



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

HOLLY ACADEMY
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2021

TABLE OF CONTENTS

<u>Contract Documents</u>	<u>Tab</u>
Resolutions Establishing the Method of Selection, Length of Term, and Number of Members of Board of Directors	A
Terms and Conditions of Contract.....	B
Contract Schedules.....	C
Schedule 1: Restated Articles of Incorporation	1
Schedule 2: Amended Bylaws	2
Schedule 3: Fiscal Agent Agreement.....	3
Schedule 4: Oversight, Compliance and Reporting Agreement	4
Schedule 5: Description of Staff Responsibilities	5
Schedule 6: Physical Plant Description	6
Schedule 7: Required Information for a Public School Academy	7
• Section a: Governance Structure	a
• Section b: Educational Goal and Related Measures	b
• Section c: Educational Programs.....	c
• Section d: Curriculum	d
• Section e: Methods of Pupil Assessment	e
• Section f: Application and Enrollment of Students	f
• Section g: School Calendar and School Day Schedule	g
• Section h: Age or Grade Range of Pupils	h
Schedule 8: Information Available to the Public and The Center	8

REAUTHORIZING RESOLUTION

REAUTHORIZATION OF PUBLIC SCHOOL ACADEMY**Holly Academy**

Recitals:

1. At its December 8, 2016, meeting this board authorized the issuance of a contract to charter as a public school academy to Holly Academy. On July 1, 2017, the contract was effective.
2. The contract of this academy expires June 30, 2021.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of Holly Academy.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Holly Academy. The term of the contract is recommended for a term not to exceed ten (10) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Holly Academy for a term not to exceed ten (10) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Holly 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 Holly Academy is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date:

2/11/2021

Signature:

Mary Jane Flanagan



BOARD OF TRUSTEES

PROPOSAL FOR BOARD ACTION: CONSENT AGENDA

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

Project Description:

After reviewing the exigent appointment process, the Center for Charter Schools believes that this process cannot adequately protect the University Board from a situation where an academy governing board and the educational service provider simultaneously resign. The challenges in recruiting, interviewing and appointing a new board (or at least three members who could meet as a quorum), and have the new board contract with a new educational service provider, is time consuming and cannot be accomplished quickly. Accordingly, the Center recommends that the University Board charter contracts include a revision to a provision regarding the appointment of a conservator/manager on a temporary basis to address situations such as the en masse resignation of an academy governing board.

The conservator/manager would have all the powers and duties of the academy’s governing board and would function in the board’s place upon appointment. The conservator/manager would be designated by the University President or his or her designee upon consultation with the University Board Chair. The current conservator/manager provision required the action of the full University Board to appoint a conservator/manager. In order for this change to occur, the University Board’s Method of Selection, Appointment and Removal Policy must be amended.

Proposed by: Provost Gealt

PROPOSED RESOLUTION: CONSENT AGENDA

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

BE IT RESOLVED, That the policy titled Public School Academy Board of Directors: Method of Selection, Appointment, and Removal as amended and dated February 15, 2018, is adopted and replaces the Public School Academy Board of Directors: Method of Selection, Appointment and Removal approved and dated December 7, 2006, July 12, 2007 and July 14, 2011; and Be it further

RESOLVED, That these provisions shall be implemented with new charter contracts and shall be phased in as existing charter contracts are reissued. This applies to new and existing charter contracts issued under Part 6A, Part 6E or MCL 380.1311b to MCL 380.1311m of the Revised School Code. The charter schools office is authorized to negotiate changes in the terms and conditions of charter contracts to fully implement these provisions.

CMU BDT APPROVED

Date: 2/15/18
Signature: M. J. Mangano

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 Hanagar

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.

CMU BDT APPROVED

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 Haneja

TERMS AND CONDITIONS OF CONTRACT

**TERMS AND CONDITIONS
OF CONTRACT**

DATED: JULY 1, 2021

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

CONFIRMING THE STATUS OF

HOLLY ACADEMY

AS A

PUBLIC SCHOOL ACADEMY

ARTICLE I DEFINITIONS.....	1
Section 1.1. Certain Definitions.....	1
Section 1.2. Captions	3
Section 1.3. Gender and Number.....	4
Section 1.4. Statutory Definitions.....	4
Section 1.5. Schedules	4
Section 1.6. Application	4
Section 1.7. Conflicting Contract Provisions.....	4
ARTICLE II RELATIONSHIP BETWEEN THE ACADEMY AND THE UNIVERSITY BOARD.....	4
Section 2.1. Constitutional Status of Central Michigan University	4
Section 2.2. Independent Status of the Academy	4
Section 2.3. Financial Obligations of the Academy Are Separate From the State of Michigan, University Board and the University.....	4
Section 2.4. Academy Has No Power To Obligate or Bind the State of Michigan, the University Board or the University	5
Section 2.5. New Public School Academies Located Within the Boundaries of a Community District	5
ARTICLE III ROLE OF THE UNIVERSITY BOARD AS AUTHORIZING BODY	5
Section 3.1. University Board Resolutions.....	5
Section 3.2. University Board as Fiscal Agent for the Academy.....	5
Section 3.3. Oversight Responsibilities of the University Board.....	5
Section 3.4. University Board Administrative Fee	6
Section 3.5. University Board Approval of Condemnation	6
Section 3.6. Authorization to Employ or Contract	6
Section 3.7. Teacher Certification	6
Section 3.8. Administrator and Teacher Evaluation Systems.....	6
Section 3.9. Reimbursement of University Board Services.....	6
ARTICLE IV REQUIREMENT THAT THE ACADEMY ACT SOLELY AS GOVERNMENTAL ENTITY	7
Section 4.1. Limitation on Actions in Performance of Governmental Functions.	7
Section 4.2. Other Permitted Activities.	7
Section 4.3. Academy Board Members Serve In Their Individual Capacity	7
Section 4.4. Incompatible Public Offices and Conflicts of Interest Statutes	7
Section 4.5. Prohibition of Identified Family Relationships.....	8
Section 4.6. Oath of Public Office.....	8
Section 4.7. Academy Counsel.....	8
ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY.....	9
Section 5.1. Nonprofit Corporation	9
Section 5.2. Articles of Incorporation.....	9

Section 5.3. Bylaws	9
ARTICLE VI OPERATING REQUIREMENTS	9
Section 6.1. Governance Structure	9
Section 6.2. Educational Goal and Related Measures	9
Section 6.3. Educational Programs	9
Section 6.4. Curriculum.....	9
Section 6.5. Methods of Pupil Assessment.....	9
Section 6.6. Application and Enrollment of Students.....	9
Section 6.7. School Calendar and School Day Schedule.....	10
Section 6.8. Age or Grade Range of Pupils	10
Section 6.9. Collective Bargaining Agreements	10
Section 6.10. Accounting Standards	10
Section 6.11. Annual Financial Statement Audit.....	10
Section 6.12. Address and Description of Physical Plant.....	10
Section 6.13. Contributions and Fund Raising	10
Section 6.14. Disqualified Organizational or Contractual Affiliations.....	10
Section 6.15. Method for Monitoring Academy's Compliance with Applicable Law and its Targeted Educational Outcomes.....	10
Section 6.16. Matriculation Agreements	11
Section 6.17. Postings of Accreditation Status	11
ARTICLE VII TUITION PROHIBITED	11
Section 7.1. Tuition Prohibited; Fees and Expenses.....	11
ARTICLE VIII COMPLIANCE WITH APPLICABLE LAWS	11
Section 8.1. Compliance with Applicable Law	11
ARTICLE IX AMENDMENT	11
Section 9.1. Amendments	11
Section 9.2. Process for Amendment Initiated by the Academy.....	11
Section 9.3. Process for Amendment Initiated by the University Board	11
Section 9.4. Final Approval of Amendments.....	12
Section 9.5. Change in Existing Law.....	12
Section 9.6. Emergency Action on Behalf of University Board.....	12
ARTICLE X CONTRACT REVOCATION, TERMINATION, AND SUSPENSION	12
Section 10.1. Statutory Grounds for Revocation	12
Section 10.2. Other Grounds for Revocation.....	12
Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed; Economic Hardship Termination.....	13
Section 10.4. Grounds and Procedures for Academy Termination of Contract.....	14
Section 10.5. Grounds and Procedures for University Termination of Contract	14

Section 10.6. University Board Procedures for Revoking Contract	14
Section 10.7. Contract Suspension	17
Section 10.8. Conservator; Appointment By University President.....	17
Section 10.9. Academy Dissolution Account	18
ARTICLE XI PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES.....	19
Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan	19
Section 11.2. Insurance.....	20
Section 11.3. Legal Liabilities and Covenant Against Suit	20
Section 11.4. Lease or Deed for Proposed Site.....	21
Section 11.5. Certificate(s) of Use and Occupancy	21
Section 11.6. New Building Construction or Renovations	21
Section 11.7. Criminal Background and History Checks; Disclosure of Unprofessional Conduct	21
Section 11.8. Special Education	21
Section 11.9. Information Available to the Public and the Center.....	21
Section 11.10. Deposit of Public Funds by the Academy.....	22
Section 11.11. Nonessential Elective Course	22
ARTICLE XII GENERAL TERMS.....	22
Section 12.1. Notices	22
Section 12.2. Severability	22
Section 12.3. Successors and Assigns	22
Section 12.4. Entire Contract.....	23
Section 12.5. Assignment	23
Section 12.6. Non-Waiver	23
Section 12.7. Governing Law	23
Section 12.8. Counterparts.....	23
Section 12.9. Term of Contract.....	23
Section 12.10. Indemnification of University.....	23
Section 12.11. Construction.....	24
Section 12.12. Force Majeure.....	24
Section 12.13. No Third Party Rights.....	24
Section 12.14. Non-agency.....	24
Section 12.15. University Board or the Center’s General Policies on Public School Academies Shall Apply	24
Section 12.16. Survival of Provisions.....	24
Section 12.17. Termination of Responsibilities	24
Section 12.18. Disposition of Academy Assets Upon Termination or Revocation of Contract	24
Section 12.19. Student Privacy	24

Section 12.20. Disclosure of Information to Parents and Legal Guardians, subject to Section 12.2225

Section 12.21. List of Uses for Student Directory Information; Opt Out Form; Notice to Student’s Parent or Legal Guardian26

Section 12.22. Confidential Address Restrictions26

Section 12.23. Partnership Agreement26

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 has considered and has approved the issuance of a contract to Holly Academy;

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

ARTICLE I DEFINITIONS

Section 1.1. Certain Definitions. For purposes of this Charter 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 Holly Academy which is established as a public school academy pursuant to this Charter Contract.
- (b) "Academy Board" means the Board of Directors of the Academy.
- (c) "Applicable Law" means all state and federal law applicable to public school academies, including all rules, regulations, and orders promulgated thereunder.
- (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 President of Central Michigan University in accordance with Section 10.8 of these Terms and Conditions of Contract.

- (h) "Contract" means, in addition to the definition set forth in the Code, these Terms and Conditions of Contract, the Reauthorizing Resolution, the Method of Selection, Appointment, and Removal Resolution, the Charter Contract Schedules 1-8, as defined below, the Educational Service Provider Policies, the Master Calendar of Reporting Requirements and the Application.
- (i) "Department" means the Michigan Department of Education.
- (j) "Director" means a person who is a member of the Academy Board.
- (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, and which agreement has been submitted to the Center for review, has not been disapproved by the director of The Governor John Engler Center for Charter Schools, is consistent with the Educational Service Provider Policies, as they may be amended from time to time, and with 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 an agreement that has been entered into between an ESP and the Academy Board. 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 of Contract.
- (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 or 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 and that has been submitted to The Governor John Engler Center for Charter Schools for review and has not been disapproved by the director of The Governor John Engler Center for Charter Schools.
- (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 Central Michigan University Board of Trustees on February 11, 2021, approving the issuance of a Contract to the Academy.
- (r) "Schedules" means the following Contract documents: 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.
- (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, 2021, Issued by the Central Michigan University Board of Trustees Confirming the Status of Holly Academy as a Public School Academy."
- (x) "The Governor John Engler Center for Charter Schools" or "the Center" means the office designated by the Central Michigan University Board of Trustees as the initial point of contact for public school academy applicants and public school academies authorized by the Central Michigan University Board of Trustees. The Center is also responsible for administering the Central Michigan University Board of Trustees' 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 Central Michigan 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 masculine, feminine, or neuter pronouns in this Contract shall be interpreted without regard to gender, 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 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 3.1. 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) recruit, select and engage employees; (ii) pay their wages, benefits, and applicable taxes; (iii) evaluate performance; (iv) discipline and dismiss employees; and 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.

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 a Management 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 governmental entity 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 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 4.3. 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. As set forth in the Method of Selection, Appointment and Removal Resolution, a Director serves at the pleasure of the University Board, and may be removed with or without cause at any time.

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, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and 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 real or personal property 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 domestic partner:
 - (i) Is employed by the Academy;
 - (ii) Works at or is assigned to work at 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 subsection, 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 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.

Section 4.7. Academy Counsel. The Academy Board shall select, retain and pay legal counsel to represent the Academy. The Academy shall not retain any attorney to represent the Academy if the attorney

or the attorney's law firm also represents the Academy's Educational Service Provider or any person or entity leasing real property to the Academy, if any.

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. The Academy also shall assess pupil performance using all applicable testing that the Code or the Contract require. 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 Board shall select, retain and pay the Academy's independent auditor. The Academy Board shall not approve the retention of any independent auditor if that independent auditor or auditor's firm is also performing accounting and/or auditing services for the Academy's Educational Service Provider, if applicable. 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 Schedule 7f through a contract amendment approved in accordance with the Contract.

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 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 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 10.6, 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, 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 timeline 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 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. The University Board may also direct that a portion of the Academy's state school aid funds be directed to fund the Academy's Dissolution account established under Section 10.9 of these Terms and Conditions.

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 timeline 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, evaluate and discipline employees of the Academy;
- (e) settle or compromise with any debtor or creditor of the Academy, including any governmental or 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. An intercept agreement entered into by the Academy and a third-party lender or trustee shall include language that the third party lender or trustee acknowledges and consents to the funding of the Academy's dissolution account in accordance with this Contract. Any unspent funds remaining in the Academy's dissolution account after payment of all wind-up and dissolution expenses shall be returned to the Academy.

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 adopt 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; and
 - (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; and
 - (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.

Section 11.11. Nonessential Elective Course. If the Academy Board elects to provide nonessential elective courses to part-time pupils at a nonpublic school building, the Academy shall comply with Section 166b of the State School Aid Act of 1979, as amended, MCL 388.1766b. Prior to providing instruction, the Academy Board shall ensure that the Academy has sufficient documentation to qualify for part-time pupil funding under the State School Aid Act. The provision of nonessential elective courses by the Academy shall be incorporated into Schedule 7c of this Contract by amendment pursuant to Article IX of these Terms and Conditions, as applicable.

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 for Finance and Administrative Services Central Michigan University Mt. Pleasant, MI 48859
If to the Academy:	Academy Board President Holly Academy 820 Academy Drive Holly, MI 48442

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 ten (10) academic years and shall terminate on June 30, 2031, 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, the Code, and Applicable Law.

Section 12.19. Student Privacy. In order to protect the privacy of students enrolled at the Academy, the Academy Board, subject to Section 12.22, 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, subject to Section 12.22.

- (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) Subject to Section 12.22, 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; and
 - (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 term "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.22. Confidential Address Restrictions.

- (a) The Academy shall not disclose the confidential address of a student if the student or the student's parent or legal guardian has obtained a participation card issued by the department of the attorney general under the address confidentiality program act and the parent or legal guardian provides notice of the issuance of the participation card, in a form and manner prescribed by the Michigan Department of Education.
- (b) The term "confidential address" shall have the meaning as defined in MCL 380.1136.

Section 12.23. Partnership Agreement. If the Department and State School Reform/Redesign Office impose a partnership agreement on the Academy, the Academy shall work collaboratively with the Department, the State School Reform/Redesign 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.

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

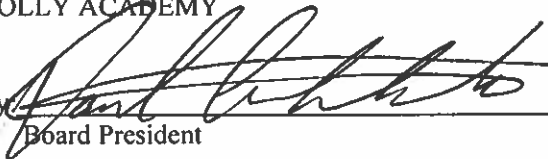
CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
Richard K. Studley, 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.

HOLLY ACADEMY

By:  _____
Board President

Date: 5/26/21 _____

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: Richard K. Studley
Richard K. Studley, Chair

Date: 05/24/2021

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.

HOLLY ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

Restated Articles of Incorporation1
Amended Bylaws2
Fiscal Agent Agreement3
Oversight, Compliance and Reporting Agreement.....4
Description of Staff Responsibilities5
Physical Plant Description6
Required Information for a Public School Academy.....7
Information Available to the Public and The Center8

CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION

**MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU**

FILED

AUG 14 2017

Date Received
AUG 08 2017

BY ADMINISTRATOR
CORPORATIONS DIVISION

JUL 06 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

TranInfo:1 22240368-1 07/03/17
Chk#: 3906 Amt: \$10.00
ID: 762664

Name		
Diane Wujciak		
Address		
820 Academy Rd		
City	State	Zip
Holly	MI	48442

762664

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

OF

HOLLY ACADEMY

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: Holly Academy.
- The corporation identification number ("CID") assigned by the Bureau is: 762664.
- The corporation has used the following other names: Warwick Pointe Holly Academy.
- The date of filing the original Articles of Incorporation was: July 27, 1999.

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: Holly Academy.

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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 Diane Wujciak.

The address of its registered office in Michigan is: 820 Academy Rd., Holly, MI 48442.

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, Bureau of Commercial Services. 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.

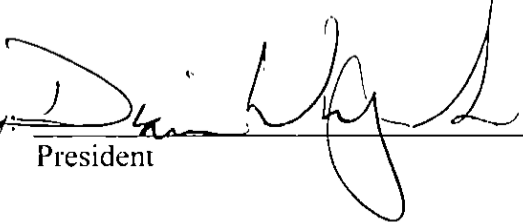
ARTICLE XII

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 28 day of June, 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 28 day of June, 2017.

By: 
President

CONTRACT SCHEDULE 2

AMENDED BYLAWS

TABLE OF CONTENTS

HOLLY ACADEMY

AMENDED BYLAWS

ARTICLE I – Name 1

ARTICLE II – Form of Academy 1

ARTICLE III – Offices 1

 1. Principal Office 1

 2. Registered Office 1

ARTICLE IV – Board of Directors..... 1

 1. General Powers 1

 2. Method of Selection and Appointment 1

 3. Length of Term 2

 4. Number of Director Positions 2

 5. Qualifications of Academy Board Members 2

 6. Oath of Public Office 2

 7. Tenure 2

 8. Removal and Suspension 2

 9. Resignation 3

 10. Board Vacancies 3

 11. Compensation 3

ARTICLE V – Meetings 3

 1. Annual and Regular Meetings 3

 2. Special Meetings 3

 3. Notice; Waiver 3

 4. Quorum 4

 5. Manner of Acting 4

 6. Open Meetings Act 4

 7. Presumption of Assent 4

ARTICLE VI - Committees 4

 1. Committees 4

ARTICLE VII – Officers of the Board 4

 1. Number 4

 2. Election and Term of Office 5

 3. Removal 5

4. Vacancies	5
5. President.....	5
6. Vice-President.....	5
7. Secretary	5
8. Treasurer	5
9. Assistants and Acting Officers.....	5
10. Salaries.....	6
11. Filling More Than One Office	6
ARTICLE VIII – Contracts, Loans, Checks and Deposits; Special Corporate Acts	6
1. Contracts.....	6
2. Loans.....	6
3. Checks, Drafts, etc.	6
4. Deposits	6
5. Voting of Gifted, Bequested or Transferred Securities Owned by this Corporation	6
6. Contracts Between Corporation and Related Persons.....	7
ARTICLE IX - Indemnification.....	8
ARTICLE X – Fiscal Year	8
ARTICLE XI – Amendments	9
ARTICLE XII – Terms and Conditions Definitions.....	9
CERTIFICATION	9

AMENDED BYLAWS

OF

HOLLY ACADEMY

ARTICLE I

NAME

This organization shall be called Holly 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 Amended 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. 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 by resolution, except as prescribed by subparagraph d. The Center Director shall recommend qualified individuals to the University Board.

- b. The Academy Board, by resolution and majority vote, shall nominate its subsequent members, except as provided otherwise. The Academy Board 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 University President, the Center Director may appoint a qualified individual to the Academy Board. 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. A Director of the Academy Board shall serve at the pleasure of the University Board. Terms of the initial positions of the Academy Board 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 the Academy Board, 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 the service in office of a Director of the Academy Board is no longer necessary, then the University Board may remove

the Academy Board member with or without cause and shall specify the date when the Academy Board member's service ends. The 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 the service of a Director of the Academy Board 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 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 Board shall serve as a volunteer Director. By resolution of the Academy 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, or 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)

A Director of the Academy Board who is absent from a meeting of the Academy Board due to military duty may participate in the meeting virtually, and that member’s virtual presence will count towards quorum and allow the absent member to participate in and vote on business before the Academy Board.

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 Academy Board 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 Amended Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, Amended 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 Board 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 Board 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 Board 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 Academy Board as may be prescribed by the Academy Board from time to time.

Section 6. Vice-President. The Vice-President of the Academy Board 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 Board 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 Amended 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 Board 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 Academy 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 Academy 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 Board shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy Board 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, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy Board 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 real or personal property 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 domestic partner:

- (a) Is employed by the Academy Board;
- (b) Works at or is assigned to work at 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 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.

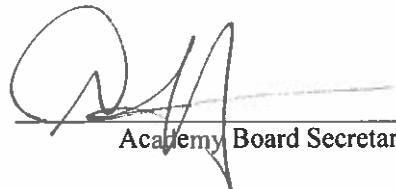
Upon termination or revocation of the Contract, the corporation may amend its Amended Bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the Academy Board may not amend the Amended 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 26 day of May, 2021.



