



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2023

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

Greater Heights Academy

Recitals:

1. At its April 19, 2018, meeting this board authorized the issuance of a contract to charter as a public school academy to Greater Heights Academy. On July 1, 2018, the contract was effective.
2. The contract of this academy expires June 30, 2023.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of Greater Heights Academy.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Greater Heights Academy. The term of the contract is recommended for a term not to exceed three (3) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Greater Heights Academy for a term not to exceed three (3) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Greater Heights Academy and the Central Michigan University Board of Trustees, provided that, before execution of the contract, the university president or designee affirms that all terms of the contract have been agreed upon and Greater Heights Academy is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: 12/8/22

Signature: Mary Jeanne 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: My Hangan

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, 2023

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

**CONFIRMING THE STATUS OF
GREATER HEIGHTS 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 Greater Heights 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 Greater Heights 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 Greater Heights 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 December 8, 2022, 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 a Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2023, Issued by the Central Michigan University Board of Trustees Confirming the Status of Greater Heights Academy as a Public School Academy."
- (x) "The Governor John Engler Center for Charter Schools" or "the Center" means the office designated by the 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 Greater Heights Academy 3196 W. Pasadena Ave. Flint, MI 48504

Section 12.2. Severability. If any provision in this Contract is held to be invalid or unenforceable, it shall be ineffective only to the extent of the invalidity, without affecting or impairing the validity and enforceability of the remainder of the provision or the remaining provisions of this Contract. If any provision of this Contract shall be or become in violation of any local, state or federal law, such provision shall be considered null and void, and all other provisions shall remain in full force and effect.

Section 12.3. Successors and Assigns. The terms and provisions of this Contract are binding on and shall inure to the benefit of the parties and their respective successors and permitted assigns.

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

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

Section 12.6. Non-Waiver. Except as provided herein, no term or provision of this Contract shall be deemed waived and no breach or default shall be deemed excused, unless such waiver or consent shall be in writing and signed by the party claimed to have waived or consented. No consent by any party to, or waiver of, a breach or default by the other, whether expressed or implied, shall constitute consent to, waiver of, or excuse for any different or subsequent breach or default.

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

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

Section 12.9. Term of Contract. This Contract is for a fixed term and shall terminate at the end of the Contract term without any further action of either the University Board or the Academy. This Contract shall commence on the date first set forth above and shall remain in full force and effect for a period of three (3) academic years and shall terminate on June 30, 2026, 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: _____
Isaiah M. Oliver, Chair

Date: _____

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


GREATER HEIGHTS ACADEMY

By:  _____
Board President

Date: 5/16/23

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:  _____
Isaiah M. Oliver, Chair

Date: 05/23/2023

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

GREATER HEIGHTS ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

Restated Articles of Incorporation	1
Amended Bylaws	2
Fiscal Agent Agreement	3
Oversight, Compliance and Reporting Agreement	4
Description of Staff Responsibilities	5
Physical Plant Description	6
Required Information for a Public School Academy	7
Information Available to the Public and The Center	8

CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION

511

03

Adjusted to Agree
with Bureau Records

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU		
Date Received DEC 1 3 2017		
	This document is effective on the date filed, unless a subsequent effective date within 90-days after received date is stated in the document.	
Name Gregory Meihn	TranInfo:1 22528440-1 12/11/17 Chk#: 96 Amt: \$60.00 ID: GREATER HEIGHTS ACADEMY EFFECTIVE DATE:	
Address 130 Nine Mile Rd		
City State Zip Ferndale MI 48220		

71171L

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

OF

GREATER HEIGHTS ACADEMY

FILED
JAN 04 2018
ADMINISTRATOR
CORPORATIONS DIVISION

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

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

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

The corporation has used no other names.

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

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

ARTICLE I

The name of the corporation is: Greater Heights Academy.

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

ARTICLE II

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

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

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

ARTICLE III

The corporation is organized on a non-stock basis.

