell Bedford
	Edward Rodden	Mary Mitchell
	Thomas Tucker	Nick Zilz
	Jennifer Burns	

The following preamble and resolution were offered by Board Member Jennifer Burns and supported by Board Member Edward Rodden:

BACKGROUND

On April 2, 2020, in response to the novel coronavirus (COVID-19) pandemic affecting our state, Governor Gretchen Whitmer issued Executive Order 2020-35 (the “Order”) that, except as provided in section III of the Order, suspends in-person instruction for pupils in kindergarten through grade 12 (“K-12”) for the remainder of the 2019-2020 school year and requires that school buildings used for the provision of K-12 education remain closed for the purpose of providing K-12 education in person for the remainder of the 2019-2020 school year, unless restrictions on public gatherings and use of school buildings are lifted before the end of the 2019-2020 school year.

In order to receive continued state school aid funding for the remainder of the 2019-2020 school year, the Order suspends certain state law provisions that, as reflected in the Order, are associated with in-person instruction, requires that public school academies continue to provide alternative modes of instructions for all pupils, as reflected in a Plan, for the remainder of the 2019-2020 school year, and requires that each public school academy submit their Plan to their authorizing body for approval.

On April 15, 2020, the Academy submitted its Plan to Central Michigan University (“Authorizer”) for approval.

On April 20, 2020, Authorizer approved the Academy’s Plan as reflected in the attached letter (“Authorizer Approval Letter”). As set forth in the Authorizer Approval Letter, the Academy Board of Directors (“Academy Board”) is required to approve the Academy’s Plan and approve

the Academy's Plan as a charter contract ("Contract") amendment at its next scheduled board meeting.

THE ACADEMY BOARD THEREFORE RESOLVES THAT:

1. The actions taken by Academy representatives to prepare and submit the Academy's Plan to Authorizer are ratified.
2. The Academy's Plan approved by Authorizer is approved.
3. The Plan is approved by the Academy Board as the COVID-19 Learning Plan Amendment to the Contract. This Contract amendment shall remain in effect as long as the Plan remains in effect.
4. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution be and the same hereby are rescinded.
5. The Academy will deliver from time to time such information regarding the implementation of the Academy's Plan as the Authorizer or Michigan Department of Education may reasonably request.
6. Any Board policies or provision of Board policies that prohibit or impede the Academy's compliance with the Plan or Executive Order 2020-35 are temporarily waived, suspended or altered.
7. Any actions or actions taken by authorized Academy representatives in the development, submission and implementation of the Plan are (to the extent such actions or actions are not inconsistent with the delegation of authority provided under this resolution) ratified and confirmed in all respects.
8. This Resolution shall take immediate effect and continue through the end of the state of emergency and disaster declared in Executive Order 2020-33 or any other state of emergency or disaster declared in response to COVID-19 during the remainder of the 2019-2020 school year.

Ayes: 5

Nays:

Resolution declared adopted.

Thomas Tucker

Print Name: Thomas Tucker

Secretary, Academy Board