Academy Board Secretary

CONTRACT SCHEDULE 3
FISCAL AGENT AGREEMENT

SCHEDULE 3

FISCAL AGENT AGREEMENT

This Fiscal Agent 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 Holly 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 of Contract and in the Oversight, Compliance and Reporting 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 Academy Account designated by a resolution of the Academy Board 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 manner 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 manner acceptable to the Fiscal Agent. The State School Aid Payment and Direction document shall include language that the third party lender or trustee acknowledges and consents to the transfer of State School Aid Payments into the Academy's dissolution account, as set forth in Article X of the Terms and Conditions. Any unspent funds remaining in the Academy dissolution account after payment of all wind-up and dissolution expenses shall be returned to the Academy.

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. State School Aid Payment Overpayments and Penalties. The State, through its Department of Education, has sole responsibility for determining State School Aid Payment overpayments to the Academy and the method and time period for repayment by the Academy. The State, through its Department of Education, has sole responsibility for assessing State School Aid penalties against the Academy for noncompliance with the Code and the State School Aid Act of 1979, as amended.

Section 3.3. 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, the 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 Academy 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 Academy Account. 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 overpayment of State School Aid Payments or any State School Aid penalties. At its option, the State may reduce subsequent State School Aid Payments by the amount of the overpayment or penalty or seek collection of the overpayment or penalty 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.

This space left intentionally blank.

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 Holly Academy.

BY: Deborah M. Roberts
Deborah M. Roberts, Director
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: January 25, 2021

CONTRACT SCHEDULE 4
OVERSIGHT, COMPLIANCE
AND REPORTING AGREEMENT

SCHEDULE 4

OVERSIGHT, COMPLIANCE AND REPORTING AGREEMENT

This Oversight, Compliance, and Reporting 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 Holly 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 pursuant to the Terms and Conditions of Contract to amend, revoke, reconstitute, 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 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.
- l. If the Academy operates an online or other distance learning program, it shall submit a monthly report to the MDE, in the form and manner prescribed by the MDE, 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.

Section 4.3. Audit and Evaluation. The Academy:

- a. Hereby authorizes 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, CEPI, OEAA and the MDE. Pursuant to this authorization, the Center shall abide by regulations that govern the use of student data within the FERPA, the Michigan Identity Theft Protection Act of 2004 and the Privacy Act of 1974.
- b. Shall upon request, provide the Center with copies or view access to data, documents or information submitted to the MDE, the Superintendent of Public Instruction, the State Board of Education, CEPI, the Michigan DataHub or any other state or federal agency.

Section 4.4. Fiscal Stress Notification from State Treasurer. If the State Treasurer notifies the Academy that the State Treasurer has declared the potential for Academy financial stress exists, the Academy shall provide a copy of the notice to the Center. Within fifteen (15) days of receipt of the notification from the Academy, the Center Director shall notify the Academy whether the Center is interested in entering into a contract to perform an administrative review for the Academy. The parties shall consult with the Department of Treasury on the development of the contract and the contract for administrative review shall comply with the Code. If the Center is not interested in performing an administrative review or if the parties are unable to reach agreement on an administrative review, the Academy shall consider entering into a contract for an administrative review with an intermediate school district. Nothing in this Section 4.4 shall prohibit the Academy for electing to enter into a contract for an administrative review with an intermediate school district. Nothing in this Section 4.4 shall require the Academy to elect to enter or not enter into a contract for an administrative review with the Center or an intermediate school district.

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.

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

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

All positions are employed directly by the Academy Board.

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.

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.

Physical Plant Description	6-1
Site Plans.....	6-3
Floor Plans	6-5
Bond Purchase Agreement.....	6-8
Mortgage Agreement	6-31
Office of Fire Safety Approvals.....	6-49
Certificates of Use and Occupancy.....	6-53

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 Holly Academy (the "Academy") is as follows:

Address: 820 Academy Dr.
Holly, MI 48442

Description: The Site consists of nearly 34 acres containing several existing buildings and three portable classroom buildings. The Academy uses two of the existing buildings, as well as the portable buildings.

The main facility contains approximately 40,800 square feet of space. The footings, foundation and floor are reinforced concrete. The walls are painted block with brick veneer on the exterior. The roof is a metal deck with Duro-Last built-up roofing. There are 19 classrooms, three science rooms, one resource room, music room with practice rooms, two computer labs, an auditorium with a stage, an administrative office suite, a multipurpose room, a media center and 10 restrooms. Located directly east of, and adjacent to, the elementary building, are two portable classroom buildings. Each portable contains two classrooms and approximately 1,536 square feet of space. Located directly north of, and adjacent to, the elementary building is a portable classroom building. It contains four classrooms and approximately 3,308 square feet of space.

Across the courtyard, north of the main building, is a two-story building which houses the Academy's gymnasium and additional classrooms. The building consists of approximately 36,000 square feet. The building has reinforced concrete footings, foundation and floor. The walls are painted masonry block with brick veneer. The gym and a portion of the lower level were renovated during the 1999-2000 school year and additional space in the lower level was renovated for classroom use in 2006 and 2008. The upper level of the building contains the gym/auditorium, a lobby with two restrooms and two large storage rooms. The lower level consists of nine classrooms, a computer lab, science lab, staff lounge, office space, four restrooms and storage rooms.

Configuration of Grade Levels: Kindergarten through Eighth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Holly Area Schools
ISD: Oakland Schools

3. It is acknowledged and agreed that the information identified below, 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

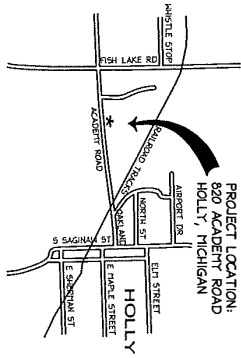
4. In addition, the Academy and the University Board hereby acknowledge and agree that this Contract is being issued to the Academy with the understanding that the Academy cannot conduct classes as a public school academy in this state until it has obtained the necessary fire, health and safety approvals 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.

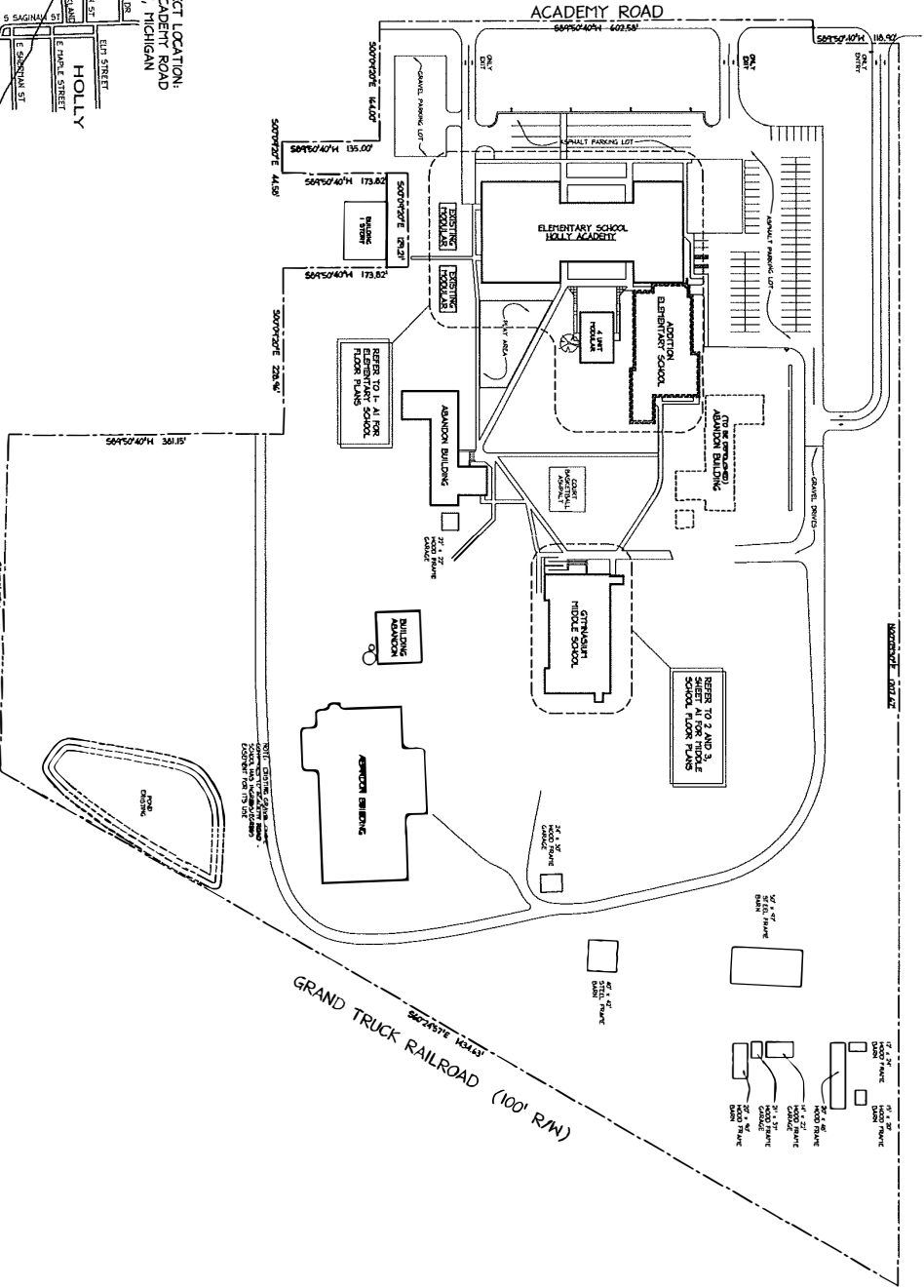
6. Any change in the configuration of grade levels at the Site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions of Contract set forth above.

GENERAL NOTES

1. OWNER:
HOLLY ACADEMY
820 ACADEMY ROAD
HOLLY, MICHIGAN 48440
2. STUDENT POPULATION:
ELEMENTARY SCHOOL BUILDING: 475 THRU 519
MIDDLE SCHOOL BUILDING: 404 THRU 519



PROJECT LOCATION:
820 ACADEMY ROAD
HOLLY, MICHIGAN



HOLLY ACADEMY
E PLAN
1" = 60'-0"

C1

ANS ARCHITECTS, INC.
300 W. WALKER STREET
ANN ARBOR, MI 48106
734.769.1118
734.769.1119

2012/2013 FACILITIES PLAN
HOLLY ACADEMY
820 ACADEMY ROAD
HOLLY, MICHIGAN

OVERALL CAMPUS SITE PLAN

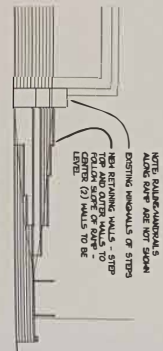
NO.	DATE	BY	REVISION
1	08/14/12	ANS	ISSUED FOR PERMIT
2			
3			
4			
5			

Seal

PARTIAL MIDDLE SCHOOL
NEW RAMP ELEVATIONS

1/8" = 1'-0"

EAST ELEVATION

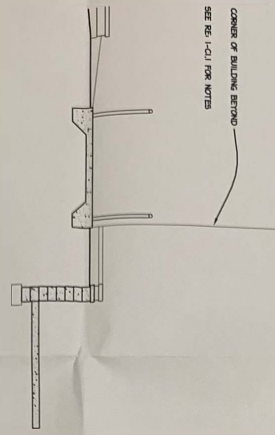


NOTE: RETAINING WALLS - STOP FINISHING MATERIALS OF STEPS
EXISTING RETAINING WALLS - STOP FINISHING MATERIALS OF STEPS - 2" THICK CONCRETE TOP LAYER TO BE FINISHED WITH 1/2" FINISH



PARTIAL MIDDLE SCHOOL
RAMP LANDING SECTION

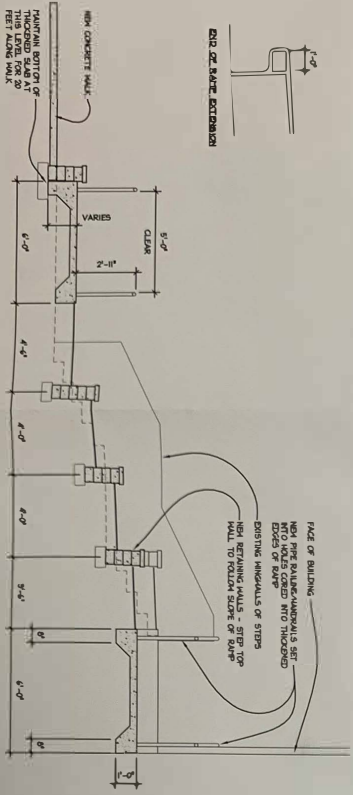
3/8" = 1'-0"



CORNER OF BUILDING BEYOND - SEE REF. I-CU FOR NOTES

PARTIAL MIDDLE SCHOOL
NEW RAMP SECTION

3/8" = 1'-0"



FACE OF BUILDING - NEW PIPE BALKON/CANAL IS SET INTO EXISTING CONCRETE AND FINISHED WITH 1/2" FINISH. FINISHING MATERIALS OF STEPS - STOP FINISHING MATERIALS OF STEPS - 2" THICK CONCRETE TOP LAYER TO BE FINISHED WITH 1/2" FINISH

GENERAL NOTES

1. CONTRACTOR / BIDDER TO FIELD VERIFY ALL EXISTING CONDITIONS PRIOR TO SUBMITTING BID AND/OR STARTING WORK.
2. REMOVE AND LEGALLY RECYCLE OR RECYCLED MATERIALS FROM SITE. DO NOT BURN MATERIALS ON SITE.
3. SLOPE SHALL BE TO 4% MINIMUM.
4. PROVIDE ALL WALLS AND BARS WITH MODULAR BRICK FINISH. PROVIDE CURB TO PROTECT FROM TRUCKS, RUMBLE AND TRUCKS. ALL FINISHING MATERIALS SHALL BE FINISHED WITH 1/2" FINISH.
5. APPLY CURB, COMPACTED ON FINISHED CONCRETE SURFACES.
6. APPLY J-MAT SEALERS AT EDGE OF CONCRETE RAMP ASHTING.
7. FINISHING WALL SHALL BE FINISHED WITH 1/2" FINISH. PROVIDE FINISHING MATERIALS OF STEPS - STOP FINISHING MATERIALS OF STEPS - 2" THICK CONCRETE TOP LAYER TO BE FINISHED WITH 1/2" FINISH.
8. RETAINING WALLS SHALL BE LABORABLE IN STRICT ACCORDANCE WITH DOMESTIC INTERNATIONAL CODES. ALL FINISHING MATERIALS SHALL BE FINISHED WITH 1/2" FINISH.
9. BUILDING MATERIALS SHALL BE OF DOMESTIC MANUFACTURE OR STRONGEST AVAILABLE.
10. REMOVAL ALL DISTURBED LAND AREAS AT COMPLETION OF WORK.

PARTIAL MIDDLE SCHOOL
NEW RAMP SECTION

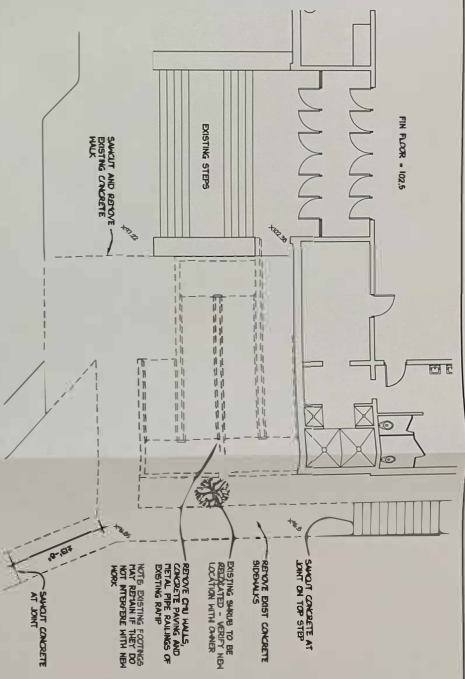
3/8" = 1'-0"



811 Some work before. Call before you dig.

PARTIAL MIDDLE SCHOOL - EXISTING
RAMP DEMOLITION PLAN

1/8" = 1'-0"



EXISTING STEPS

DEMOLISH AND REMOVE EXISTING WALL AND CONCRETE

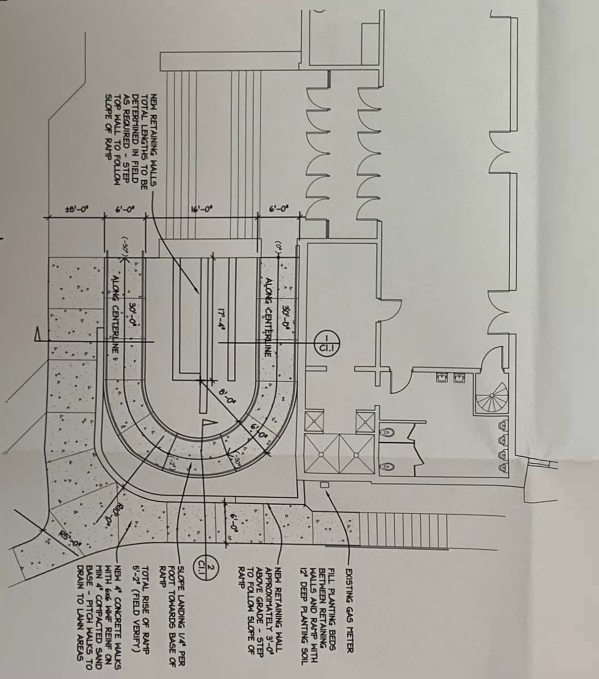
REMOVE EXISTING CONCRETE SHOWINGS

REMOVE CURB WALLS, EXISTING CURB WALLS OF EXISTING RAMP

NOTE: EXISTING FOOTINGS NOT REMOVABLE WITH THIS WORK

PARTIAL MIDDLE SCHOOL
NEW RAMP PLAN

1/8" = 1'-0"



EXISTING CURB WALLS - REMOVE AND LEGALLY RECYCLE OR RECYCLED MATERIALS FROM SITE. DO NOT BURN MATERIALS ON SITE.

REMOVE EXISTING CONCRETE SHOWINGS

REMOVE CURB WALLS, EXISTING CURB WALLS OF EXISTING RAMP

NOTE: EXISTING FOOTINGS NOT REMOVABLE WITH THIS WORK

REMOVE EXISTING CONCRETE SHOWINGS

REMOVE CURB WALLS, EXISTING CURB WALLS OF EXISTING RAMP

NOTE: EXISTING FOOTINGS NOT REMOVABLE WITH THIS WORK

REMOVE EXISTING CONCRETE SHOWINGS

REMOVE CURB WALLS, EXISTING CURB WALLS OF EXISTING RAMP

NOTE: EXISTING FOOTINGS NOT REMOVABLE WITH THIS WORK

Seal

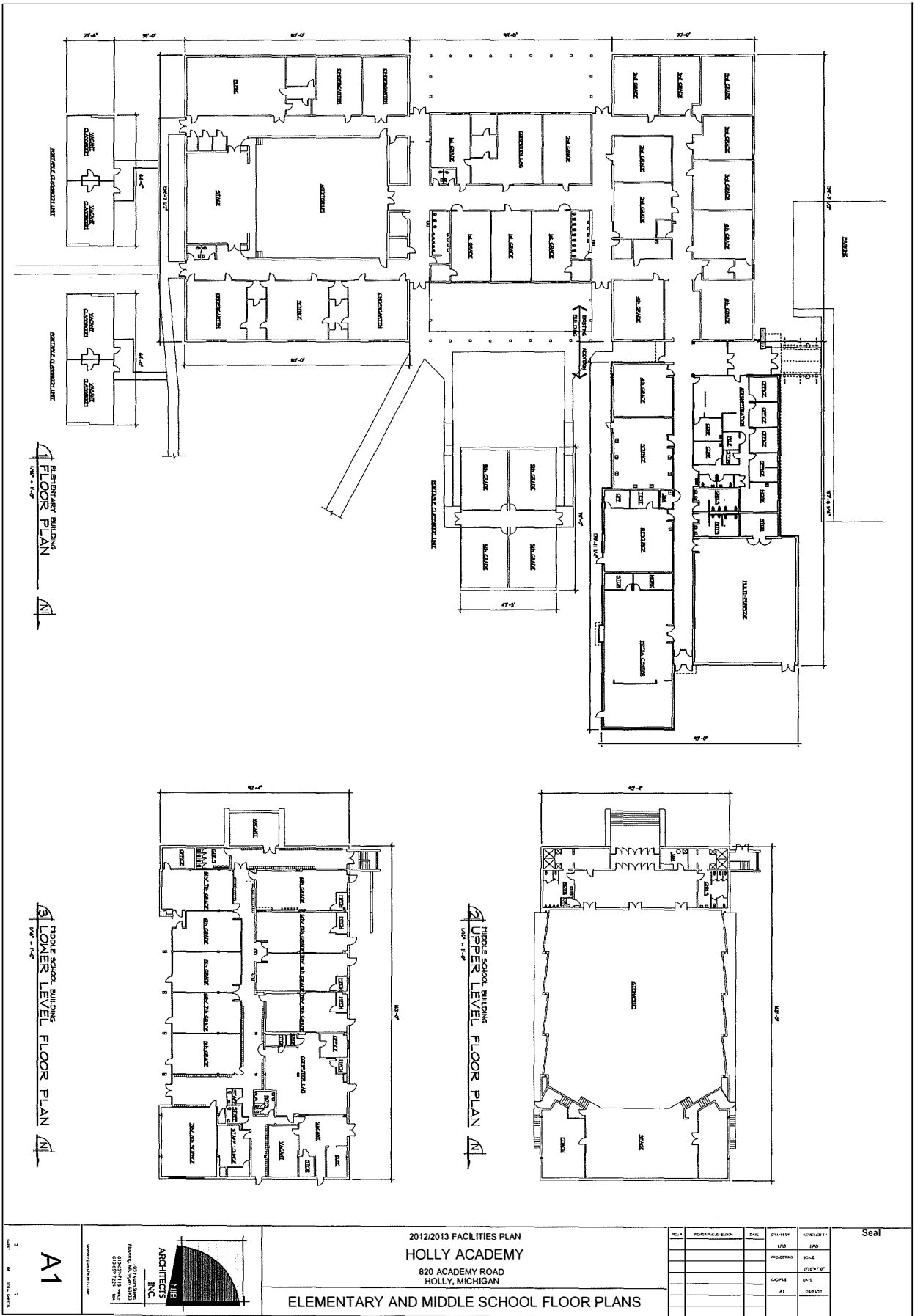
REV #	REVISION/COMMISSION	DATE	DRAWN BY	REVIEWED BY
1	OWNER REVIEW DOCUMENTS	04/16/13	FLG	LRO
2	PERMITTING AGENCIES REVIEW DOCUMENTS	04/16/13	PROJ CT	ICALP AS NOTED
			CD FILE	DATE
			CR3	04/16/2008