Description:

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

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

The corporation is organized on a directorship basis.

ARTICLE IV

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

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

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

ARTICLE V

The corporation is a governmental entity.

ARTICLE VI

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

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

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

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

ARTICLE XI

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

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

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

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

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

ARTICLE XII

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

ADOPTION OF ARTICLES

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

Signed this 29 day of August, 2017.

By: Marvin Miller
Mr. Marvin Miller, President

CONTRACT SCHEDULE 2

AMENDED BYLAWS

TABLE OF CONTENTS
GREATER HEIGHTS 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	9
ARTICLE XI – Amendments	9
ARTICLE XII – Terms and Conditions Definitions.....	9
CERTIFICATION	9

AMENDED BYLAWS
OF
GREATER HEIGHTS ACADEMY

ARTICLE I
NAME

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

ARTICLE II
FORM OF ACADEMY

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

ARTICLE III
OFFICES

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

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

ARTICLE IV
BOARD OF DIRECTORS

Section 1. General Powers. The business, property and affairs of the Academy shall be managed by the Academy Board of Directors ("Academy Board"). The Academy Board may exercise any and all of the powers granted to it under the Michigan Non-Profit Corporation Act or pursuant to Part 6A of the Revised School Code ("Code"). The Academy Board may delegate such powers to the officers and committees of the Academy Board as it deems necessary, so long as such delegation is consistent with the Articles, these 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 16 day of MAY, 2023.



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 Greater Heights Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

"Agreement" means this Fiscal Agent Agreement.

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

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

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

"State" means the State of Michigan.

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

ARTICLE II

FISCAL AGENT DUTIES

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

Section 2.2. Transfer to Academy. Except as provided in Article X of the Terms and Conditions 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.

ACKNOWLEDGMENT OF RECEIPT

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

BY: Alyson Hayden

Alyson Hayden, Director
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: February 14, 2023

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 Greater Heights Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

ARTICLE II **OVERSIGHT, COMPLIANCE AND REPORTING RESPONSIBILITIES**

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

- a. Monitor and evaluate if the Academy Board is properly governing the Academy and following the Amended Bylaws set forth in the Contract.
- b. Monitor and evaluate the Academy's academic performance and progress toward achieving the educational goal and related measures set forth in Contract Schedule 7b.

- c. Monitor and evaluate the Academy's implementation, delivery, and support of the educational program and curriculum as set forth in Contract Schedules 7c and 7d, respectively.
- d. Monitor and evaluate the Academy's application and enrollment procedures as set forth in Contract Schedule 7f.
- e. Monitor and evaluate the Academy's organizational and financial viability.
- f. Monitor and evaluate the Academy's fiscal stewardship and use of public resources.
- g. Monitor and evaluate the records, internal controls or operations of the Academy.
- h. Monitor and evaluate if the Academy is staffed with qualified personnel and that appropriate background checks have been conducted.
- i. Monitor and evaluate if the Academy is providing a safe learning environment.
- j. Request evidence that the Academy has obtained the necessary permits and certificates to operate as a public school from the applicable governmental agencies, including, without limitation, the Michigan Department of Licensing and Regulatory Affairs' Bureau of Construction Codes and local health departments.
- k. Conduct comprehensive on-site reviews to assess and/or evaluate the Academy's performance.
- l. Monitor and evaluate if the Academy is demonstrating good faith in complying with the Contract, the Revised School Code, and all other Applicable Law.
- m. Request periodic reports from the Academy regarding any aspect of its operation including, but not limited to, information identified in Schedule 8 of the Contract.
- n. Initiate action 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 conduct systematic investigations, including research development, testing and evaluation studies, designed to develop and contribute to generalizable knowledge 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
Educational Service Provider Agreement	5-3

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

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

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

Teacher and Administrator Job Performance Criteria. The Academy Board shall implement and maintain a method of compensation for its teachers and school administrators that includes job performance and job accomplishments as a significant factor in determining compensation and additional compensation. The assessment of job performance shall incorporate a rigorous, transparent, and fair evaluation system that evaluates a teacher's or school administrator's performance at least in part based upon data on student growth as measured by assessments and other objective criteria. If the Academy enters into an agreement with an Educational Service Provider, then the Academy Board shall ensure that the Educational Service Provider complies with this section. MCL 380.1250.