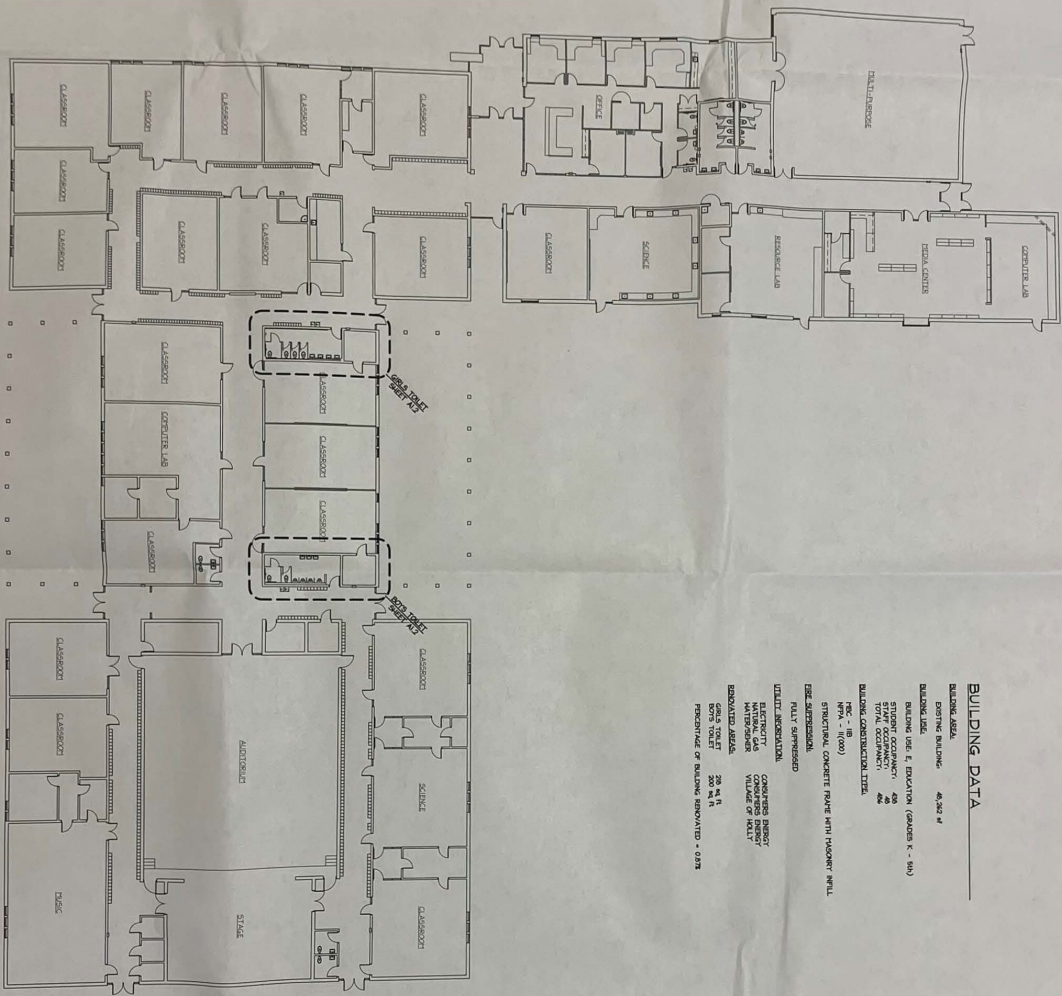
MIDDLE SCHOOL BUILDING
BARRIER-FREE REPLACEMENT
AT HOLLY ACADEMY
820 ACADEMY ROAD
HOLLY, MICHIGAN

RAMP PLAN, ELEVATIONS AND SECTIONS

NIB ARCHITECTS INC.
101 Adams Street
Plymouth, Michigan 48133
810-959-7118
810-959-7228
www.nibarchitects.com

C1.1





BUILDING DATA

BUILDING AREA: 4,326 SF
 EXISTING BUILDING: 4,326 SF
 BUILDING USE: BUILDING USE: E, EDUCATION (GRADE K - 5th)
 STUDENT OCCUPANCY: 200
 TOTAL OCCUPANCY: 200
 BUILDING CONSTRUCTION TYPE: 4B
 IBC: 2003
 IBC: 2006
 STRUCTURAL CONCRETE FRAME WITH HOLLOW WALL
 SEE DESCRIPTION
 FULLY SPRINKLED
 UTILITY: MECHANICAL, CONDENSED REFRIGERANT
 ELECTRICAL: CONDENSED REFRIGERANT
 MECHANICAL: CONDENSED REFRIGERANT
 RENOVATED AREAS: MECHANICAL, ELECTRICAL
 GROSS TOILET: 200 sq ft
 GROSS TOILET: 200 sq ft
 FLOORING TYPE OF BUILDING RENOVATED: 6075

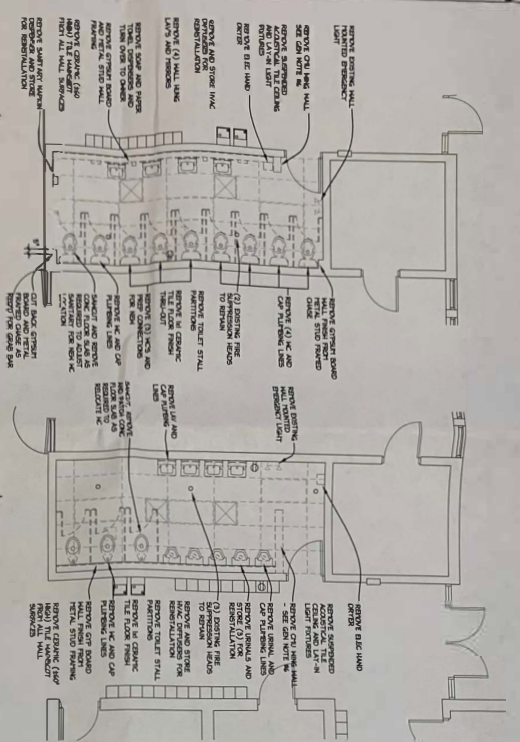
OVERALL BUILDING FLOOR PLAN
 1/8" = 1'-0"
 LOCATED WITHIN BOUNDARIES OF HOLLY TOWNSHIP, OAKLAND COUNTY

HOLLY ACADEMY ELEMENTARY BUILDING
 TOILET ROOM RENOVATIONS
 820 ACADEMY ROAD
 HOLLY, MICHIGAN 48442
 OVERALL BUILDING FLOOR PLAN

NO.	DATE	DESCRIPTION	BY	CHECKED BY
1	03/15/11	CONCEPT REVIEW
2	03/15/11	PERMIT DOCUMENTS

NIB ARCHITECTS INC.
 1025 N. HAWK DRIVE
 FARMINGTON, MI 48331
 810.659.2228
 WWW.NIBARCHITECTS.COM

A1.1



DEMOLITION NOTES

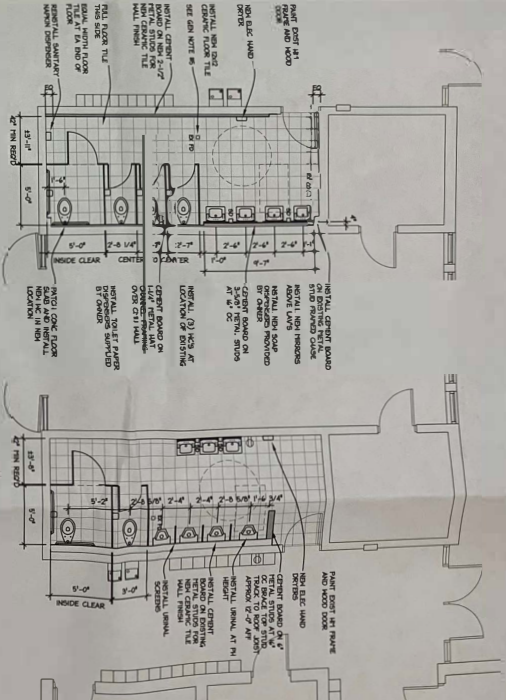
1. CONTRACTOR TO VERIFY ALL DEMOLITION CONDITIONS AND MATERIALS TO BE REMOVED.
2. DEMOLITION SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS. ALL DEMOLITION SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.
3. ALL DEMOLITION SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.
4. ALL DEMOLITION SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.
5. CONTRACTOR SHALL VERIFY ALL DEMOLITION CONDITIONS AND MATERIALS TO BE REMOVED.
6. THE FOLLOWING ITEMS SHALL BE REMOVED AND DISPOSED OF:
 - (1) WALLS
 - (2) FLOORING
 - (3) CEILING
 - (4) LIGHT FIXTURES
 - (5) MISC. ITEMS AND DEBRIS

GENERAL NOTES

1. CONTRACTOR TO VERIFY ALL DEMOLITION CONDITIONS AND MATERIALS TO BE REMOVED.
2. DEMOLITION SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.
3. ALL DEMOLITION SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.
4. ALL DEMOLITION SHALL BE DONE IN ACCORDANCE WITH ALL APPLICABLE CODES AND REGULATIONS.
5. CONTRACTOR SHALL VERIFY ALL DEMOLITION CONDITIONS AND MATERIALS TO BE REMOVED.
6. THE FOLLOWING ITEMS SHALL BE REMOVED AND DISPOSED OF:
 - (1) WALLS
 - (2) FLOORING
 - (3) CEILING
 - (4) LIGHT FIXTURES
 - (5) MISC. ITEMS AND DEBRIS

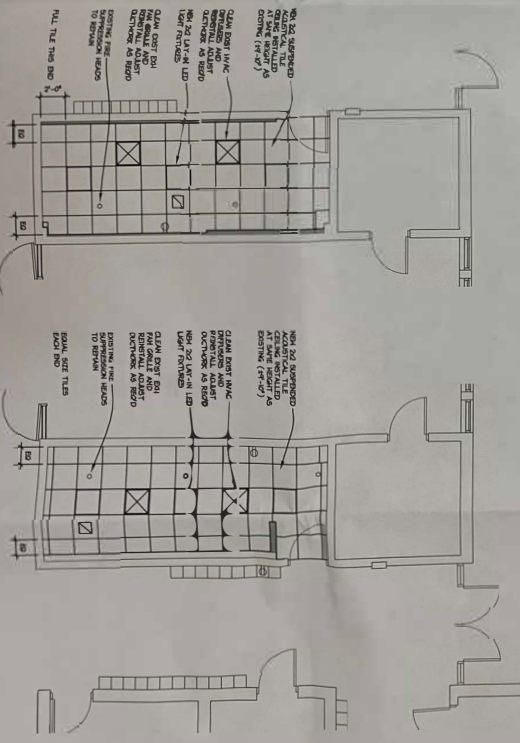
1/4" = 1'-0"
GIRLS TOILET ROOM
DEMOLITION PLAN

1/4" = 1'-0"
BOYS TOILET ROOM
DEMOLITION PLAN



1/4" = 1'-0"
GIRLS TOILET ROOM
REFLECTED CEILING PLAN

1/4" = 1'-0"
BOYS TOILET ROOM
REFLECTED CEILING PLAN



HOLLY ACADEMY ELEMENTARY BUILDING TOILET ROOM RENOVATIONS

820 ACADEMY ROAD
HOLLY, MICHIGAN 48442

DEMOLITION, FLOOR AND REFLECTED CEILING PLANS

NO.	DATE	DESCRIPTION
1	05/05/23	PERMIT DOCUMENTS
2	05/05/23	REVISED
3	05/05/23	REVISED
4	05/05/23	REVISED

A1.2

ARCHITECTS
NIB
INC.

(7)

BOND PURCHASE AGREEMENT

by and among the

MICHIGAN FINANCE AUTHORITY

HOLLY ACADEMY

and

FIFTH THIRD SECURITIES, INC.

Dated: April 15, 2011

Relating to:

\$5,750,000

**MICHIGAN FINANCE AUTHORITY
PUBLIC SCHOOL ACADEMY LIMITED OBLIGATION REVENUE AND REVENUE
REFUNDING BONDS (HOLLY ACADEMY PROJECT), SERIES 2011**

Table of Contents

	<u>Page</u>
1. Purchase and Sale.....	1
2. Delivery at Signing.....	1
3. Issuer’s Representations and Warranties.....	3
4. Academy’s Representations and Warranties.....	5
5. Covenants of the Issuer.....	6
6. Covenants of the Academy.....	7
7. Indemnification.....	7
8. The Closing.....	9
9. Conditions of the Underwriter’s Obligations.....	9
10. Conditions of the Issuer’s Obligations.....	13
11. Payment of Expenses.....	13
12. Notices.....	14
13. No Pecuniary Liability of Issuer.....	14
14. Benefit and Survival.....	14
15. Governing Law.....	15
16. Counterparts.....	16
Exhibit A Certain Details of the Bonds	A-1

BOND PURCHASE AGREEMENT

\$5,750,000

MICHIGAN FINANCE AUTHORITY
PUBLIC SCHOOL ACADEMY LIMITED OBLIGATION REVENUE AND REVENUE
REFUNDING BONDS (HOLLY ACADEMY PROJECT), SERIES 2011

This Bond Purchase Agreement is dated April 15, 2011, and is by and among the Michigan Finance Authority (the "Issuer"), Holly Academy, a Michigan public school academy (the "Academy"), and Fifth Third Securities, Inc., as underwriter (the "Underwriter").

The Underwriter hereby offers to enter into this Bond Purchase Agreement for the purchase by the Underwriter and sale by the Issuer of the Bonds (as defined below). This offer is made subject to acceptance by the Issuer and by the Academy prior to 5:00 o'clock p.m., Michigan time, on the date hereof, and upon such acceptance this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Academy, the Issuer and the Underwriter.

The proceeds of the Bonds (as defined below) will be used by the Issuer to purchase the Academy's School Building and Site Bond, Series 2011 (the "Municipal Obligation"). The Academy will use the proceeds from the sale of the Municipal Obligation to: (i) pay the costs of the construction of additions to the Academy's current school facility located at 820 Academy Road, Holly, Michigan (the "Facility") and the equipping and furnishing thereof (the "Project"); (ii) refinance certain Michigan Public Educational Facilities Authority Limited Obligation Variable Rate Demand Revenue Bonds (Holly Academy Project), Series 2004, currently outstanding in the approximate aggregate principal amount of \$3,185,000; and (iii) provide funds to pay certain costs relating to the issuance of the Bonds and the issuance of the Municipal Obligation.

1. Purchase and Sale.

Upon the terms and conditions and upon the basis of the representations herein set forth, the Underwriter hereby agrees to purchase from the Issuer and the Issuer hereby agrees to sell to the Underwriter all, but not less than all, of the \$5,750,000 aggregate principal amount of the Issuer's Public School Academy Limited Obligation Revenue and Revenue Refunding Bonds (Holly Academy Project), Series 2011 (the "Bonds"), which are to mature, are to be subject to redemption prior to maturity and are to bear interest as set forth in Exhibit A attached hereto (the Bonds being more fully described in the Official Statement hereinafter mentioned), at an aggregate purchase price as set forth in Exhibit A. The Bonds shall be described in, and shall be issued and secured under and pursuant to, a Trust Indenture, dated as of April 1, 2011, between The Bank of New York Mellon Trust Company, N.A. (the "Trustee") and the Issuer (the "Indenture"), and an authorizing resolution adopted by the Issuer on February 17, 2011 (the "Authorizing Resolution"), substantially in the forms heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon. The Underwriter agrees to make an initial bona fide public offering of the Bonds. Terms not otherwise defined herein shall have the same meaning as such terms are given in the Indenture.

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

2. Delivery at Signing.

a) The Issuer and/or the Academy shall deliver or cause to be delivered to the Underwriter promptly after the acceptance hereof:

(i) two executed copies of the Official Statement dated the date hereof relating to the Bonds, substantially in the form of the Preliminary Official Statement, dated March 31, 2011, as amended April 15, 2011 (together, the "Preliminary Official Statement") with only such changes therein as shall have been accepted by the Underwriter and the Issuer (such Official Statement, with such changes and including the cover page and the exhibits thereto, being herein called the "Official Statement," except that, if the Official Statement has been amended between the date thereof and the date of Closing referred to in Paragraph 8 hereof, the term "Official Statement" shall refer to the Official Statement as so amended);

(ii) additional copies of the Official Statement in such quantities as the Underwriter shall designate as being required in order to satisfy the requirements of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934, as amended (herein called the "Rule").

b) The Issuer hereby approves the Official Statement and authorizes the use, in accordance with applicable law, of copies of the Official Statement, the Authorizing Resolution, the Indenture and the Financing Agreement (as defined below) in connection with the offering and sale of the Bonds, and the Academy authorizes the use, in accordance with applicable law, of copies of: (i) the Official Statement; (ii) the Indenture; and (iii) the Financing Agreement, dated as of April 1, 2011, by and between the Issuer and the Academy (the "Financing Agreement") in connection with the offering and sale of the Bonds. The Issuer hereby agrees to provide copies of the Official Statement in a timely fashion in order to satisfy the requirements of the Rule and in no event later than the earlier of the Closing Date or seven (7) business days after the date hereof. The Issuer and the Academy consent to the use by the Underwriter, prior to the date hereof, of the Preliminary Official Statement relating to the Bonds in connection with the public offering of the Bonds in accordance with applicable law and a legend in substantially the following form appearing on the Preliminary Official Statement:

This Preliminary Official Statement and the information contained herein are subject to completion, amendment and change without notice. These securities described herein may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to the registration or qualification under the securities laws of any such jurisdiction. As of its date, this Preliminary Official Statement has been "deemed final" by the Issuer for purposes of SEC Rule 15c2-12(b)(1), except for omissions permitted by SEC Rule 15c2-12(b)(1).

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

c) The Issuer hereby deems the Preliminary Official Statement to be final as of its date, except for the omission of such information that is permitted to be omitted therefrom pursuant to the Rule.

3. Issuer's Representations and Warranties.

The Issuer makes the following representations and warranties:

a) The Issuer is and will be at the date of Closing duly organized and existing as a public body corporate and politic under and by virtue of the laws of the State of Michigan, including Executive Order No. 2010-2 compiled at §12.194 of the Michigan Compiled Laws, Executive Order No. 2002-3, compiled at §12.192 of the Michigan Compiled Laws, and the Shared Credit Rating Act, Act 227, Public Acts of Michigan, 1985, as amended (collectively, the "Enabling Legislation").

b) The Issuer has full legal right, power and authority (i) to adopt the Authorizing Resolution, (ii) to enter into this Bond Purchase Agreement, the Financing Agreement, the State Aid Agreement to be entered into by and among the Academy, the Trustee, the Issuer, the State Treasurer of the State of Michigan and Central Michigan University Board of Trustees, as the Academy's fiscal agent, dated as of April 1, 2011 (the "State Aid Agreement") and the Indenture, (iii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iv) to carry out and consummate all other transactions contemplated by each of the aforesaid documents, and the Issuer has complied with the provisions of the Enabling Legislation in all matters relating to such transactions.

c) The Issuer has duly authorized the execution, delivery and due performance of this Bond Purchase Agreement, the Indenture, the State Aid Agreement and the Financing Agreement, the delivery of the Official Statement and the taking of any such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions contemplated by such instruments.

d) The Authorizing Resolution has been duly adopted by the Issuer and is in full force and effect and constitutes the legal, valid and binding action of the Issuer, and this Bond Purchase Agreement, the Indenture, the State Aid Agreement and the Financing Agreement when executed and delivered by the parties thereto, will constitute legal, valid and binding limited obligations of the Issuer, except as limited by applicable insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally, and except to the extent that the enforceability thereof may be limited by application of general principles of equity.

e) When delivered to and paid for by the Underwriter at the Closing in accordance with the provisions of this Bond Purchase Agreement, the Bonds will have been duly authorized, executed, issued and delivered and, assuming due authentication, will constitute legal, valid and binding limited obligations of the Issuer, except as limited by applicable insolvency, reorganization, moratorium and similar laws in effect from time to time affecting the rights of creditors generally, of the character referred to in the Enabling Legislation, in

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

conformity with, and entitled to the benefit and security of, the Enabling Legislation, the Indenture, the Authorizing Resolution and the Financing Agreement.

f) No consents or authorizations of or by any governmental or public agency, authority or person (except as may be required under the securities or “blue sky” laws of any state) not already obtained are required by the Issuer in connection with the issuance and sale of the Bonds, the execution and delivery of, or the performance of its obligations under, this Bond Purchase Agreement, the Bonds, the Indenture, the State Aid Agreement and the Financing Agreement.

g) The execution and delivery by the Issuer of this Bond Purchase Agreement, the Bonds, the Indenture and the Financing Agreement and the adoption of the Authorizing Resolution, and compliance with the provisions thereof, under the circumstances contemplated thereby, will not in any material respect conflict with or constitute on the part of the Issuer a breach of or default under any other agreement or instrument to which the Issuer is a party or any existing law, administrative regulation, court order or consent decree to which the Issuer is subject.

h) There is no action, suit, proceeding or investigation, at law or in equity, or before any court, public board or body, served upon the Issuer, or to the best of the knowledge of the Issuer, threatened or otherwise affecting the Issuer, wherein an unfavorable decision, ruling or finding would materially and adversely affect the transactions contemplated by this Bond Purchase Agreement or which would in any way adversely affect the validity or enforceability of the Bonds, the Indenture, the State Aid Agreement, the Financing Agreement, and this Bond Purchase Agreement (or any other instrument which is executed by the Issuer which is required or contemplated for use in consummating the transactions contemplated thereby).

i) Any certificate relating to the Bonds signed by any authorized officer of the Issuer and delivered to the Underwriter at or before the Closing Date shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements therein contained.

j) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Issuer is a bond issuer whose arbitrage certifications may not be relied upon.

k) The information contained under the heading “THE AUTHORITY” in the Official Statement is true and correct and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

l) Each of the representations and warranties of the Issuer contained in the Financing Agreement and in the Indenture are true and correct on and as of the date hereof and are hereby made to the Underwriter on and as of the date hereof as if set forth herein at length.

m) During the period beginning on the date hereof and ending at the time the Underwriter is no longer required to provide an Official Statement to potential customers who

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

request the same pursuant to the Rule, if there shall exist any event relating to the Issuer which in the Underwriter's reasonable judgment, either: (i) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement; or (ii) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or if the Issuer or the Underwriter shall be informed by the Academy that any such event relating to the Academy shall exist, the Issuer shall amend or supplement the Official Statement, in form and substance satisfactory to counsel to the Underwriter, Bond Counsel and the Attorney General (each as defined herein), so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

n) Before amending or supplementing the Official Statement, the Issuer will furnish to the Underwriter a copy of each such proposed amendment or supplement. No amendment or supplement to the Official Statement will contain material information substantially different from that contained in the Official Statement on the date it was issued which is unsatisfactory in form or substance to the Underwriter unless such information is required by law.

o) Unless the Issuer is notified in writing on the date of Closing that a shorter period applies, the Issuer may assume that the "end of the underwriting period" (as defined in the Rule) has occurred thirty (30) days after the Closing, unless the Underwriter notifies the Issuer in writing prior to such date that there exists an unsold balance of the Bonds, in which case the end of the underwriting period shall be deemed to be extended for thirty (30) days from the date of such notice. The deemed end of the underwriting period shall be extended for additional periods of thirty (30) days each upon receipt of written notification from the Underwriter that there exists an unsold balance of the Bonds. The Underwriter agrees to file the Official Statement with the Municipal Securities Rulemaking Board on or before the date of Closing.

4. Academy's Representations and Warranties.

The Academy makes the following representations and warranties:

a) The material contained in the Official Statement (other than the information contained in the Sections captioned "THE AUTHORITY", "THE BONDS – Book-Entry-Only System" and "UNDERWRITING" as to which no representation is made) is true, accurate, and complete and does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading in any material respect.

b) The Academy has taken or has caused to be taken all necessary action for execution and delivery of the Financing Agreement, the State Aid Agreement, this Bond Purchase Agreement, the Municipal Obligation, the Mortgage dated as of April 1, 2011, given as security for the Bonds (the "Mortgage"), the Continuing Disclosure Agreement in substantially the form set forth in the Official Statement (the "Continuing Disclosure Agreement"), the Environmental Indemnity Agreement dated as of April 1, 2011, from the Academy in favor of

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

the Trustee (the “Environmental Indemnity Agreement”) and the Collateral Assignment of Contacts, Licenses and Permits to be executed by the Academy upon entering into binding contracts for the construction of the Project, and each will be a legal, valid and binding obligation of the Academy enforceable in accordance with its terms (except as limited by applicable insolvency, reorganization, moratorium and similar laws in effect from time to time and affecting the rights of creditors, generally, and except to the extent that the enforceability thereof may be limited by applicable insolvency, reorganization, moratorium and similar laws in effect from time to time and by the application of general principles of equity) and the performance by the Academy thereunder does not and will not conflict with or result in a breach of any of the unwaived provisions of, or constitute a default under, any agreement or instrument by which the Academy is bound or result in a violation of law, administrative regulation or court decree to which the Academy or any of its property is subject.

c) The Academy (i) has been duly organized and is now validly existing and in good standing as a public school academy under the laws of the State of Michigan and (ii) has duly and validly obtained all certificates, licenses and permits from all public authorities, federal, state or local, as are now required by such authorities to enable it to carry on its business as and where now conducted, and no other approvals are needed for the Project other than those which the Academy needs and expects to obtain in connection with the acquisition and installation of the Project.

d) Neither the Securities and Exchange Commission nor any state securities administrator has issued and delivered to the Academy or, to the best of the Academy’s knowledge, is threatening to issue any order preventing or suspending the use of the Official Statement or the issue, offer or sale of the Bonds or the Municipal Obligation.

e) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, or before or by any court, public board or body, known by the Academy to be pending or threatened against or affecting the Academy, nor to the best of the knowledge of the Academy is there any basis therefore, wherein an unfavorable decision, ruling or finding would, in any way, materially adversely affect the transactions contemplated by this Bond Purchase Agreement or the Official Statement or which, in any way, would adversely affect the validity or enforceability of the Bonds, the Municipal Obligation, the Indenture, this Bond Purchase Agreement, the Financing Agreement, the Continuing Disclosure Agreement, the State Aid Agreement, the Environmental Indemnity Agreement and/or the Mortgage.

f) The Academy will not take or omit to take any action which action or omission would in any way cause the proceeds from the sale of the Bonds to be applied in a manner contrary to that provided for in the Financing Agreement.

g) Any certificate signed by an authorized officer of the Academy and delivered to the Issuer or the Underwriter shall be deemed a representation and warranty by the Academy to such parties as to the statements made therein.

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

5. Covenants of the Issuer.

The Issuer covenants as follows:

a) The Issuer will observe all covenants of the Issuer in the Indenture and the Financing Agreement and will not issue or sell any bonds or obligations for the benefit of the Academy other than the Bonds referred to in the Indenture.

b) The Issuer will reasonably cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or blue sky laws of such jurisdiction of the United States as the Underwriter may request; provided, however, that the Issuer shall not be obligated to consent to service of process, be subject to taxation in any such jurisdiction or be required to pay any costs or expenses of qualification of the Bonds in any such jurisdiction.

6. Covenants of the Academy.

The Academy covenants as follows:

a) The Academy will cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or blue sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the Academy shall not be obligated to consent to service of process in any such jurisdiction, qualify as a foreign corporation, or be subject to taxation in any such jurisdiction.

b) The Academy will take such action as may be reasonably requested to facilitate the timely consummation of the transactions contemplated by this Bond Purchase Agreement.

c) The Academy will operate and maintain the Project and the Facility as provided in and subject to all the terms and provisions of the Financing Agreement and will observe all covenants in the Financing Agreement.

d) The Academy will not take any action or permit any action to be taken, or cause or permit any circumstance within its control to arise or continue, if such action would adversely affect the exclusion of interest on the Bonds from gross income for federal tax purposes.

e) In the event the Bonds are not delivered by the Issuer to the Underwriter, the Academy will pay the reasonable expenses to be paid by it pursuant to Paragraph 11 hereof.

7. Indemnification.

a) To the extent permitted by law, the Academy agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls the Underwriter (within the meaning of Section 15 of the Securities Act of 1933, as amended (the "Securities Act"), or Section 20 of the Securities Exchange Act of 1934, as amended) against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) caused by

any untrue statement or alleged untrue statement of a material fact contained in the Official Statement (other than the information contained in the Sections captioned "THE AUTHORITY", "THE BONDS – Book-Entry-Only System" and "UNDERWRITING" as to which no representation is made) or in any amendment or supplement thereto, or caused by any omission or alleged omission to state therein a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Academy's duty to indemnify and hold the Issuer harmless is specified in, and is controlled by, Section 502 of the Financing Agreement, the provisions of which are incorporated herein notwithstanding that the Financing Agreement has not been executed as of the date hereof.

b) If any action or claim shall be brought or asserted against the Underwriter or any person so controlling the Underwriter based upon the Official Statement or any amendment or supplement thereto and in respect of which indemnity may be sought from the Academy pursuant to subparagraph (a) of this Paragraph 7, the Underwriter or such person shall promptly notify the Academy in writing, and the Academy shall assume the defense thereof, including the employment of counsel and the payment of all expenses. The Underwriter and such person shall have the right to employ separate counsel in any such action and participate in the defense thereof, but such employment of separate counsel shall be at the expense of the Underwriter or such person, as the case may be, unless (i) the employment thereof has been specifically authorized by the Academy, or (ii) the Academy has failed to assume the defense and employ counsel, or (iii) the named parties to any such action (including any impleaded parties) include both the Underwriter or such person and the Academy, and the Underwriter or such person shall have been advised by such counsel that there may be one or more legal defenses available to it which are inconsistent with those available to the Academy (in which case the Academy shall not have the right or obligation to assume the defense of such action on behalf of the Underwriter or such person), it being understood, however, that the Academy shall not, in connection with any such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate firm of attorneys for the Underwriter and controlling persons, which firm shall be designated in writing by the Underwriter. The Academy shall not be liable for any settlement of any such action effected without its written consent, but if settled with the written consent of the Academy, or if there be a final judgment for the plaintiff in any such action, the Academy agrees to indemnify and hold harmless the Underwriter and any such controlling person from and against any loss or liability by reason of such settlement and judgment.

c) The Underwriter agrees to indemnify and hold harmless the Academy to the same effect as the foregoing indemnity from the Academy to the Underwriter, but only with respect to information furnished in writing by or on behalf of the Underwriter expressly for use in connection with the Official Statement.

In case any action or claim shall be brought against the Academy based upon the Official Statement, and in respect of which indemnity may be sought from the Underwriter, the Underwriter shall have the rights and duties given to the Academy, and the Academy shall have the rights and duties given to the Underwriter by subparagraph (b) of this Paragraph 7. The indemnity agreement of this subparagraph (c) shall extend upon the same terms and conditions to

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

each officer of the Academy and to each person, if any, who controls the Academy within the meaning of the Securities Act.

d) The indemnity agreements contained in this Paragraph 7 and the representations and warranties of the Academy set forth in Paragraph 4 shall remain operative and in full force and effect after the Closing Date (as defined below), regardless of any investigation made by or on behalf of the Underwriter or any person so controlling the Underwriter or by or on behalf of the Academy. A successor of the Underwriter or the Academy, as the case may be, shall be entitled to the benefits of the indemnity agreements contained in this Paragraph 7.

8. The Closing.

On April 27, 2011, or on such other business day as shall have been agreed upon by the Issuer, the Academy and the Underwriter, the Issuer will deliver the Bonds to the Underwriter through the facilities of The Depository Trust Company ("DTC"), in New York, New York, duly executed and authenticated, and the Underwriter will accept delivery and pay the purchase price of the Bonds as set forth herein, in immediately available funds if the Closing occurs no later than 1:00 p.m., Michigan time, on the Closing Date, payable to the order of the Trustee for the account of the Issuer. Delivery of documents (other than the Bonds and payments as aforesaid) shall be made at the offices of Dickinson Wright PLLC, Bloomfield Hills, Michigan. Such payment and delivery is hereinafter called the "Closing," and such date and time are called the "Closing Date." The Bonds shall bear proper CUSIP numbers (provided, however, that neither the failure to print such numbers on any of the Bonds nor any error with respect to such numbers shall constitute cause for a failure or refusal by the Underwriter to accept the delivery of or pay for the Bonds in accordance with the terms of this Bond Purchase Agreement), and shall be delivered on the Closing Date to DTC, in registered form without coupons, as one bond per maturity registered in the name of Cede & Co. The Bonds will be made available to the Underwriter for checking and inspection at the above-mentioned place of their delivery at least one business day prior to the Closing.

9. Conditions of the Underwriter's Obligations.

The Underwriter's obligation hereunder to purchase and pay for the Bonds shall be subject to the performance by the Issuer of its obligations and agreements to be performed hereunder at or prior to the Closing; to the performance by the Academy of its obligations and agreements to be performed hereunder at or prior to the Closing; and to the accuracy in all material respects of the representations and warranties of the Issuer and the Academy contained herein as of the date hereof and as of the Closing Date, as set forth in or contemplated by the Official Statement, and shall also be subject to the following conditions:

a) At the time of Closing, (i) the Official Statement, the Financing Agreement, the Indenture, the Authorizing Resolution, this Bond Purchase Agreement and the State Aid Agreement shall be in full force and effect and shall not have been materially amended, modified or supplemented except as therein permitted or as may have been agreed to by the Underwriter, (ii) the proceeds of the sale of the Bonds shall be applied as described in the

Financing Agreement and the Indenture, (iii) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions as, in the opinion of Dickinson Wright PLLC, Bloomfield Hills, Michigan (“Bond Counsel”) and of the Attorney General of the State of Michigan (the “Attorney General”) shall be necessary in connection with the transactions contemplated hereby.

b) The Underwriter shall have the right to cancel its obligation to purchase the Bonds if between the date hereof and the Closing Date (i) legislation shall have been enacted by the Congress of the United States or the legislature of the State of Michigan, or a decision shall have been rendered by a court of the United States, the Tax Court of the United States or the Supreme Court of the State of Michigan, or a ruling shall have been made or a regulation shall have been proposed or made or a press release or some other form of notice, have been issued by the Treasury Department of the United States or the Internal Revenue Service or other federal authority, with respect to federal or State of Michigan taxation upon interest received on obligations of the general character of the Bonds, which, in the Underwriter’s reasonable judgment, materially adversely affects the market for the Bonds, (ii) there shall exist any event which, in the Underwriter’s reasonable judgment, either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, (iii) there shall have occurred any new outbreak of hostilities or other national or international calamity or crisis, or a default with respect to the debt obligations of, or the institution of proceedings under the federal bankruptcy laws by or against, any state of the United States or agency thereof, or any city located in the United States having a population of over one million, the effect of which on the financial markets of the United States will be such as, in the Underwriter’s reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds, (iv) there shall be in force a general suspension of trading on the New York Stock Exchange or other national securities exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices of securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange, whether by virtue of a determination by any such exchange or by order of the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (v) the declaration of a general banking moratorium by United States or Michigan state authorities, (vi) there have been any material adverse change or any development involving such prospective material adverse change in the affairs, operations, business, financial condition or prospects of the Academy or the financial or securities markets which, in the reasonable opinion of the Underwriter, either (A) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading.

c) On or prior to the Closing, the following documents shall be delivered:

(i)

(A) the approving opinion of Bond Counsel, dated the date of

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

Closing and addressed to the Issuer, accompanied by a supplementary opinion of Bond Counsel, dated the date of Closing and addressed and delivered to the Issuer and the Underwriter.

(B) The approving opinion of the Attorney General, dated the date of Closing and addressed to the Issuer, accompanied by the supplementary opinion of the Attorney General, dated the date of Closing and addressed and delivered to the Issuer and the Underwriter.

(C) The opinion of special counsel for the Academy, addressed and delivered to the Issuer and the Underwriter and dated the date of Closing.

(D) The opinion of counsel to the Underwriter.

(E) The opinion of counsel to Central Michigan University as the authorizing body for the Academy.

(F) The opinion of counsel to the Trustee.

(ii) A certificate, dated the date of Closing, signed by an authorized officer of the Issuer and in form and substance satisfactory to the Underwriter, to the effect that:

(A) The representations and agreements of the Issuer herein and in the Financing Agreement and the Indenture are true and correct in all material respects as of the date of Closing;

(B) No litigation is pending and has been served upon the Issuer or, to its knowledge, threatened against the Issuer (I) to restrain or enjoin the issuance or delivery of any of the Bonds or the collection of revenues pledged under the Indenture, (II) in any way contesting or affecting the authority for the issuance of the Bonds or the validity of the Bonds, the Indenture, the Authorizing Resolution, the State Aid Agreement, the Financing Agreement or this Bond Purchase Agreement, or (III) in any way contesting the existence or powers of the Issuer; and

(C) To the best of their knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect.

(iii) A certificate dated the date of the Closing signed by the Academy's authorized representative, to the effect that:

(A) The representations and warranties contained herein and in the Financing Agreement are true and correct as of the date of the Closing

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

and that the Academy has complied with all other agreements herein contained;

(B) The material appearing in the Official Statement (other than the information contained in the Sections captioned “THE AUTHORITY”, “THE BONDS – Book-Entry-Only System” and “UNDERWRITING” as to which no representation is made) does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect;

(C) Since June 30, 2010, no material adverse change has occurred in the financial position of the Academy;

(D) No event has occurred and is continuing which with the lapse of time or the giving of notice, or both, would constitute an Event of Default by the Academy under the respective documents to be provided by the Academy relating to the issuance of the Bonds and the Municipal Obligation; and

(E) No litigation is pending or, to the knowledge of such officer, threatened in any court in any way: (I) affecting the existence of the Academy; (II) affecting the entitlement of its officers to their respective offices; (III) seeking to restrain or to enjoin the issuance, sale or delivery of the Municipal Obligation; (IV) contesting or affecting the validity of the Financing Agreement, the State Aid Agreement, the Municipal Obligation, the Mortgage or this Bond Purchase Agreement; or (V) contesting the existence or powers of the Academy or its authority with respect to the Financing Agreement.

(iv) A certificate dated the date of the Closing signed by an authorized representative of Central Michigan University in form acceptable to Bond Counsel, the Attorney General and counsel to the Underwriter.

(v) Executed copies of the Financing Agreement, the State Aid Agreement, the Mortgage, the Indenture and a copy of the Authorizing Resolution.

(vi) The organizational documents of the Academy, certified by an authorized officer of the Academy along with the resolutions of the Board of Directors of the Academy authorizing the execution of and delivery of the Financing Agreement, this Bond Purchase Agreement, the Mortgage and the State Aid Agreement, certified by an officer of the Academy.

(vii) The Municipal Obligation duly executed by the Academy.

(viii) A mortgagee title insurance policy which shall evidence good and

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

marketable title in the Academy to the Project property (as defined in the Indenture), insuring the Trustee's first mortgage lien thereon, subject only to Permitted Encumbrances as set forth on Exhibit B to the Mortgage.

(ix) An ALTA Survey of the real property to be subject to the Mortgage.

(x) Non-arbitrage and tax compliance certificates of the Academy and Issuer satisfactory to Bond Counsel and the Attorney General.

(xi) A copy of the Blanket Issuer Letter of Representations to The Depository Trust Company, signed by an authorized officer of the Issuer and acknowledged by an authorized officer of The Depository Trust Company.

(xii) Copies of the executed IRS Forms 8038-G, Information Return for Tax-Exempt Governmental Obligations of the Academy and the Issuer.

(xiii) A specimen of the Bonds.

(xiv) Letter from Standard & Poor's Ratings Services, a Division of the McGraw Hill Companies, Inc., confirming that the Bonds have been rated "BBB-".

(xv) A copy of the executed Continuing Disclosure Agreement.

(xvi) A copy of the executed Environmental Indemnity Agreement.

(xvii) A certificate, dated the Closing Date, signed by an authorized officer or officers of the Trustee, to the effect that the Trustee is a national banking corporation, duly organized and existing under the laws of the United States, and has full power and authority to conduct its activities, to execute, deliver and perform its obligations under the Indenture, and to carry out the transactions contemplated thereby; and that the Indenture constitutes the legal, valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms except as limited by: (A) bankruptcy, insolvency, reorganization, moratorium or other laws relating to, or affecting generally, the enforcement of creditors' rights and remedies; and (B) the availability of equitable remedies, including specific performance and injunctive relief.

(xviii) Such additional legal opinions, certificates, instruments and other documents as the Underwriter may deem necessary or Bond Counsel or the Attorney General may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing of the Issuer's and the Academy's representations herein contained and the due performance or satisfaction by the Issuer and the Academy at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer and the Academy, respectively.

If the Academy or the Issuer shall be unable to satisfy the conditions to the Underwriter's obligations contained in this Bond Purchase Agreement or if the Underwriter's obligations shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

Agreement shall terminate and neither the Underwriter nor the Issuer shall have any further obligation hereunder.

10. Conditions of the Issuer's Obligations.

The Issuer's obligations hereunder to sell and deliver the Bonds shall be subject to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing; to the performance by the Academy of the obligations and agreements to be performed by it at or prior to the Closing hereunder and to the accuracy in all material respects of the representations and warranties of the Underwriter and the Academy contained herein as of the date hereof and as of the Closing Date, as set forth in or contemplated by the Official Statement, and shall also be subject to the Issuer having received, at or prior to the Closing Date, the following documents:

- a) The opinions of counsel referred to in Paragraph 9(c)(i) hereof; and
- b) The certificate described in Paragraphs 9(c)(iii) hereof.

11. Payment of Expenses.

a) Whether or not the Bonds are delivered by the Issuer to the Underwriter, the Underwriter shall be under no obligation to pay any expenses incident to the performance of the obligations of the Issuer hereunder except for those expenses authorized in advance by the Underwriter in writing. All reasonable expenses and costs incident to the authorization, issuance, printing, sale and delivery, as the case may be, of the Bonds, the Trust Indenture, the Financing Agreement, the Mortgage, the Environmental Indemnity Agreement, the Collateral Assignment and the State Aid Agreement shall be paid by the Academy, including without limitation (i) the preparation and printing of copies of the Preliminary Official Statement and the Official Statement; (ii) any documentary, stamp or other transfer taxes in connection with the original issue of the Bonds hereunder; (iii) all filing, registration and recording fees and expenses; (iv) the Trustee's fees; (v) the Issuer's fees; (vi) the fees and disbursements of Bond Counsel and Underwriter's counsel; (vii) the fees and expenses related to the blue sky qualification of the Bonds and the costs related thereto; (viii) CUSIP fees; (ix) fees of The Depository Trust Company; and (x) the interest carrying costs arising in connection with the transaction contemplated hereunder as a result of the receipt by the Underwriter of clearing house funds and the same day payment by the Underwriter of immediately available federal funds.

b) Any liability of the Issuer under this Bond Purchase Agreement or any certificates rendered hereunder or in connection herewith shall be limited to the security and source of payment pledged for payment of principal of and interest on the Bonds under the Indenture, and in the event the transactions contemplated by this Bond Purchase Agreement do not take place, regardless of the reason therefor, the Issuer shall have no liability whatsoever.

c) The Issuer shall be under no obligation to pay any fees or expenses incident to this Bond Purchase Agreement or any transaction contemplated hereby, nor shall the proceeds of the Bonds be used for such fees or expenses except for the fees of its counsel and as

provided in the Financing Agreement or Indenture. To the extent Bond proceeds are not available for payment of such fees and expenses, such fees and expenses shall be paid by the Academy.

12. Notices.

Any notice or other communication to be given to the Issuer under this Bond Purchase Agreement may be given by delivering the same in writing signed by an authorized officer of the Underwriter at the office of the Issuer, 430 West Allegan, First Floor, Lansing, Michigan 48922, Attention: Executive Director; and any such notice or other communication to be given to the Underwriter may be given by delivering the same in writing to the Underwriter, Fifth Third Securities, Inc., 1000 Town Center, Suite 1400, MD JTWN5G, Southfield, Michigan 48075, Attention: Louis C. Orcutt; and any such notice or other communication to be given to the Academy may be given by delivering the same in writing to Holly Academy, 820 Academy Road, Holly, Michigan 48442, Attention: Chief Administrative Officer.