Reporting Structure

All positions are employed by Entrepreneurial Ventures in Education ("EVE") and are outlined in the Educational Service Provider Agreement included in this Schedule.

Position Responsibilities

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

School Administrator(s)

As stated above, all administrators or other person whose primary responsibility is administering instructional programs or as a chief business official shall meet the certification and continuing education requirements as described in MCL 380.1246. In addition to the position titles identified in MCL 380.1246, the Michigan Department of Education ("MDE") will deem an administrator working

at a district or school level to be “administering instructional programs” if the person’s position description or day-to-day duties include any or all of the following elements *:

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

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

Instructional Staff

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

Non-Instructional Staff

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

EDUCATION SERVICES PROVIDER AGREEMENT

This Education Services Provider Agreement (the “Agreement”) is made and entered into as of the May 10th day of 2023, by and between **Entrepreneurial Ventures in Education, Inc.** (“EVE”) (Phalen Leadership Academies is a subsidiary of the non-profit entity Entrepreneurial Ventures in Education “EVE”), a Massachusetts based non-profit corporation, and **Greater Heights Academy** (“GHA” or the “Academy” and together with EVE, the “Parties”), a Michigan non-profit corporation and public school academy formed under Part 6A of the Revised School Code, as amended (the “Code”).

WHEREAS, GHA operates under the direction of a Board of Directors (the “Board”) and is authorized pursuant to a contract (the “Charter Contract”) issued by the Central Michigan University Board of Trustees (“Authorizer”).

WHEREAS, EVE is a Massachusetts based non-profit corporation authorized to transact business in the State of Michigan, and providing direct educational services to public school academies. EVE has the ability to implement a comprehensive educational program and training methodologies for GHA; and

WHEREAS, GHA desires to engage EVE to perform those services as a direct educational service provider pursuant to this Agreement.

WHEREAS, it is intended that GHA shall accomplish its mission by utilizing the services of EVE. GHA hereby acknowledges this intent and approves this Agreement for direct educational services of GHA by EVE.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE I:

CONTRACTUAL RELATIONSHIP

A. **Authority.** GHA has been granted the Charter Contract by the Authorizer to organize and operate a public charter school, together with the powers necessary or desirable for carrying out the educational program set forth in the Charter Contract. GHA is authorized to contract with a private entity to provide educational services, provided that the management agreement shall comply with the Authorizer’s Educational Services Provider requirements (the “ESP Policies”).

B. **Agreement.** Acting under and in the exercise of such authority, GHA hereby contracts with EVE for specified functions relating to the provision of direct educational services and school support activities of GHA.

C. **Status of the Parties.** EVE is a Massachusetts non-profit corporation and is not a division or a part of GHA. GHA is a public charter school authorized by the Code, and is not a division or part of EVE. The relationship between EVE and GHA is based solely on the terms of this Agreement. The Parties to this Agreement intend that the relationship between them created by this Agreement is that of an independent contractor, and that, except as expressly set forth in paragraph D below, no employee of EVE shall be deemed to be an agent of GHA. EVE is solely responsible for its acts and the acts of its agents, employees, and subcontractors. Employees of EVE, even those assigned to work exclusively at GHA, are not employees of GHA.