13. No Pecuniary Liability of Issuer.

It is understood that the representations, warranties and covenants of the Issuer contained herein are made by the Issuer, and in due reliance thereon, in order to facilitate the offering of the Bonds by the Underwriter and that the same shall not create any general obligation or liability of the Issuer. It is acknowledged and agreed by the parties hereto that all covenants, representations and warranties made by the Authority herein and in any certificates given in compliance herewith, are made solely by the Authority and not by any individual executing this Agreement or any certificate in his or her own capacity, and no liability shall be imposed, directly or indirectly, on such individual.

14. Benefit and Survival.

This Bond Purchase Agreement is made solely for the benefit of the Issuer, the Academy and the Underwriter, including the successors or assigns of the Underwriter, and no other person, partnership, association or Academy shall acquire or have any right hereunder or by virtue hereof. All representations and agreements of the Issuer and the Academy in this Bond Purchase Agreement shall remain operative and in full force and effect regardless of the investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds hereunder and any termination of this Bond Purchase Agreement.

15. Governing Law.

This Bond Purchase Agreement shall be construed under and enforced in accordance with the laws of the State of Michigan.

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

16. Counterparts.

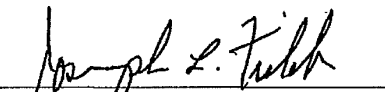
This Bond Purchase Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one of the same instrument.

FIFTH THIRD SECURITIES, INC.

By: 
Louis C. Orcutt

Its: Vice President

MICHIGAN FINANCE AUTHORITY

By: 
Joseph L. Melek

Its: Authorized Officer

HOLLY ACADEMY

By: _____
Stacie Bommersbach

Its: President

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By: _____
Louis C. Orcutt

Its: Vice President

MICHIGAN FINANCE AUTHORITY

By: _____
Joseph L. Fielek

Its: Authorized Officer

HOLLY ACADEMY

By: Stacie Bommersbach
Stacie Bommersbach

Its: President

EXHIBIT A

CERTAIN DETAILS OF THE BONDS

- Purchase Price:** \$5,606,250.00 (which equals the par value of the Bonds of \$5,750,000.00, less an Underwriter’s discount of \$143,750.00).
- Bond Pricing:** See attached Bond Pricing Summary.
- Dated Date:** April 27, 2011
- Interest Payment Dates:** Semi-annually on April 1 and October 1 of each year until maturity or earlier redemption, commencing October 1, 2011.
- Optional Redemption:** The Bonds are subject to redemption at the option of the Authority, as directed in writing by the Academy, in whole or in part at any time on or after October 1, 2021 and if in part, in multiples of \$5,000 and in such order of maturity as the Academy shall direct, at a redemption price equal to 100% of the principal amount to be redeemed plus accrued interest to the date fixed for redemption; provided that no Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.
- Mandatory Redemption:** The Bonds maturing October 1, 2020 are subject to mandatory redemption on October 1, 2013 and on each October 1 thereafter, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Revenue Account established pursuant to the Indenture as follows:

**Term Bonds Maturing
October 1, 2020**

Date	Principal Amount
2013	\$ 50,000
2014	70,000
2015	75,000
2016	80,000
2017	85,000
2018	90,000
2019	95,000
2020**	100,000

** Maturity

The Bonds maturing October 1, 2030 are subject to mandatory redemption on October 1, 2021 and on each October 1 thereafter, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Revenue Account established pursuant to the Indenture as follows:

**Term Bonds Maturing
October 1, 2030**

Date	Principal Amount
2021	\$ 110,000
2022	115,000
2023	125,000
2024	135,000
2025	150,000
2026	160,000
2027	175,000
2028	190,000
2029	205,000
2030**	220,000

** Maturity

The Bonds maturing October 1, 2040 are subject to mandatory redemption on October 1, 2031 and on each October 1 thereafter, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Revenue Account established pursuant to the Indenture as follows:

**Term Bonds Maturing
October 1, 2040**

Date	Principal Amount
2031	\$ 240,000
2032	260,000
2033	280,000
2034	305,000
2035	330,000
2036	355,000
2037	385,000
2038	420,000
2039	455,000
2040**	490,000

** Maturity

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011
A-2

**Mandatory Redemption
Upon Determination
of Taxability:**

The Bonds are subject to mandatory redemption prior to maturity, as a whole and not in part, on the earliest practicable date for which notice can be given following the occurrence of a Determination of Taxability under the Indenture, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the date fixed for redemption.

**Mandatory Redemption
from Insurance and
Condemnation Proceeds:**

The Bonds are subject to mandatory redemption in whole at any time or in part (and if in part in Authorized Denominations; provided that no Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination) on any Interest Payment Date, at a redemption price equal to 100% of the aggregate principal amount of the Bonds to be redeemed plus accrued interest to the date fixed for redemption, in an amount equal to any insurance or condemnation proceeds deposited with the Trustee for the purpose of redemption pursuant to the Indenture and the Financing Agreement.

BOND PRICING SUMMARY

Maturity	Par Amount	Coupon	Yield	Purchase Price
10/01/2020*	\$ 645,000	6.500%	6.500%	100.000
10/01/2030*	1,585,000	7.750%	7.750%	100.000
10/01/2040*	<u>3,520,000</u>	8.000%	8.000%	100.000
	<u>\$5,750,000</u>			

* Term Bonds

BOND PURCHASE AGREEMENT
Holly Academy Project, Series 2011

A-4

6895669.5 22377/141592

(10)

FUTURE ADVANCE MORTGAGE

THIS MORTGAGE, is dated as of April 1, 2011 from Holly Academy, a Michigan public school academy whose address is 820 Academy Road, Holly, Michigan 48442 to The Bank of New York Mellon Trust Company, N.A., a national banking association, in its capacity as trustee under the Indenture defined below, with offices at 719 Griswold, Suite 930 Dime Building, Detroit, Michigan 48226 (hereinafter referred to as the “Mortgagee” or the “Trustee”).

WITNESSETH:

WHEREAS, Holly Academy (the “Mortgagor”) has requested the Michigan Finance Authority (the “Authority”) to issue its Public School Academy Limited Obligation Revenue and Revenue Refunding Bonds (Holly Academy Project), Series 2011 (the “Bonds”) in the aggregate principal amount of \$5,750,000 pursuant to a trust indenture (the “Indenture”), dated as of April 1, 2011, between the Authority and the Trustee relating to the Bonds.

WHEREAS the Mortgagor and the Authority have entered into a financing agreement, dated as of April 1, 2011, between the Authority and the Mortgagor (the “Financing Agreement”) and the Mortgagor has issued a Municipal Obligation in favor of the Authority in the amount of \$5,750,000 (the “Municipal Obligation”) for the purpose of refinancing the Existing Indebtedness to be Discharged and financing the 2011 Project with the proceeds of the Bonds.

WHEREAS, it is a condition precedent to the issuance of the Bonds that the Mortgagor mortgage the Property (as hereinafter described and defined below) to secure the Mortgagor’s obligations under the Financing Agreement and thereby secure the repayment of the Bonds; and

WHEREAS, the Mortgagee is obligated, among other things, to grant a first-priority lien on the Property;

NOW, THEREFORE, to secure the payment of the Secured Obligations (as defined below), Mortgagor does hereby MORTGAGE and WARRANT unto Mortgagee, and its successors and assigns, the following described property (the “Property”):

- (A) the land situated in the Township of Holly, County of Oakland, State of Michigan, more specifically described in Exhibit A hereto (the “Land”);

(B) all easements, rights-of-way, licenses and privileges, thereunto belonging or in anywise appertaining, including without limitation all the Mortgagor's right, title and interest in and to those easements, rights-of-way, licenses and privileges described in Exhibit A hereto, if any;

(C) all buildings and improvements now or hereafter situated upon the Land or any part thereof;

(D) all minerals, royalties, gas rights, water, water rights, water stock, flowers, shrubs, lawn plants, crops, trees, timber and other emblements now or hereafter located on, under or above all or any part of the Land;

(E) all and singular the tenements, hereditaments and appurtenances thereunto belonging or in anywise appertaining, and the reversion or reversions, remainder and remainders thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever of the Mortgagor, of, in and to the same and of, in and to every part and parcel thereof;

(F) all the rents, issues and profits thereof under present or future leases and subleases, or otherwise, which are hereby specifically assigned, transferred and set over to the Mortgagee, including, but not limited to, all rights conferred by Act No. 210 of the Michigan Public Acts of 1953 as amended by Act No. 151 of the Michigan Public Acts of 1966 (MCL 554.231 et seq.), and including, but not limited to, all cash or securities deposited under any such leases to secure performance by the tenants of their obligations thereunder, whether said cash or securities are to be held until the expiration of the terms of such leases or applied to one or more of the installments of rent coming due thereunder;

(G) all right, title and interest of the Mortgagor, if any, in and to the land lying in the bed of any street, road, avenue, alley or walkway, opened or proposed or vacated, or any strip or gore, in front of or adjoining the Land;

(H) all present and future "equipment" (as defined in Article 9 of the Uniform Commercial Code of the State of Michigan, as in effect from time to time), machinery, apparatus, fittings, fixtures, and articles of personal property of every kind and nature whatsoever, other than consumable goods, now or hereafter located in or upon the Land or any part thereof and used or useable in connection with any present or future operation of the Land or any building or buildings now or hereafter on the Land and now owned or hereafter acquired by the Mortgagor (all of which is herein called "**Equipment**"), including, but without limiting the generality of the foregoing, all lighting, heating, cooling, ventilating, air-conditioning, incinerating, refrigerating, plumbing, sprinkling, communicating and electrical systems, and the machinery, appliances, fixtures and equipment pertaining thereto, it being understood and agreed that all Equipment is part and parcel of the Land and appropriated to the use of said real estate and, whether affixed or annexed or not, shall for the purposes of this Mortgage, unless the Mortgagee shall otherwise elect, be deemed conclusively to be real estate and mortgaged hereby;

(I) any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Land as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, (c) any loss of or damage to any building or other improvement on the Land, (d) any other injury to or decrease in the value of the Land or (e) any refund due on account of the payment of real estate taxes, assessments or other charges levied against or imposed upon the Land, to the extent of all amounts which may be secured by this Mortgage at the date of receipt of any such award or payment by the Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment, the Mortgagor hereby agreeing to execute and deliver, from time to time, such further instruments as may be requested by the Mortgagee to confirm such assignment to the Mortgagee of any such award or payment.

(J) all building material and equipment owned by the Mortgagor now located on the Property, or to be hereafter acquired, and intended to be incorporated into buildings, improvements or facilities to be constructed thereon.

TO HAVE AND TO HOLD the Property, and each and every part thereof, unto the Mortgagee and its successors and assigns forever. Any reference herein to the “**Property**” shall, unless the context shall require otherwise, be deemed to include and apply to the above described land and said buildings, improvements, equipment, rents, issues, profits, leases, easements, tenements, hereditaments and appurtenances and all other rights, privileges and interests hereinabove described, including all rights to make divisions of the Land pursuant to the Michigan Land Division Act (MCL 560.101 et seq.).

SUBJECT only to those matters set forth in Exhibit B hereto (the “**Permitted Encumbrances**”).

AND, the Mortgagor does hereby covenant and warrant as follows:

1. Title to Property, Priority of Lien and Permitted Encumbrances. The Mortgagor does and will own good, indefeasible and marketable title to the Property in fee simple, free of all easements, liens, mortgages, security interests, encroachments, rights, claims, and other interests of any nature (herein “**Interests**”), other than the Permitted Encumbrances. The Mortgagor will forever warrant and defend the Property against any and all Interests, other than Permitted Encumbrances, and the lien created by this Mortgage is and will be kept as a first lien upon the Property, unless otherwise agreed in writing by the Trustee. The Mortgagor will pay when due all obligations which, if unpaid, may become a lien on the Property. Upon request, the Mortgagor will, at the Mortgagor’s cost, provide the Trustee with a title insurance policy and other evidence of title as the Trustee may request from time to time which must be in form and substance satisfactory to the Trustee.

2. Secured Obligations. This Mortgage secures the following: (collectively referred to in this Mortgage as the “**Secured Obligations**”):

(a) The payment of the principal sum of Five Million Seven Hundred Fifty Thousand Dollars (\$5,750,000), together with interest thereon, whether presently outstanding or

advanced in the future, under or on account of the Financing Agreement and the Municipal Obligation, including the obligation to make Scheduled Installment Payments, Reserve Fund Payments and Additional Payments to the Trustee under the Financing Agreement and any amendments, supplements, extensions, renewals, modifications, or replacements thereto;

(b) The payment of the principal of, premium, if any, and interest on the Bonds; and

(c) The payment and performance by the Mortgagor of the covenants and provisions under this Mortgage, the Municipal Obligation and the Financing Agreement and any monies expended by Mortgagee in connection therewith.

This Mortgage is a "future advance mortgage" within the meaning of Act No. 348 of Michigan Public Acts of 1990, MCL 565.901, *et seq.*, as amended from time to time. All future advances under the Financing Agreement shall have the same priority as if the future advance was made on the date that this Mortgage was recorded.

3. Payment and Performance of Secured Obligations. The Mortgagor will pay the Secured Obligations in accordance with their terms and will keep and perform all of the terms, conditions and covenants of the Secured Obligations.

4. Condition, Maintenance and Use of the Property. The Property is in good condition and will be maintained in good condition, sufficient for the use contemplated by the Mortgagor, and free of all material defects. None of the Permitted Encumbrances materially impair or restrict the use of the Property as contemplated by the Mortgagor. The Mortgagor will not commit, now or hereafter, waste on the Property and will maintain all of the Property in good condition and working order satisfactory to the Trustee and will make all repairs and replace all fixtures necessary to maintain the utility and value of the Property and keep it in compliance with all applicable laws, regulations, and ordinances. The Mortgagor will do everything necessary to keep in force any manufacturer's and seller's warranties with respect to the fixtures. The Mortgagor will hold all valid permits and licenses necessary to operate and maintain the Property as contemplated by the Mortgagor, and the Property will be used only for lawful purposes and in compliance with all applicable laws, regulations and ordinances. The Mortgagor will promptly repair, restore, replace or rebuild each part of the Property which may be damaged or destroyed by fire or other casualty or which may be affected by any eminent domain proceedings, notwithstanding application by the Trustee of the insurance proceeds or eminent domain award to payment of the Secured Obligations.

5. Payment of Taxes. The Mortgagor will pay and discharge all taxes, assessments, fees, licenses, liens, and charges at any time levied upon or assessed against the Mortgagor or the Property before the same become delinquent. The Mortgagor will not do anything or permit anything to be done which would impair the lien of this Mortgage. Notwithstanding the foregoing, the Mortgagor will not be required to pay any tax, assessment, fee, license, lien, or charge so long as the Mortgagor is in good faith contesting the validity thereof by proper proceedings. If such contest is made, the Mortgagor will

provide security for the payment of such tax, assessment, fee, license, lien, or charge in a manner satisfactory to the Trustee.

6. Insurance. The Mortgagor will carry, insurance against such risks, with such companies, and in such amounts as is required under the Financing Agreement (including but not limited to, hazard insurance and flood insurance, if the Property is located within a flood hazard area). Each policy will be in a form in conformance with the requirements set forth in the Financing Agreement with standard mortgagee clauses making all loss payable to the Trustee. The Mortgagor will promptly pay all premiums therefore, and deliver to the Trustee all such policies of insurance. All insurance policies will provide that notice of nonrenewal or cancellation must be given to the Trustee at least thirty (30) days before such nonrenewal or cancellation. Any insurance money received by the Trustee shall be paid, either in whole or in part, to the Mortgagor in accordance with the provision of the Financing Agreement, for the purpose of defraying the costs and expenses of repair, restoration or replacement of the Property damaged or destroyed, or be retained and applied toward the payment of any of the Secured Obligations, in the order as set forth in the Financing Agreement, with the excess, if any, over the Secured Obligations to be repaid to the Mortgagor, without impairing the Mortgagor's duties under this Mortgage or the Secured Obligations. In the event of loss with respect to the Property, the Mortgagor will promptly notify the Trustee thereof and the Trustee may make any proof of loss not promptly made by the Mortgagor. In the event of foreclosure or other disposition of the Property in partial or full payment of the Secured Obligations, the Trustee will be entitled to all of the Mortgagor's right, title and interest in and to all policies of insurance with respect to the Property, including, without limitation, the right to collect any unearned premium refund relating to such policies.

7. Assignment of Awards and Tax Refunds. The Mortgagor hereby assigns to the Trustee, in their entirety, all judgments, decrees and awards for injury or damage to the Property, all awards pursuant to proceedings for condemnation thereof, and all refunds of local, state or federal income or other taxes relating to the Property or the disposition thereof by the Mortgagor (the "Claims"). Subject to the provisions of the Financing Agreement, including but not limited to the restoration provisions contained therein, the Mortgagor authorizes the Trustee, at its sole election (and as to refunds of taxes, after default), to apply the Claims, or the proceeds thereof, to the Secured Obligations in such manner as the Trustee may elect; and the Mortgagor hereby authorizes the Trustee, at its option (and as to refunds of taxes, after default), in the name of the Mortgagor, to appear and participate in any proceeding related to the Claims and to execute and deliver valid receipts, discharges, and settlements for, and to appeal from, any award, judgment or decree with respect to the Claims.

8. Trustee's Right to Perform. If the Mortgagor defaults in the payment of any taxes, assessments or charges (or in providing security as provided in Section 2), in procuring or maintaining insurance in maintaining the Property, or in performing any of the other obligations of this Mortgage, then the Trustee may, at its option, but shall not be obligated to, (notwithstanding anything to the contrary contained in any of the Secured Obligations), take any action or pay any amount required to be taken or paid by the Mortgagor hereunder. The cost of such action or payment by the Trustee will be immediately paid by the Mortgagor, will be added to the Secured Obligations, will be secured hereby, and will bear interest at the highest rate specified in the Secured Obligations from the date incurred by the Trustee until

fully paid. No such action taken or amount paid by the Trustee will constitute a waiver of any default of the Mortgagor hereunder.

9. Removal of the Property. Except for maintenance in the ordinary course of business, the Mortgagor will not, without the prior written consent of the Trustee, materially alter, remove or demolish any timber, topsoil, minerals, fixture, building, or improvement forming part of the Property.

10. Transfer of the Property. The Trustee is relying upon the integrity of the Mortgagor and its promises to perform the covenants of this Mortgage. The Mortgagor will not sell, transfer, convey, assign, rent for a period exceeding one year, dispose of, or further encumber, voluntarily or involuntarily, its interest in any of the Property by deed, land contract, mortgage or otherwise, except as expressly permitted under the Financing Agreement. Subject to the foregoing, if the ownership of the Property, or any part thereof, becomes vested in a person other than the Mortgagor, the Trustee may deal with such successor or successors in interest in the same manner as with the Mortgagor, without in any manner vitiating or discharging the Mortgagor's liability hereunder or upon the Secured Obligations. The Mortgagor will at all times continue to be primarily liable on the Secured Obligations until fully discharged or until the Mortgagor is formally released in writing by the Trustee.

11. Additional Documents. At any time, upon request of the Trustee, the Mortgagor will execute and deliver or cause to be executed and delivered to the Trustee and, where appropriate, will cause to be recorded and/or filed at such time and in such offices and places designated by the Trustee, any and all such other and further mortgages, financing statements, instruments of further assurance, certificates and other documents as may be necessary or desirable to effectuate, complete, perfect, continue or preserve the obligation of the Mortgagor under this Mortgage and the lien of this Mortgage as a first lien upon all the Property (except Permitted Encumbrances), as evidenced by an opinion of counsel to the Mortgagor delivered to the Trustee. If the Mortgagor fails to comply with the foregoing sentence, the Trustee may execute, record, file, rerecord and refile any and all such mortgages, financing statements, instruments, certificates and documents for and in the name of the Mortgagor and the Mortgagor hereby irrevocably appoints the Trustee as its agent and attorney in fact to do so.

12. Observance of Lease Assignment. Mortgagor, pursuant to Act No. 210 of Michigan Public Acts of 1953, as amended, does hereby sell, assign, transfer and set over to Mortgagee all of its right, title and interest in and to all leases, subleases, tenancy, occupancy, rental, use, sale or license agreements (hereinafter collectively referred to as "leases"), existing as of the date hereof, or hereinafter executed, covering all or any part of the property, together with any and all extensions and renewals of any of said leases, and also together with any and all guarantees of the lessee's obligations under said leases, and any and all extensions and renewals thereof, the rents, accounts, issues, income, profits, proceeds, security deposits and any other payments now owing or which shall hereafter become owing by virtue of all of said leases, all or any part of the oil and gas located in, on or under oil and gas properties, and all or any of the rents and profits from oil and gas properties, and the income from the sales of oil and gas produced or to be produced from oil and gas properties

(in accordance with MCLA 565.81 et seq.), and all extensions, amendments and renewals thereof, and all moneys payable thereunder, to have and to hold unto the Mortgagee as security for the mortgage indebtedness. NOTICE OF ABSOLUTE ASSIGNMENT OF RENTS: (a) Mortgagor acknowledges and agrees that the assignment of rents hereunder to Mortgagee is and is intended to be an absolute present assignment of rents pursuant to MCLA 554.231 et seq. and MCLA 565.81 et seq., and that as such, upon the occurrence of a default and without any action by Mortgagee, Mortgagor shall have no further right to collect or otherwise receive such rents and that such rents will be the absolute and sole property of Mortgagee pursuant to said statute, (b) any rents collected or received by Mortgagor subsequent to such default shall be held in trust by Mortgagor for the benefit of Mortgagee and Mortgagor shall have no right thereto or interest therein, and (c) such rents, as the sole and absolute property of Mortgagee, will not under any circumstances be available to Mortgagor or any trustee of Mortgagor in any bankruptcy proceeding. This assignment shall continue and remain in full force and effect during any foreclosure proceedings relating to this Mortgage and the period of redemption, if any, and until all sums secured by this Mortgage, together with interest thereon, shall have been paid in full. If the entire balance secured hereunder shall be bid by Mortgagee at the foreclosure sale (by cash or otherwise) or a third party at such sale, said assignment shall nonetheless continue for the benefit of the successful bidder, with any rent collected by Mortgagee, purchaser at the foreclosure sale or their successors (net of operating expenses actually paid) to be applied in reduction of the redemption price. In the event of any default under the Financing Agreement or this Mortgage or other Academy Documents, Mortgagee shall have the full right and power to collect the assigned rents, income security deposits, issues, profits and proceeds by demand, suit or otherwise. All monies received by Mortgagee pursuant to said assignment shall be applicable at the option of Mortgagee in the manner hereinafter provided for the use of such funds if paid to a receiver appointed to manage the Property or in the manner hereinafter provide for the application of proceeds from sale of the Property in the event of a foreclosure. Mortgagor will not, without Mortgagee's prior written consent, make any lease of the Property except for actual occupancy by the lessee thereunder.

13. Waste and Receiver. The failure, refusal or neglect of the Mortgagor to pay any of the taxes assessed against the Property before any interest or penalty attaches thereto and to provide adequate security therefore will constitute waste hereunder and in accordance with the provisions of Act No. 236 of the Public Acts of Michigan for 1961. The failure, refusal or neglect of the Mortgagor to keep the Property adequately insured as herein provided, or to pay the premiums therefore, will likewise constitute waste hereunder and in accordance with the provisions of Act No. 236. Upon the happening of any act of waste and on proper application made therefor by the Trustee to a court of competent jurisdiction, the Trustee will forthwith be entitled to the appointment of a receiver of the Property and of the earnings, income, issue and profits thereof, with such powers as the court making such appointment will confer. The Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor.

14. Reimbursement of Expenses. The Mortgagor will pay or reimburse the Trustee for expenses reasonably necessary or incidental to the protection of the lien and priority of this Mortgage and for expenses incurred by the Trustee in seeking to enforce the provisions hereof and of the Secured Obligations (whether before or after default), including

but not limited to costs of evidence of title to and survey of the Property, costs of recording this and other instruments, actual, reasonable attorney fees (including, but not limited to, fees incurred in participating or taking action in any bankruptcy or other insolvency proceeding of the Mortgagor), trustees' fees, court costs, and expenses of advertising, selling and conveying the Property. All such payments or reimbursements will be paid immediately to the Trustee, will be added to the Secured Obligations, will be secured by this Mortgage, and will bear interest at the highest rate specified in the Secured Obligations from the date incurred by the Trustee until fully paid.

15. Inspection and Reports. At all reasonable times, the Trustee and its agents may inspect the Property to ascertain whether the covenants and agreements contained herein or in any supplementary agreement are being performed. Upon demand by the Trustee, the Mortgagor will promptly deliver to the Trustee all financial reports, statements, rent rolls, and other documents relating to the Property and the Mortgagor, as will be reasonably requested by the Trustee. Mortgagor hereby authorizes the Trustee to undertake or to have third parties undertake on its behalf (not more often than once in any 12-month period) environmental investigations regarding the Property and its operation including research into the previous and current ownership, use, and condition (by taking samples or borings or otherwise) of the Property for the purpose of attempting to determine whether: (i) Mortgagor or any current or past occupant of the Property has violated any federal, state or local laws involving the protection of the environment and/or the disposition of, or exposure to, hazardous or toxic substances, as now existing or as hereinafter amended or enacted, or any rules, regulations, guidelines or standards promulgated pursuant thereto; and (ii) whether any hazardous or toxic substances have been used or disposed of on the Property. Such investigations may be performed at any time before or after occurrence of an Event of Default and Mortgagor will permit the Trustee and persons acting on its behalf to have access to the Property and records concerning the Property for the purpose of conducting such investigations. The cost of all such investigations will be immediately paid by Mortgagor to the Trustee, and if not paid will be added to the Secured Obligations secured hereby and will bear interest at the highest rate specified in any of the Secured Obligations secured hereby from the date incurred by the Trustee until paid.

16. Events of Default. Occurrence of any one of the following events will constitute an "Event of Default" under this Mortgage:

- (a) An Event of Default under the Financing Agreement;
- (b) Breach or failure of payment under any of the terms, conditions, or covenants of this Mortgage for a period of ten (10) days after such payment is due;
- (c) Breach, failure of performance, or default under any of the terms, conditions or covenants of this Mortgage for a period of forty-five (45) days after written notice and opportunity to cure; or
- (d) Breach, failure of performance, or default under any of the terms, conditions or covenants under the Environmental Indemnity Agreement dated as of April 1,

2011 executed by the Mortgagor in favor of the Trustee for a period of forty-five (45) days after written notice and opportunity to cure.

17. Trustee's Rights Upon Default. Upon occurrence of an Event of Default all of the Secured Obligations (regardless of any contrary terms thereof) will, at the option of the Trustee, be immediately due and payable without demand or notice, and the Trustee may take any one or more of the following actions not contrary to law:

(a) Foreclose this Mortgage by legal proceedings and collect its actual attorney fees as awarded by the court;

(b) Sell, grant, and convey the Property, or cause the Property to be sold, granted and conveyed at public sale and to execute and deliver to the purchaser at such sale a good and sufficient deed or deeds of conveyance at law, pursuant to the statute in such case made and provided and out of the proceeds of such sale to retain the sums due under this Mortgage and all costs and charges of the sale (including, without limitation, the attorney fees provided by statute), rendering the surplus moneys, if any, to the Mortgagor or as otherwise provided by law, and in the event of a public sale and unless otherwise prohibited by law, the Property may be sold as one or more parcels, the Trustee may sell the Property for cash and/or secured credit, and the Trustee may give a warranty deed to the purchaser binding upon the Mortgagor and all claiming under the Mortgage;

(c) [RESERVED];

(d) Enter upon the Property and take other actions as the Trustee deems appropriate to perform the Mortgagor's obligations under this Mortgage, to inspect, repair, protect or preserve the Property, to investigate or test for the presence of any hazardous materials, and/or to appraise the Property, each of the rights under this subparagraph being specifically enforceable since there is not adequate monetary remedy available to the Trustee;

(e) Exercise any and all rights granted to the Trustee herein or in any of the Secured Obligations; and/or

(f) Take any other action allowed by law.

In addition to and without limitation of the foregoing, the Trustee shall not otherwise acquire possession of or take any other action with respect to the Property if as a result of any such action, the Trustee would be considered to hold title to, to be a "mortgagee-in-possession of", or to be an "Owner" or "operator" of the Property within the meaning of the Comprehensive Environmental Responsibility Cleanup and Liability Act of 1980, as amended, from time to time, unless the Trustee has previously determined, based on a report prepared by a person who regularly conducts environmental audits, that:

(i) the Property is in compliance with applicable environmental laws or, if not, that it would be in the best interest of the owners of the Secured Obligations to take such actions as are necessary for the Property to comply therewith; and

(ii) there are not circumstances present at the Property relating to the use, management or disposal of any hazardous wastes for which investigation, testing, monitoring, containment, clean-up or remediation could be required under any federal, state or local law or regulation, or that if any such materials are present for which such action could be required, that it would be in the best economic interest of the owners of the Secured Obligations to take such actions with respect to the Property.

The environmental audit report contemplated hereby shall not be prepared by an employee or affiliate of the Trustee, but shall be prepared by a person who regularly conducts environmental audits for purchasers of commercial property, as determined (and, if applicable, selected) by the Trustee, and the cost thereof shall be borne by the Mortgagor or the Bondholders.

18. Application of Payments After Default. Notwithstanding anything to the contrary contained in this Mortgage or in any of the Secured Obligations, upon occurrence of an Event of Default under this Mortgage, any proceeds of any foreclosure, voluntary sale, or other disposition of the Property will be applied by the Trustee to reduction of the Secured Obligations in such order as the Trustee will determine in its sole judgment and the Mortgagor will have no right to require the Trustee to apply such proceeds to any specific Secured Obligation.

19. Waiver of Marshalling. In the event of foreclosure of this Mortgage or the enforcement by the Trustee of any other rights and remedies under this Mortgage, the Mortgagor waives any right otherwise available in respect to marshalling of assets which secure the Secured Obligations or to require the Trustee to pursue its remedies against any other assets or any other party which may be liable for any of the Secured Obligations.

20. Subrogation. Any transferee of endorser, guarantor or surety or other party providing security who pays the Secured Obligations secured hereby in full may take over all or any part of the Property and will succeed to all rights of the Trustee in respect thereto and the Trustee will be under no further responsibility therefor. No party will succeed to any of the rights of the Trustee so long as any of the Secured Obligations remain unpaid to the Trustee.

21. Release of Security. The Mortgagor agrees that the Trustee may, without impairing the obligation of the Mortgagor hereunder: release any other obligors or guarantors from their obligations to pay or perform the Secured Obligations; release any security of any obligor or guarantor of the Secured Obligations before or after maturity of any of the Secured Obligations; take, release or enforce its rights with respect to any of the Property without being obliged first to do so to any other security, whether owned by the Mortgagor or any other person; and agree with any obligor of the Secured Obligations to extend, modify, forbear or make any accommodations with regard to the terms of the Secured Obligations owed by such obligor.

22. WAIVER OF RIGHTS REGARDING SALE BY ADVERTISEMENT. The Mortgagor understands, acknowledges, and agrees that, upon occurrence of an Event of Default, the Trustee has the right, at its option, to foreclose this Mortgage by advertisement pursuant to relevant Michigan statutes and that such statutes provide for notice of a sale solely by advertisement and posting and afford no right to a hearing to the Mortgagor. The Mortgagor hereby voluntarily and knowingly agrees and consents to the right of the Trustee, at its option, to foreclose this Mortgage by advertisement and waives its rights, if any, under the Constitution of the United States and/or the State of Michigan to notice or a hearing regarding such foreclosure by advertisement, except for the notice requirements described in the Michigan statutes providing for such sale. Mortgagor hereby acknowledges that this Mortgage contains a POWER OF SALE and that in the event Mortgagee elects to foreclose by advertisement pursuant to the POWER OF SALE, in accordance with MCLA 600.3201 et seq., MORTGAGOR EXPRESSLY WAIVES NOTICE THEREOF (EXCEPT ANY NOTICE REQUIRED UNDER THE AFORESAID STATUTE), A HEARING PRIOR TO SALE AND ANY RIGHT, CONSTITUTIONAL OR OTHERWISE, THAT MORTGAGOR MIGHT OTHERWISE HAVE TO REQUIRE A JUDICIAL FORECLOSURE.

23. No Consent. Nothing in this Mortgage will be deemed or construed in any way as constituting the consent or request by the Trustee, express or implied, to any contractor, subcontractor, laborer, mechanic or materialman for the performance of any labor or the furnishing of any material for any improvement, construction, alteration or repair of the Property. The Mortgagor further agrees that the Trustee does not stand in any fiduciary relationship to the Mortgagor.

24. Indemnity. Mortgagor agrees, to the extent permitted by law, in addition to payments of the Secured Obligations, to indemnify, defend, pay and hold harmless the Trustee and any holder of any of the Secured Obligations, and the officers, directors, employees, agents and affiliates of the Trustee and such holders (collectively called the "Indemnitees") from and against any and all other liabilities, obligations, losses, damages, exemplary damages, penalties, actions, judgments, suits, claims, costs (including, without limitation, settlement costs), expenses or disbursements of any kind or nature whatsoever (including, without limitation, the reasonable fees and disbursements of counsel for such Indemnitees in connection with any investigative, administrative or judicial proceeding commenced or threatened, whether or not such Indemnitee will be designated a party thereto), which may be imposed on, incurred by, or asserted against that Indemnitee, in any manner relating to or arising out of this Mortgage and/or its enforcement, the Secured Obligations, the Trustee's relationship with Mortgagor, the use or intended use of the proceeds of any of the Secured Obligations or any environmental matter (the "Indemnified Claims"); provided that Mortgagor will have no obligation to an Indemnitee hereunder with respect to Indemnified Claims if it has been determined by a final decision (after all appeals and the expiration of time to appeal) by a court of competent jurisdiction that such Indemnified Claims arose primarily from the gross negligence or willful misconduct of that Indemnitee. To the extent that the undertaking to indemnify, defend, pay and hold harmless set forth in the preceding sentence may be unenforceable because it is violative of any law or public policy, Mortgagor will contribute the maximum portion which it is permitted to pay

and satisfy under applicable law, to the payment and satisfaction of all Indemnified Claims incurred by the Indemnitees or any of them.

The foregoing indemnity set forth in this Section 24 will include, without limitation:

(a) indemnification by Mortgagor to each Indemnitee for any and all expenses and costs (including, without limitation, remedial, removal, response, abatement, clean-up, investigative, closure and monitoring costs), losses, claims (including claims for contribution or indemnity and including the costs of investigating or defending any claim and whether or not such claim is ultimately defeated, and whether such claim arose before, during or after Mortgagor's ownership, operation, possession or control of the Property, or before, on or after the date hereof, and including also any amounts paid incidental to any compromise or settlement by the Indemnitees or any Indemnitee to the holders of any such claim), lawsuits, liabilities, obligations, actions, judgments, suits, disbursements, encumbrances, liens, damages (including, without limitation, damages for contamination or destruction of natural resources), penalties and fines of any kind or nature whatsoever (including, without limitation, in all cases the reasonable fees and disbursements of counsel in connection therewith) incurred, suffered or sustained by that Indemnitee based upon, arising under or relating to any federal, state or local laws involving the protection of the environment and/or the disposition of, or exposure to, hazardous or toxic substances, as now existing or as hereinafter amended or enacted, or any rules, regulations, guidelines or standards promulgated pursuant thereto, based on, arising out of or relating to, in whole or in part, the exercise and/or enforcement of any rights or remedies by any Indemnitee under this Mortgage or any of the Secured Obligations, and including, but not limited to, taking title to, owning, possessing, operating, controlling, managing or taking any action in respect of the Property. The provisions of this indemnity section of this Mortgage will survive payment of the Secured Obligations, termination of this Mortgage and the resignation or removal of the Trustee; and

(b) indemnification by Mortgagor to any and all like claims; which arise from the acts or omissions of any tenant, lessee, agent or invitee of Mortgagor.

The obligations under this Section shall not be affected by any investigation by or on behalf of any Indemnitee, or by any information which any Indemnitee may have or obtain with respect thereto.

Mortgagor's indemnification shall include the duty to defend any and all claims, and Indemnitees may participate in the defense of any claim without relieving Mortgagor or any obligation hereunder. This duty to defend shall apply and constitute an obligation of Mortgagor regardless of any challenge by Mortgagor to this provision, the indemnification contained herein, or any other provision of this Mortgage. This duty to defend shall apply regardless of the validity of Mortgagor's indemnification, as may ultimately be determined by court of competent jurisdiction.

25. Reinstatement of Mortgage. If any payment to the Trustee on any of the Secured Obligations is wholly or partially invalidated, set aside, declared fraudulent, or required to be repaid to the Mortgagor or anyone representing the Mortgagor or the

Mortgagor's creditors under any bankruptcy or insolvency act or code, under any state or federal law, or any common law or equitable principles, then this Mortgage will remain in full force and effect or be reinstated, as the case may be, until payment in full to the Trustee of the repaid amounts, and of the Secured Obligations. If this Mortgage must be reinstated, the Mortgagor agrees to execute and deliver to the Trustee new mortgages, if necessary, in form and substance acceptable to the Trustee, covering the Property.

26. Miscellaneous. All persons signing this Mortgage on behalf of a corporation, partnership, trust or other entity warrant to the Trustee that they are duly and properly authorized to execute this Mortgage. Nothing in this Mortgage will waive or restrict any right of the Trustee granted in any other document or by law. No delay on the part of the Trustee in the exercise of any right or remedy will operate as a waiver. No single or partial exercise by the Trustee of any right or remedy will preclude any other future exercise of that right or remedy or the exercise of any other right or remedy. No waiver or indulgence by the Trustee of any default will be effective unless in writing and signed by the Trustee, nor will a waiver on one occasion be construed as a bar to or waiver of that right on any future occasion. Acceptance of partial or late payments owing on any of the Secured Obligations at any time will not be deemed a waiver of any default. All rights, remedies and security granted to the Trustee herein are cumulative and in addition to other rights, remedies or security which may be granted elsewhere or by law. Any inspection, audit, appraisal or examination of the Property by or on behalf of the Trustee will be solely for its benefit and will not create any duty or obligation to the Mortgagor or any other person. Whenever possible, each provision of this Mortgage will be interpreted in such manner as to be effective and valid under applicable law. If any provision hereof will be declared invalid or illegal it will be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of the provision or the remaining provisions of this Mortgage. Notice from the Trustee to the Mortgagor, if mailed, will be deemed given when mailed to the Mortgagor, postage prepaid, at the Mortgagor's address set forth at the beginning of this Mortgage or at any other address of the Mortgagor in the records of the Trustee. Any reference to the Trustee will include any holder of the Secured Obligations and any holder will succeed to the Trustee's rights under this Mortgage. This Mortgage will bind the respective successors and assigns of the Mortgagor. If any payment applied by the Trustee to the Secured Obligations is subsequently set aside, recovered, rescinded or otherwise required to be returned or disgorged by the Trustee for any reason (pursuant to bankruptcy proceedings, fraudulent conveyance statutes, or otherwise), the Secured Obligations to which the payment was applied will for the purposes of this Mortgage be deemed to have continued in existence, notwithstanding the application, and will be secured by this Mortgage as fully as if the Trustee had not received and applied the payment.

27. Joint and Several Obligations. If two or more persons execute this Mortgage as the Mortgagor, the obligations and grants of liens of such persons herein will be joint, several, and individual.

28. Future Advance Notice Language. Notice is hereby given that the indebtedness secured hereby may increase as a result of any defaults hereunder by Mortgagor due to, for example, and without limitation, unpaid interest or late charges, unpaid taxes or insurance premiums which Mortgagee elects to advance, defaults under leases that

Mortgagee elects to cure, attorney fees or costs incurred in enforcing the Indenture or the Financing Agreement or other expenses incurred by Mortgagee in protecting the Property, the security of this Mortgage or Mortgagee's rights and interests.

29. Environmental Matters. The representations, warranties, covenants, indemnification and agreements made by the Mortgagor to the Mortgagee in the Environmental Indemnity Agreement delivered by the Mortgagor to the Mortgagee in connection with the Property are incorporated herein by reference. The Mortgagor agrees that any default under the terms of the Environmental Indemnity Agreement will constitute a default under this Mortgage.

30. Construction Mortgage. This Mortgage secures an obligation of improvements on the Land and constitutes a "construction mortgage", within the meaning of MCL 440.9334(h).

31. Recordable Events. The provisions set forth in this Mortgage are not intended to evidence an additional recordable event, as may be proscribed by Act 459 of the Public Acts of Michigan of 1996, but rather are included in this Mortgage for purposes of complying with applicable law.

32. Defined Terms. Terms used but not defined herein shall have the meanings ascribed thereto in the Financing Agreement.

IN WITNESS WHEREOF, each of the undersigned has caused this Mortgage to be duly executed as of the day and year first above written.

HOLLY ACADEMY

By: Paul A. Fuhs
Paul Fuhs
Its: Treasurer

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: Kellee M. Przytulski
Kellee M. Przytulski
Its: Assistant Vice President

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on this 26th day of April, 2011, by Paul Fuhs, the Treasurer of Holly Academy, a Michigan public school academy, on behalf of said academy.

Susan F. Snyder
Notary Public
Oakland County, Mch.
My commission expires: 7-5-2015

Susan F. Snyder
Notary Public, Oakland County, MI
Acting in Oakland County, Michigan
My Commission Expires on 07-05-2015

STATE OF MICHIGAN)
)SS
COUNTY OF OAKLAND)

The foregoing instrument was acknowledged before me on this 26th day of April, 2011, by Kellee M. Przytulski, Assistant Vice President of The Bank of New York Mellon Trust Company, N.A., a national banking association, on behalf of said banking association.

Susan F. Snyder
Notary Public
Oakland County, Mch
My commission expires: 7-5-2015

Susan F. Snyder
Notary Public, Oakland County, MI
Acting in Oakland county, Michigan
My Commission Expires on 07-05-2015

*This instrument drafted by and
when recorded return to:*

Rhonda D. Welburn, Esq.
Dickinson Wright PLLC
38525 Woodward Avenue, Suite 2000
Bloomfield Hills, Michigan 48304

EXHIBIT A**Legal Description of Land**

Land in the Township of Holly, County of Oakland, State of Michigan, described as follows:

A PART OF THE NORTHWEST 1/4 OF SECTION 33, TOWN 5 NORTH, RANGE 7 EAST, HOLLY TOWNSHIP, OAKLAND COUNTY, MICHIGAN, DESCRIBED AS FOLLOWS:
 COMMENCING AT THE WEST 1/4 CORNER OF SAID SECTION: THENCE ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION NORTH 89 DEGREES 50 MINUTES 40 SECONDS EAST 1318.90 FEET TO THE POINT OF BEGINNING; THENCE NORTH 00 DEGREES 03 MINUTES 30 SECONDS EAST 33.00 FEET; THENCE SOUTH 89 DEGREES 50 MINUTES 40 SECONDS WEST 118.90 FEET; THENCE NORTH 00 DEGREES 03 MINUTES 30 SECONDS EAST 1707.67 FEET (MEASURED AS NORTH 00 DEGREE 02 MINUTES 17 SECONDS EAST 1708.02 FEET) TO A POINT ON THE SOUTHWESTERLY LINE OF THE GRAND TRUNK RAILROAD; THENCE ALONG SAID SOUTHWESTERLY LINE SOUTH 60 DEGREES 24 MINUTES 57 SECONDS EAST 1434.63 FEET (MEASURED AS SOUTH 60 DEGREES 24 MINUTES 37 SECONDS EAST 1434.62 FEET); THENCE SOUTH 01 DEGREES 38 MINUTES 47 SECONDS WEST 462.48 FEET (MEASURED AS SOUTH 01 DEGREE 38 MINUTES 47 SECONDS WEST 462.48 FEET) TO A POINT ON THE NORTH LINE OF NORTH RIDGE, OCCP # 1035; THENCE ALONG THE NORTH AND WEST LINES OF SAID NORTH RIDGE, SOUTH 89 DEGREES 50 MINUTES 40 SECONDS WEST 381.15 FEET AND SOUTH 00 DEGREES 09 MINUTES 20 SECONDS EAST, 228.96 FEET; THENCE SOUTH 89 DEGREES 50 MINUTES 40 SECONDS WEST 173.82 FEET; THENCE SOUTH 00 DEGREES 09 MINUTES 20 SECONDS EAST 129.21 FEET; THENCE NORTH 89 DEGREES 50 MINUTES 40 SECONDS EAST 173.82 FEET TO A POINT ON SAID WEST LINE; THENCE ALONG SAID NORTH RIDGE SOUTH 00 DEGREES 09 MINUTES 20 SECONDS EAST 44.58 FEET AND SOUTH 89 DEGREES 50 MINUTES 40 SECONDS WEST, 135.00 FEET AND SOUTH 00 DEGREES 09 MINUTES 20 SECONDS EAST, 164.00 FEET TO A POINT ON SAID EAST- WEST 1/4 LINE; THENCE ALONG SAID 1/4 LINE SOUTH 89 DEGREES 50 MINUTES 40 SECONDS WEST 602.58 FEET (MEASURED AS 602.57 FEET) TO THE POINT OF BEGINNING.