D. **Designation of School Officials for Purposes of FERPA.** Agents and employees of EVE having a legitimate educational interest in student record information, are hereby designated by the Board as “school officials” of GHA such that they are authorized access to educational records of the GHA’s students under 20 U.S.C. § 1232g, the Family Educational Rights and Privacy Act (“FERPA”). “Legitimate educational interest” shall be defined as having a responsibility for helping the student achieve one (1) or more of the educational goals of GHA or if the record is necessary in order for the employee to perform an administrative, supervisory, or instructional task or to perform a service or benefit for the student or the student’s family. Except as set forth in this paragraph D, no agent or employee of EVE shall be deemed to be an agent of GHA.

ARTICLE II:

WARRANTIES AND REPRESENTATIONS

A. **Representation.** GHA represents that it has the authority under State law to execute, deliver, and perform this Agreement, to incur obligations provided for under this Agreement, to incur obligations provided for under this Agreement and to contract with EVE for EVE to provide the services set forth in this Agreement on behalf of the Academy.

B. **Certification As to Pending Claims.** GHA certifies that, as of the date of this Agreement, there are no pending actions, claims, suits, or proceedings, to the knowledge of the Academy, threatened or reasonably anticipated against or affecting the Academy, which if adversely determined, would have a material adverse effect on the ability of the Charter Academy to perform its obligations under this Agreement. Further, the Academy warrants that the information in has furnished EVE concerning the Academy’s facilities, finances, revenues, student enrollment and staffing is accurate and the latest information available at the time of the execution of this Agreement.

C. **Authority of EVE.** EVE represents and warrants that it is a non-profit corporation organized and existing under the laws of the State of Massachusetts, with lawful power and authority to enter into this Agreement, acting by and through its duly authorized officers.

ARTICLE III:

TERM

A. **Term.** This Agreement shall become effective July 1, 2023 and shall expire on June 30, 2026. However, the term of this Agreement is subject to a continued Charter Contract from the Authorizer and continued state per capita funding.

B. **Renewal.** At the end of the Term, GHA and EVE may mutually agree to extend the Agreement which shall be documented in a written amendment to this Agreement signed by both parties and will be done in a manner consistent with the Authorizer's ESP Policies. Under no circumstances, however, shall this Agreement extend beyond the term of the Charter Contract.

ARTICLE IV:

FUNCTIONS OF EVE

A. **Responsibility.** Under the direction of the Board, EVE shall be responsible for providing direct educational services to GHA. Such functions include but are not limited to:

1. Implementation and administration of the educational program.
2. Pupil accounting;
3. Budget preparation, including preparing the proposed annual budget as set forth in this Article, Paragraph O, and proposed amended budgets throughout the year, as necessary, and financial management services, as defined in this Agreement;
4. Financial services including accounting, bookkeeping services, accounts payable, and accounts receivable;
5. Acquisition of instructional and non-instructional material, equipment and supplies and the maintenance of an inventory system of all equipment;
6. Selection and supervision of all teachers and staff and the personnel management services (recordkeeping, wage and benefits administration, training, and technical assistance) necessary to support those employees;
7. Supervision of the school support services programs including food service and facilities maintenance;
8. Preparation of required authorizer, local, state, and federal reports with prior review by the Board.
9. Information and technology system development and management.

10. Preparation of applications for grants and special programs as requested by the Board.
11. Processing funding applications for special programs and facility improvements as requested by the Board.
12. Management of the Academy's marketing and communications which shall include enrollment campaigns and tools.
13. Administration of extra-curricular and co-curricular activities and programs approved by the Board.
14. Development of critical processes and procedures governing operations of the Academy as determined by the Parties and as approved by the Board.
15. Provision of special education and English Language Learners services to students who attend the Academy in conformity with the requirements of applicable law, regulations and Board policies.
16. Participation in strategic planning with the Board for the continuing educational and financial benefit of the Academy.
17. Implementation and enforcement of student codes of conduct.
18. Any other function necessary or expedient for the administration of the Academy with prior approval from the Board.