SUBJECT TO AND TOGETHER WITH 10 FOOT WIDE PEDESTRIAN EASEMENT COMMENCING AT THE WEST 1/4 CORNER OF SECTION 33, TOWN 5 NORTH, RANGE 7 EAST, HOLLY TOWNSHIP, OAKLAND COUNTY, MICHIGAN; THENCE NORTH 89 DEGREES 50 MINUTES 40 SECONDS EAST 2091.63 FEET ALONG THE EAST-WEST 1/4 LINE OF SAID SECTION 33 AND THE CENTER LINE OF ACADEMY ROAD (66 FEET WIDE); THENCE NORTH 00 DEGREES 09 MINUTES 20 SECONDS WEST 586.75 FEET TO THE NORTH LINE OF UNIT 6 OF NORTH RIDGE CONDOMINIUM, AS RECORDED IN LIBER 17040, PAGES 708-744, OAKLAND COUNTY RECORDS; THENCE NORTH 89 DEGREES 50 MINUTES 40 SECONDS EAST 30.00 FEET ALONG SAID NORTH LINE FOR A PLACE OF BEGINNING; THENCE NORTH 00 DEGREES 09 MINUTES 20 SECONDS WEST 516.54 FEET; THENCE NORTH 13 DEGREES 05 MINUTES 24 SECONDS WEST 145.23 FEET; THENCE NORTH 60 DEGREES 24 MINUTES 13 SECONDS WEST 1016.71 FEET; THENCE NORTH 00 DEGREES 02 MINUTES 29 SECONDS EAST 11.50 FEET; THENCE SOUTH 60 DEGREES 24 MINUTES 13 SECONDS EAST 1026.76 FEET ALONG THE SOUTH LINE OF THE GRAND TRUNK RAILROAD (100 FEET WIDE); THENCE SOUTH 13 DEGREES 05 MINUTES 24 SECONDS EAST 150.74 FEET; THENCE SOUTH 00 DEGREES 09 MINUTES 20 SECONDS EAST 517.67 FEET; THENCE SOUTH 89 DEGREES 50

MINUTES 40 SECONDS WEST 10.00 FEET ALONG SAID NORTH LINE OF UNIT 6 TO THE PLACE OF BEGINNING, BEING PART OF THE NORTHWEST 1/4 OF SAID SECTION 33.

FOR INFORMATIONAL PURPOSES ONLY,
COMMONLY KNOWN AS: 820 ACADEMY ROAD

A-2

EXHIBIT B

Permitted Encumbrances

1. Right of others for ingress and egress across subject property with regards to the ingress and egress easement, gravel drive and the 10 foot wide pedestrian easement as shown on the A.L.T.A. survey dated October 18, 2004 prepared by Cornerstone Surveying and Engineering, Inc.
2. Terms and Conditions of the easement granted to Consumers Energy Company recorded in Liber 43 Miscellaneous Records 409, Liber 43 Miscellaneous Records 411, Liber 43 Miscellaneous Records 413 and Liber 60 Miscellaneous Records 499, Oakland County Records, including any maintenance duties therein.
3. Terms and Conditions of the easement granted to Consumers Energy Company recorded in Liber 757, Page 267, Oakland County Records, including any maintenance duties therein.
4. Terms and Conditions of the easement granted to The Township of Holly and The Village of Holly recorded in Liber 31853, Page 309, Oakland County Records, including any maintenance duties therein.
5. Terms and Conditions of the easement granted to The County of Oakland recorded in Liber 3111, Page 74, Oakland County Records, including any maintenance duties therein.
6. Easement for Overhead and Underground Electric Lines in favor of Consumers Energy Company, recorded in Liber 38539, Page 525, Oakland County Records.

BLOOMFIELD 40432-9 1097748

B-1



State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Kathleen M. Wilbur, Director

Page 1 of 1
OFS-40
Office of Fire Safety
General Office Building
7160 Harris Drive
Lansing, MI 48906-7604

NAME Warwick Academy	DATE 4-4-00	COUNTY Oakland	PROJECT 540-98
ADDRESS 820 Academy Rd.	FACILITY TYPE School	RULES/CODES School Rules	JOB/IC/FAC. NO. 9824
CITY, STATE ZIP CODE Holly, MI 48442	FACILITY REPRESENTATIVE Bill Delaney	INSPECTION TYPE Re-Check Final	

AREAS REQUIRING COMPLIANCE:

RE: RENOVATION OF EXISTING BUILDING TO NEW SCHOOL USE:

A recheck inspection at the above school facility was conducted. The last remaining items have been addressed and all submittals have been made. The facility is in compliance at this time.

Groveland Fire Department

Ted Hu Associates Inc
8285 S. Saginaw
Grand Blanc, MI 48439

□

FIRE SAFETY CERTIFICATION		PROJECT STATUS	REVIEWED BY
Approved		Closed	
DISTRIBUTION y File C1011Q	INSPECTING OFFICIAL Gary Groth	ADDRESS	24155 Drake Road Farmington, MI 48335
	SIGNATURE OF OFFICIAL 	TELEPHONE	248-888-8765 FAX 248-888-8760



State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Kathleen M. Wilbur, Director

Page 1 of
OFS-
Office of Fire Safe
General Office Building
7150 Harris Dr.
Lansing, MI 48909-7501

FACILITY NAME Warwick Academy	DATE 5-3-00	COUNTY Oakland	PROJECT 181-00
ADDRESS 820 Academy Rd.	FACILITY TYPE School	RULES CODES School Rules	JOB #/FAC. NO. 9824-A
CITY, STATE ZIP CODE Holly, MI 48442	FACILITY REPRESENTATIVE Robert Carpenter	INSPECTION TYPE Re-Check Final	

AREAS REQUIRING COMPLIANCE:

RE: GYM RENOVATIONS PROJECT:

A recheck inspection was conducted at the above school facility on the gym renovations project. The project is complete at this time and the items listed on the initial inspection report have been completed and/or submitted and the project is in compliance at this time.

Groveland Fire Department

Robert Carpenter
8305 S. Saginaw Rd.
Grand Blanc, MI 48439

Warwick Academy
820 Academy Rd.
Holly, MI 48442

□

AA

FIRE SAFETY CERTIFICATION Approved		PROJECT STATUS Closed	REVIEWED BY
DISTRIBUTION Facility File CIS/HQ	INSPECTING OFFICIAL Gary Groth	ADDRESS 24155 Drake Road Farmington, MI 48335	TELEPHONE 248-888-8765 FAX 248-888-8760
SIGNATURE OF OFFICIAL			



State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Kathleen M. Wilbur, Director

Inspection Report

Page 1 of 1

OFS-40

Office of Fire Safety
General Office Building
7150 Harris Drive
Lansing, MI 48909-7504

Web Site www.cis.state.mi.us/fire

FACILITY NAME Holly Academy	DATE 1/24/2001	COUNTY Oakland	PROJECT 1478-00
ADDRESS 820 Academy Rd.	FACILITY TYPE School	RULESCODES School - 99	JOB/IC/FAC. NO. 9824B
CITY, STATE ZIP CODE Holly, MI 48442	FACILITY REPRESENTATIVE Robert Carpenter	INSPECTION TYPE Re-Check Final	

RE: LOWER LEVEL CONVERSION TO CLASSROOM PROJECT:

ka

A recheck inspection was conducted at the above school facility on the lower level conversion project. The project is complete at this time and the last remaining items have been completed and/or submitted. The project is in compliance at this time.

NOTE: No health department review required for this project.

Robert Carpenter
FAX 248 695-6848

North Oakland Fire Authority

Paul Graveline
Central Michigan University
FAX 517 774-7893

Debbie Vankuren-Honea
Ted Hu Associates, Inc
FAX 810 953-0640

FIRE SAFETY CERTIFICATION Approved		PROJECT STATUS Closed	REVIEWED BY
DISTRIBUTION City File CIS/HQ Local FD	INSPECTING OFFICIAL Gary Groth SIGNATURE OF OFFICIAL	ADDRESS 24155 Drake Rd Farmington, MI 48335	TELEPHONE 248-888-8765 FAX 248-888-8760 E-MAIL gary.groth@ois.state.mi.us



State of Michigan
John Engler, Governor

Department of Consumer & Industry Services
Noelle A. Clark, Director

Inspection Report

Page 1 of 1
OFS-40
Office of Fire Safety
General Office Building
7150 Harris Drive
Lansing, MI 48909-7504
Web Site www.michigan.gov/cis

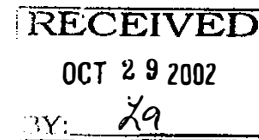
FACILITY NAME Holly Academy	DATE 10/1/2002	COUNTY Oakland	PROJECT 1317-02
ADDRESS 820 Academy Road	FACILITY TYPE School - <i>Charter</i>	RULESCODES School - 99	JOB/LIC/FAC. NO.
CITY, STATE ZIP CODE Holly, MI 48442	FACILITY REPRESENTATIVE Ken Kander	INSPECTION TYPE Inspection - Final	

Re: Portable Classrooms # 422602 A/B and 422702A/B

A recheck fire safety inspection was completed this date. Deficiencies noted in prior inspection reports have been satisfactorily corrected. This report may be considered as final approval of this project.

Fire Alarm OFS-12A received by Lansing on 9-30-02.

Holly Academy
820 Academy Road
Holly, MI 48442



North Oakland Fire Authority

FIRE SAFETY CERTIFICATION Approved		PROJECT STATUS Closed	REVIEWED BY
DISTRIBUTION Facility File CIS/HQ Local FD	INSPECTING OFFICIAL Larry DeWachter SIGNATURE OF OFFICIAL 	ADDRESS 24155 Drake Rd. Farmington, MI 48335	TELEPHONE 248-888-8761 FAX 248-888-8760 E-MAIL idewac@michigan.gov

RECEIVED 11-20-06 BY:L.A.
CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

Building Permit No. L8023137
Holly Academy
820 Academy Road
Holly, Michigan
Oakland County

The above named building of Use Group E and Construction Type 3B is approved for use and occupancy.

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



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

November 16, 2006

CERTIFICATE OF USE AND OCCUPANCY

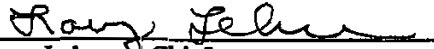
PERMANENT

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

Building Permit No. B027297
Holly Academy
820 Academy Road
Holly, MI
Oakland County

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

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


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

November 3, 2008

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

Building Permit No. B026987
Holly Academy
820 Academy Road
Holly, MI
Oakland 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 110.0 OF THE STATE BUILDING CODE. THIS SHALL SUPERSEDE AND VOID ANY PREVIOUS APPROVAL OF USE AND OCCUPANCY.


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

November 3, 2008

CERTIFICATE OF USE AND OCCUPANCY

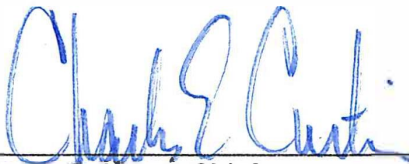
PERMANENT

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: B032209
Holly Academy
820 Academy Road
Holly Township, Michigan
Oakland 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

August 23, 2012

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

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG21-00002

820 ACADEMY RD

HOLLY, MI 48442

COUNTY: OAKLAND

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

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

Print Date: 02/05/2021

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

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG20-01563

820 ACADEMY RD

HOLLY, MI 48442

COUNTY: OAKLAND

The above named building of Use Group E, Education 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.

Print Date: 03/29/2021

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 Academy's criteria for the application and enrollment of students 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

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. 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. 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. 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: Amended 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 the Terms and Conditions 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 Toward 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: Student Achievement

The academic achievement of **all students who have been at the academy for one or more years¹** in grades 3-8 will be assessed using the following measures and targets:

Sub Indicator	Measure	Metric	Target
Against a Standard:	The percentage of students meeting or surpassing the current, spring, grade-level national norms ² on the NWEA Growth 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 $< 30.0\%$	50%
In the event that performance against the standard falls below these required expectations, “measurable progress towards the achievement of this goal” will be defined using the following measures and targets:			
Over Time:	The percentage of students meeting or surpassing spring 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%

¹ One or more years students (also called 1+ students) are students who are enrolled in the academy on or before count day and are still enrolled at the end of a given academic year.

² Grade level national norms are updated periodically by NWEA following comprehensive norming studies. The Center will use the most updated national norms published by NWEA and will inform the Academy when they are updated and how the updated norms may impact analysis and performance reporting.

Measure 2: Student Growth

The academic growth of all students in grades 3-8 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 Growth 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 towards 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 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

The mission of Holly Academy (“Academy”) is to achieve individual academic success for all students through a positive family, Academy, and community partnership.

The Academy represents a partnership of students, parents, faculty, administration and staff. These partners are united in their commitment to the common objectives outlined in the Academy’s mission statement and standards. Parents expect and appreciate direct and regular communication from faculty regarding their children. The Academy places the utmost importance on parental involvement in the formal and informal education of their children. Parents are responsive to teacher suggestions for helping students.

How the Educational Programs Fulfills the Academy’s Mission, Vision and Values

Students are the Academy’s first priority. The Academy believes that traditional fundamentals of education must be enhanced to form a solid foundation for the future of the student. The high expectations and standards of the Academy are set above those of the accepted norms; the staff encourage students to excel. In addition, teaching character development and values enables a child to grow into a responsible, respectful member of society. The Academy promotes a caring 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/Academy partnership.

Research-Based Instructional Strategies and Methodology Used at the Academy

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

The Academy’s core instruction:

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

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 Academy.
- 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 curricular initiatives are embedded in classroom instruction and include but are not limited to: Standards-based reporting – Robert Marzano's/Ken O'Connor's research.
- Differentiated Instruction ("DI") – Carol Ann Tomlinson's research.
- Writer's Workshop – Lucy Calkins'/Ralph Fletcher's research.
- Reader's Workshop – Irene Fountas'/Gay Sue Pinnell's research.
- Recipe for Reading – Nina Traub's/Frances Bloom's research.
- Daily Five/Café – Gail Boushey's/Joan Moser's research.
- Words Their Way – Donald Bear's research.
- Understanding by Design (early stages of implementation) – Jay McTighe's research.

The Academy's annual School Improvement Plan ("SIP") strategies are research-based. Each core subject curriculum committee determines research-based, best practice strategies and professional development opportunities to ensure that the Academy's identified goals are attained. Each strategy and action plan outlined in the SIP has supporting research cited.

Only research-based professional development is used to guarantee positive measurable advancement in academic achievement. Throughout every school year, achievement, perception, demographic and contextual data are gathered and analyzed to determine staff professional development needs. Based on the comprehensive needs assessment, the School Management Team determines the professional development initiatives for the following school year.

Engaging Students in Learning and Preparing Them for Academic Success in College, Work and Life

Inspiring excellence is at the core of the Academy's educational philosophy. The Academy believes that traditional fundamentals of education must be enhanced to form a solid foundation for the future of the student. The high expectations and standards of the Academy are set above those of the accepted norms; students are encouraged to excel. In addition, teaching character development and values enables a child to grow into a responsible, respectful member of society. One way in which children are enabled to become responsible citizens is through our positive behavior support program. Staff work with students on the application of strategies and systems to increase academic performance and safety, decrease problem behavior and establish a positive Academy culture.

In addition, the Academy has implemented a career paths initiative that involves community members and provides career awareness/exploration opportunities for students. Oakland Intermediate School District ("ISD") affords each eighth grade student with a web-based career experience, XELLO. Using the XELLO program, the students are required to create their Educational Development Plan ("EDP"). The XELLO program has been incorporated into 7th and 8th grade courses. Junior Achievement community volunteers or classroom teachers conduct a five-week unit of study in each grade level to help promote a snapshot of the business world. In fourth grade, Academy students create a mini-society. This live event learning opportunity allows students to create a society, complete with laws, community roles and currency. Students are solely responsible for the implementation of the community and utilize this experience to learn about economics. In addition, many community service organizations (fire, emergency medical services, police departments and The Humane Society) are invited to speak in classrooms to educate students about various career choices.

Assisting Students in the Attainment of the Common Core State Standards and the Michigan K-12 Standards

The content of the Academy's curriculum is directly aligned with the Michigan K-12 Standards. In addition, all teachers must identify the standards taught in each lesson. Lesson plans are turned in weekly and reviewed using a lesson plan rubric by Administration.

The Academy's curriculum framework is based upon and organized around the adopted state and local curriculum documents. The Academy's curriculum documents are the basic framework for instruction. The documents contain essential and rigorous content that guides what is taught within and across grade levels. Further, the documents provide consistency and continuity to the curriculum and instructional practice at the Academy and reflect the belief that all students should actively construct and apply knowledge.

The Academy believes in open communication regarding student achievement. Assessment results based upon NWEA results are provided to teachers, students and parents. The results are kept current so that staff members can use them to inform instruction and to work with students to increase proficiency. Parents and students have the opportunity to meet with staff for the purpose of clarifying the information and planning for the future.

How the Academy’s Educational Programs Allow for Adaption and Modification to Meet the Needs of All Learners

Instructional planning is focused upon ensuring student success. The result is a curriculum that allows students to derive meaning from all of their educational experiences. Instructors believe active student engagement is a key feature of student success. There is an expectation that all teachers design lessons and assessments that engage students.

The Academy offers a Developmental Kindergarten (Young 5’s) classroom designated for those students who turn five between September 1st and December 1st of the entering school year. The children placed in this class will be presented material at a rate commensurate with their developmental level. Throughout the school year, students are progress monitored to determine growth. Students who meet all benchmarks for first grade will be promoted to that grade. Students determined to need more time to meet benchmarks will be placed in our kindergarten program for the following year. Parents of children with late summer birthdays may also opt to select our Young 5’s classroom.

The Academy’s core curriculum:

1. is available to all children;
2. is preventative and proactive; and
3. includes but is not limited to:
 - DI by adaptations
 - use of diagnostic assessments
 - small, flexible groups
 - curriculum that is scaffold
 - data driven decisions and progress monitoring

The Academy subscribes to a four “tiered” Multi-Tiered System of Supports (“MTSS”) structure:

Tier I is subject area classroom instruction (general education students and special education students). Teachers use DI, 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. 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 that is assigned to the classroom. Students receive more frequent progress monitoring to determine academic growth. The students are supported and monitored for 10 weeks. If students have an Individualized Education Plan (“IEP”) goal they are not supported by an interventionist, as they are 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 the 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, they are referred to special education for testing.

Tier IV encompasses Tier I instruction and “specially designed learning.” The students identified for Tier IV are those that qualify for special education services, based on a documented learning or speech disability. Students receive classroom instruction by the general education teacher and support by a special education teacher, based on their IEP goals. Students may also receive modified content or instructional delivery.

Following the fall, winter, and spring Northwest Evaluation Association™ (“NWEA™”) testing cycles, Academy teams meet to discuss each individual student in each grade level. The teams include the academic coach/intervention coordinator, administration, grade level teachers, special education teachers and interventionists. Together, the team reviews each student’s assessment scores, both NWEA and classroom assessments, in math and reading. Based on the decision of the team, students may be placed into the intervention program, referred to Child Study for Special Education services, or referred to the Accelerating Children’s Educational Services (“ACES”) program.

Adaptations and Modifications for Students Who are Exceptional and/or High Achievers

For exceptional students, the Academy provides an Accelerated Program, ACES. Student selection is based upon high scores on the state assessment, NWEA assessment, classroom assessments, and through teacher recommendation. Currently, students must score in the ninety-fifth percentile or higher for four consecutive testing cycles in either reading or math to be considered an “accelerated student.”

In clarification of the design of the ACES Program, students are identified in grades two through eight. Homeroom teachers and all specials teachers are aware of and have the responsibility to oversee the students’ core academics and challenge the students in their specific areas of strength. Academy teachers utilize DI to provide students with the opportunity to accelerate within the general education classroom. Teachers design lessons implementing different levels of instruction and curriculum to meet the variety of needs within the classroom. In the area of math instruction, students are provided with enrichment activities or in some instances, a student will partake in a higher grade level math class to meet the individual child’s academic needs.

Adaptations and Modifications for Students Who Enter the Academy Below Grade Level

All students who enter the Academy are tested for grade level proficiency. In grades Young 5 through eight, students are assessed through the NWEA test. In Young 5 through second grade, students are also assessed through math grade level readiness assessments, the Developmental Reading Assessment[®] (“DRA”) for reading proficiency, DIBELS[®], and AIMSweb[™]. The Academy runs a tiered intervention program for students who are identified as below grade level on the aforementioned assessments. Students are monitored by the grade level teachers and intervention staff for progress made toward grade level performance. When a student becomes proficient at grade level in reading and/or math, they are released from the intervention program.

Adaptations and Modifications to Meet the Needs of all Special Education Students

The Academy’s Special Education Department (“SED”) delivers exceptional services for students with special needs. The SED works as a team consisting of the Special Education Director, special education teachers, speech pathologists, school social worker, physical therapist, 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 the 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 the specific IEP goals, there are ancillary services available to enhance the learning potential such as speech therapy, physical therapy, occupational therapy and social work services.

It is the goal of the SED 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 academy-wide presentations are available to better educate all staff and students of the varied individual needs of specific disabilities.

The Academy is determined to offer creative and effective programming for students with special needs. Technology, including Chromebooks, iPads, Soundfield Systems, and SMART boards are available to students daily. The SED utilizes the resources available through the local ISD, Central Michigan University and the Michigan Department of Education (“MDE”). The achievement rate of students with special needs is at the same high level of success as students from typical populations.

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 MDE. 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.

Assessments Utilized at the Academy to Ensure Progress toward the Educational Goal Stated in the Contract

Student assessment is viewed as an essential component in the monitoring of student achievement. Aligned standardized assessments, periodic benchmark assessments, as well as a variety of culminating assessments are incorporated into daily practice.

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 responses, content area games and written spot checks. Teachers are required to indicate formative assessments in lesson plans.

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.

Assessments are aligned with the curriculum and instruction. Assessments are designed by matching the appropriate measurement method to the type of learning targets: knowledge, reasoning, skill, performance or disposition.

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 from the NWEA test is the driving force behind the Academy’s intervention program. STAR Reading, DRA, Dynamic Indicators of Basic Early Literacy Skills, 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, independent reading and conferring) guides the reading classes.

STAR Math and AIMSweb, along with formative assessments, are used to drive math instruction. Students work in differentiated groups to attain mastery of content.

In the content areas of writing, science, social studies and 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 this data, core committees determine effectiveness of grade level instruction.

How the Middle School Educational Program Addresses the Skills Necessary to Prepare Students Academically for Success in College, Work and Life

The Academy focuses on skills development at the middle school level to ensure students succeed in college, work and life. The following are the initiatives that support these skills:

- Careers Class: each eighth grade student is required to take the career class. Many career options are discussed and the students' EDPs are created for high school.
- Student Leadership: an elective that can be chosen by middle school students. Students learn the necessary skills needed to be self-motivated in the pursuit of life goals. Members participate in varied activities such as: volunteer work, planning and implementing Academy events and partnering with younger students.
- Study Skills: this class is required for sixth grade students. Students learn organizational and study skills to assist them in middle school, high school and beyond.
- Future Educational Opportunities: area high schools and early colleges present their educational options to the entire middle school population on an annual basis.
- Junior Achievement: community volunteers or classroom teachers conduct a five-week unit of study in each grade level to promote a snapshot of the business world.
- Live Event Learning: many off campus field trips occur each school year that support the skills necessary for success in college and beyond.
- National Junior Honor Society ("NJHS"): sixth through eighth grade students are invited to apply for the NJHS based on individual citizenship and grade point average. NJHS members commit to individual and group hours dedicated to community service.

Methods of Evaluation Used to Determine the Effectiveness of the Implementation, Delivery and Support of the Educational Programs

The Academy utilizes a systematic process of evaluation to determine the effectiveness of the implementation, delivery and support of the educational programs. Weekly lesson plans are submitted to administration and must include the following items:

- objectives with corresponding K-12 Standards
- theme/unit
- indication of cross-curricular activities, where applicable

- indication of vocabulary
- rubrics/scoring guide
- formative assessment
- summative assessment
- indication of homework
- teacher and student guidelines
- alignment to School Improvement Plan
- indication of DI

In addition to collecting lesson plans, administration provides feedback to the instructional staff through the lesson plan rubric. This feedback promotes collaborative dialogue.

Content area curriculum chairs meet with the Director and/or Curriculum Director on a monthly basis to ensure the staff is moving in a forward direction in regard 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 K-12 Standards.

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 Literacy for English language arts, Oakland MC3 social studies, Big Ideas Math[®], Sangari Active Science and IQWST[®] science, Exemplary Physical Education Curriculum[™] (“EPEC[™]”) and Michigan Model for Health[™] (“MMH[™]”) curriculum. The curriculum for all subjects and courses identified in this schedule is available electronically and accessible at the following links:

- Oakland Schools Literacy <http://www.oaklandschoolsliteracy.org/resources/common-core-resources/ccss-curriculum/>
- Oakland MC3 social studies <https://oaklandk12-public.rubiconatlas.org/Atlas/Browse/View/Calendars>
- Big Ideas Math <https://www.bigideasmath.com/BIM/login>
- Sangari K-5 and IQWST <http://www.activatelearning.com/digital-resources/>
- EPEC <https://michiganfitness.org/activity/epec>
- MI Model for Health <https://www.michiganmodelforhealth.org/>

The curriculum has been reviewed and approved by the Center.

Elementary

The following subjects/courses are offered at the Academy.

Course	K	1	2	3	4	5	6	7	8
English Language Arts	X	X	X	X	X	X	X	X	X
Mathematics	X	X	X	X	X	X	X	X	X
Science	X	X	X	X	X	X	X	X	X
Social Studies	X	X	X	X	X	X	X	X	X
Physical Education	X	X	X	X	X	X	X	X	X
Health	X	X	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 of this Contract 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 eighth grade. The maximum enrollment shall be 950 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.

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, if applicable, 1284a and 1284b, 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.

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 eighth 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 11.9, 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 11.9(a) of the Terms and Conditions of Contract.

AMENDMENT NO. 1

to the
July 1, 2021 Contract to Charter
A Public School Academy and Related Documents

Issued To

HOLLY ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

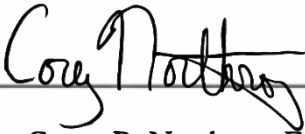
CONTRACT AMENDMENT NO. 1

HOLLY ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2021, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to HOLLY ACADEMY (the "Academy"), the parties agree to amend the Contract as follows:

- 1.) Amend Schedule 7, Section c: Educational Programs, by incorporating into this Section a virtual component, limited to the 2021-2022 school year, that complies with Applicable Law, University Board requirements, and pupil membership requirements set forth in the Michigan Department of Education Pupil Accounting Manual.

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 the Academy's first day of school for the 2021-2022 school year.



Dated: 01/20/2022

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 1/14/22

By: David Cruickshank, Board President
Holly Academy
Designee of the Academy Board

AMENDMENT NO. 2

to the
July 1, 2021 Contract to Charter
A Public School Academy and Related Documents

Issued To

HOLLY ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 2

HOLLY ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2021, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to HOLLY ACADEMY (the "Academy"), as amended, the parties agree to further amend the Contract as follows:

- 1.) Amend Schedule 6: Physical Plant Description, by inserting at the end of this Schedule 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 1, 2023.



Dated: 09/28/2023

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board

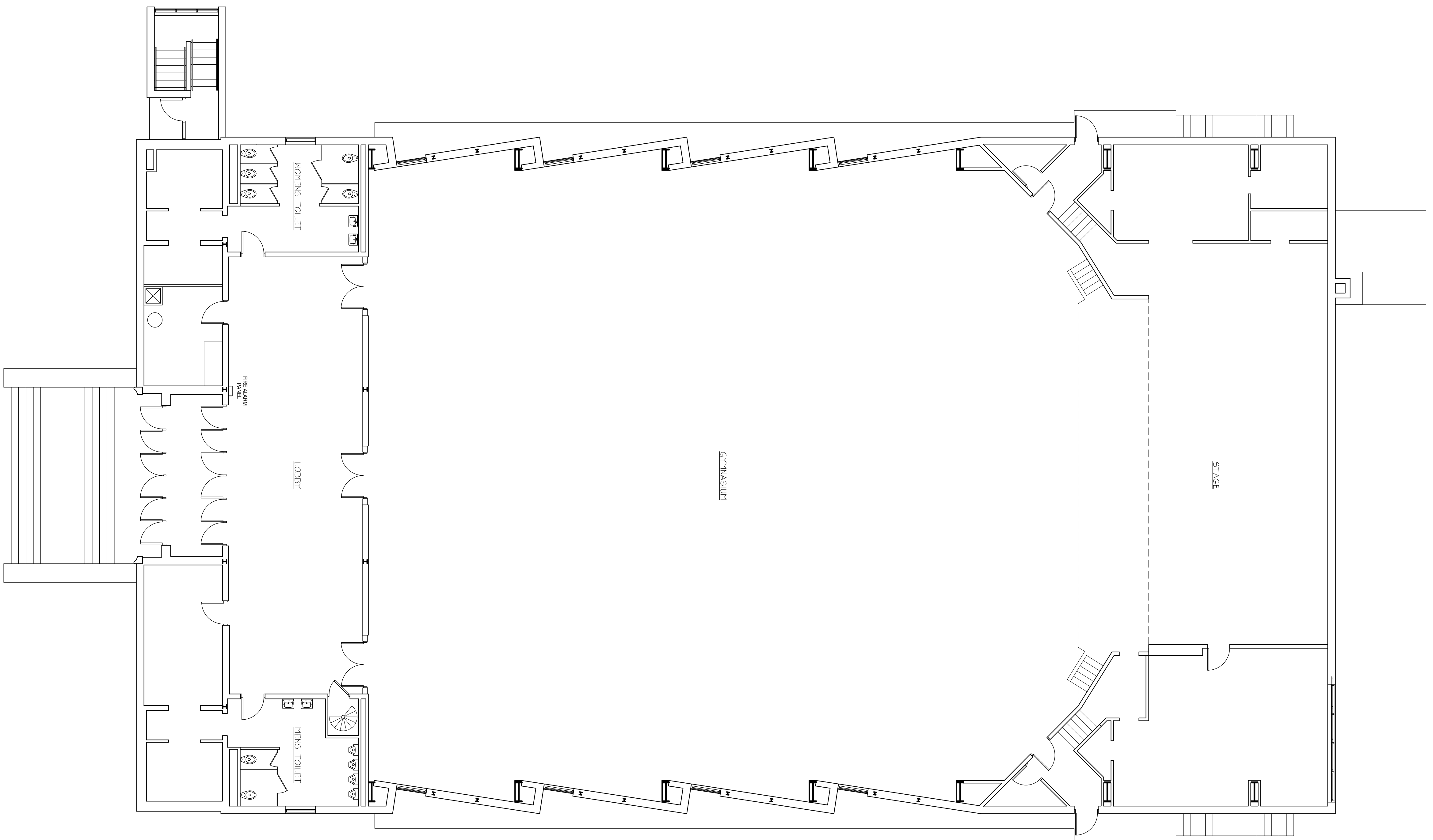


Dated: 9/20/2023

By: Stephen Jenkens
Holly Academy
Designee of the Academy Board

Holly Academy
Contract Amendment No. 2

Tab 1



OVERALL BUILDING
UPPER LEVEL FLOOR PLAN
1/8" = 1'-0"

LOCATED WITHIN BOUNDARIES OF:
HOLLY TOWNSHIP, OKLAHOMA COUNTY

BUILDING DATA

BUILDING AREA:

UPPER FLOOR: 14,621 sf
LOWER FLOOR: 14,620 sf
TOTAL BUILDING: 29,241 sf

BUILDING USE:

BUILDING USE: E, EDUCATION (GRADOES 4th - 8th)

STUDENT OCCUPANCY: 81
STAFF OCCUPANCY: 16
TOTAL OCCUPANCY: 97

BUILDING CONSTRUCTION TYPE:

IFBC - IIB
NFPA - II(000)
STEEL FRAME WITH MASONRY INFILL

EGRE SUPPRESSION:

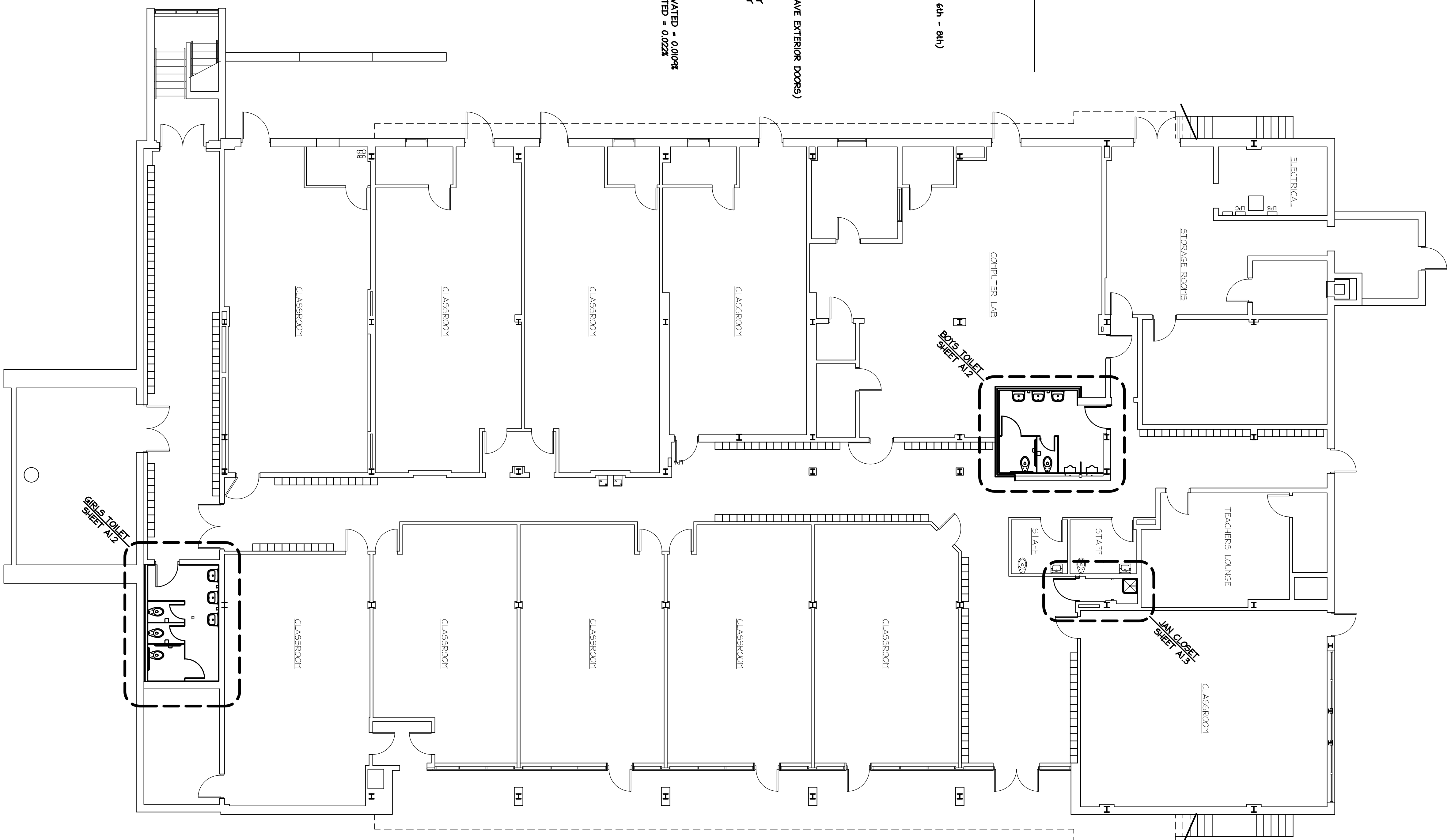
NON-SUPPRESSED (ALL CLASSROOMS HAVE EXTERIOR DOORS)

UTILITY INFESTIGATION:

ELECTRICAL: CONSUMERS ENERGY
PLUMBING: WATERSHED
WATER/SEWER: VILLAGE OF HOLLY

RENOVATED AREAS:

BOYS TOILET: 164 sq ft
GIRLS TOILET: 165 sq ft
PERCENTAGE OF TOTAL BUILDING RENOVATED = 0.0004
PERCENTAGE OF LOWER FLOOR RENOVATED = 0.0023



OVERALL BUILDING
LOWER LEVEL FLOOR PLAN
1/8" = 1'-0"

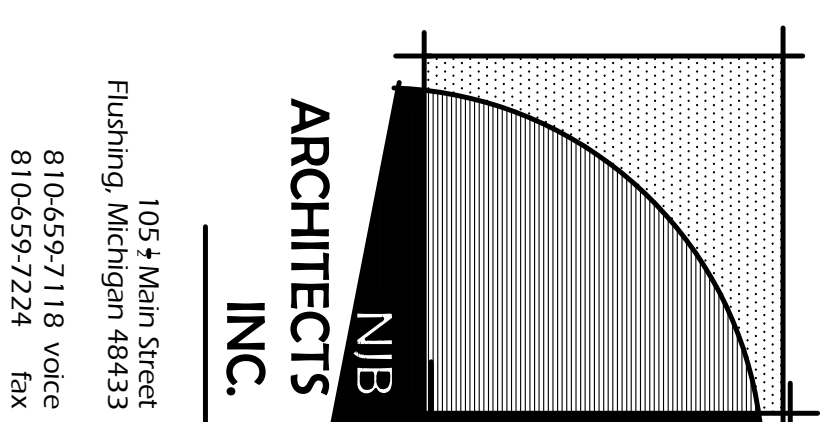
LOCATED WITHIN BOUNDARIES OF:
HOLLY TOWNSHIP, OKLAHOMA COUNTY

Seal

REV #	REVISION/SUBMISSION	DATE	DRAWN BY	REVIEWED BY
1	OWNER'S REVIEW	02/01/22	TLG	LRD
2	PERMIT DOCUMENTS	02/09/22		
			PROJECT NO.	SCALE
			210030	1/4"=1'-0"
			CAD FILE	DATE
			A101	02/09/22

HOLLY ACADEMY MIDDLE SCHOOL BUILDING
TOILET ROOM RENOVATIONS
820 ACADEMY ROAD
HOLLY, MICHIGAN 48442

OVERALL BUILDING FLOOR PLANS



105 S Main Street
Flushing, Michigan 48433
810.659.7118 voice
810.659.7224 fax

www.nibarchitect.com

A1.1

2 OF 10
SHEET OF TOTAL SHEETS

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

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG22-00713

820 ACADEMY RD
HOLLY, MI 48442
COUNTY: OAKLAND

The above named building of Use Group E, Education 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.

Print Date: 08/01/2023

AMENDMENT NO. 3

to the
July 1, 2021 Contract to Charter
A Public School Academy and Related Documents

Issued To

HOLLY ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 3

HOLLY ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2021, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to HOLLY ACADEMY (the "Academy"), as amended, the parties agree to further amend the Contract as follows:

- 1.) Amend Schedule 7, Section d: Curriculum, 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 July 1, 2023.



Dated: 11/02/2023

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 10/10/23

By: Amy Hillman
Holly Academy
Designee of the Academy Board

Holly Academy
Contract Amendment No. 3

Tab 1

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 Literacy for English language arts, Oakland MC3 social studies, Big Ideas Math[®], National Geographic Learning Exploring Science for grades K-5, Sangari Active Science and IQWST[®] science for grades 6-8, Exemplary Physical Education Curriculum[™] (“EPEC[™]”) and Michigan Model for Health[™] (“MMH”) curriculum. The curriculum for all subjects and courses identified in this schedule is available electronically and accessible at the following links:

- Oakland Schools Literacy <http://www.oaklandschoolsliteracy.org/resources/common-core-resources/ccss-curriculum/>
- Oakland MC3 social studies <https://oaklandk12-public.rubiconatlas.org/Atlas/Browse/View/Calendars>
- Big Ideas Math <https://www.bigideasmath.com/BIM/login>
- Exploring Science <https://ngl.cengage.com/search/productOverview>
- Sangari K-5 and IQWST <http://www.activatelearning.com/digital-resources/>
- EPEC <https://michiganfitness.org/activity/epec>
- MI Model for Health <https://www.michiganmodelforhealth.org/>

The curriculum has been reviewed and approved by the Center.

Elementary

The following subjects/courses are offered at the Academy.

Course	K	1	2	3	4	5	6	7	8
English Language Arts	X	X	X	X	X	X	X	X	X
Mathematics	X	X	X	X	X	X	X	X	X
Science	X	X	X	X	X	X	X	X	X
Social Studies	X	X	X	X	X	X	X	X	X
Physical Education	X	X	X	X	X	X	X	X	X
Health	X	X	X	X	X	X	X	X	X

AMENDMENT NO. 4

to the
July 1, 2021 Contract to Charter
A Public School Academy and Related Documents

Issued To

HOLLY ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 4

HOLLY ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2021, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to HOLLY ACADEMY (the "Academy"), as amended, the parties agree to further amend the Contract as follows:

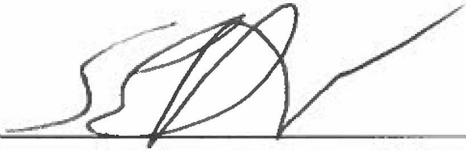
- 1.) Amend Schedule 7, Section d: Curriculum, by replacing the materials contained therein with the materials attached as Tab 1.

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 January 8, 2024.



Dated: 03/04/2024

By: Corey R. Northrop, Executive Director
The Governor John Engler Center for Charter Schools
Designee of the University Board



Dated: 2/28/2024

By: Stephen Jenkins, Board President
Holly Academy
Designee of the Academy Board

Holly Academy
Contract Amendment No. 4

Tab 1

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 Literacy for English language arts, Oakland MC3 social studies, Big Ideas Math[®], Activate Learning Prime[™] for grades K-5 and IQWST[®] science for grades 6-8, Exemplary Physical Education Curriculum[™] (“EPEC[™]”) and Michigan Model for Health[™] (“MMH”) curriculum. The curriculum for all subjects and courses identified in this schedule is available electronically and accessible at the following links:

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- Oakland MC3 social studies <https://oaklandk12-public.rubiconatlas.org/Atlas/Browse/View/Calendars>
- Big Ideas Math <https://www.bigideasmath.com/BIM/login>
- Activate Learning Science <https://holly.activatelearningdigital.com/webapp>
- IQWST <http://www.activatelearning.com/digital-resources/>
- EPEC <https://michiganfitness.org/activity/epec>
- MI Model for Health <https://www.michiganmodelforhealth.org/>

The curriculum has been reviewed and approved by the Center.

Elementary

The following subjects/courses are offered at the Academy.

Course	K	1	2	3	4	5	6	7	8
English Language Arts	X	X	X	X	X	X	X	X	X
Mathematics	X	X	X	X	X	X	X	X	X
Science	X	X	X	X	X	X	X	X	X
Social Studies	X	X	X	X	X	X	X	X	X
Physical Education	X	X	X	X	X	X	X	X	X
Health	X	X	X	X	X	X	X	X	X