C. Educational Goals and Program. EVE shall implement the educational goals and programs set forth in the Charter Contract, including, but not limited to, methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade classifications for pupils to be enrolled, and methods to be used to monitor performance towards targeted educational outcomes. In the event that EVE determines that it is advisable to modify the educational goals and programs set forth in the Charter Contract, EVE will provide written notification to the Board specifying the proposed changes it recommends and the reasons for the proposed changes. No changes in the educational goals and programs shall be implemented without the prior written approval of the Board and a Charter Contract amendment approved by the Board and Authorizer. EVE shall provide the Board with periodic written reports specifying the level of achievement of each of the Academy's educational goals set forth in the Charter Contract and detailing its plan for meeting any educational goals that are not being attained, such reports to be submitted on a regular periodic basis and upon request of the Board.

D. Subcontracts. It is anticipated that EVE will utilize subcontracts to provide some of the services it is required to provide to the Academy under this Agreement. EVE may not subcontract the management, oversight, or operation of the teaching and instructional program without the specific prior written approval of the Board. Except as described in the previous sentence, Board approval of subcontracts is not required unless the cost for these subcontracted services exceeds the funds appropriated for that purpose of the Academy's approved budget or Board approval is required by the Charter Contract or by the Board's procurement policy. EVE

will receive no additional fee as a result of subcontracting of any services, all of which shall be provided without markup. Any services to be provided by EVE that are included in the management fee, but are performed by a subcontractor, shall not be charged to, reimbursed by or passed through as an additional cost to the Academy.

E. **Place of Performance.** Instructional services other than field trips will normally be performed at the facilities of the Academy. EVE may perform functions other than instruction, such as purchasing, professional development, and administrative functions at off-site locations, unless prohibited by applicable law. The Academy shall provide EVE with the necessary office space at the sites to perform all services described in this Agreement.

If the Academy should expand to other locations in the future, such expansion will be accomplished by amendments to this Agreement and the Charter Contract.

F. **Acquisitions.** All acquisitions made by EVE for the Academy using any funds belonging to the Academy, including, but not limited to, instructional materials, equipment, supplies, furniture, computers, and other technology, shall be owned by and remain the property of the Academy. EVE shall comply with the Revised School Code (including, but not limited to, sections 1267 and 1274 of the Code, MCL 380, 1267 and MCL 380, 124) as if the Academy were making these purchases directly from a third-party supplier or vendor. EVE will not add any fees or charges to the cost of the equipment, materials, and supplies purchased from third Parties when it seeks reimbursement for the cost of these acquisitions from the Academy. All supplies, materials, and equipment procured for the Academy by EVE shall be inventoried by an acceptable method of inventory, and an inventory of the Academy equipment shall be maintained so that it can be clearly established which property belongs to the Academy.

G. **Pupil Performance Standards and Evaluation.** EVE is responsible for and accountable to the Board for the performance of students who attend the Academy. EVE shall implement pupil performance evaluations which permit evaluation of the educational progress of each student, using measures of student and school performance required by the Charter Contract and such additional measures as shall be mutually agreed upon between the Board and EVE, which are consistent with the Charter Contract.

H. **Student Recruitment.** EVE shall be responsible for the recruitment of students subject to the provisions of the Charter Contract and the policies adopted by the Board. Students shall be selected in accordance with the procedures set forth in the Charter Contract and in compliance with the Code and other applicable law. EVE shall follow all applicable procedures regarding student recruitment, enrollment, and lottery management, and shall be responsible for publication of appropriate public notices and scheduling of open houses, as may be required.

I. **Student Due Process Hearings.** EVE shall provide students with procedural and substantive due process in conformity with the requirements of state and federal law regarding discipline, special education, confidentiality, and access to records, to the degree that it is consistent with the Academy's own obligations. The Board shall retain the right to provide due process as required by law and to determine whether any student will be expelled.

J. **Legal Requirements.** EVE shall provide educational programs that meet the requirements imposed under the Code and the Charter Contract, unless such requirements are or have been waived.

K. **Rules and Procedures.** The Board shall adopt rules, regulations, and procedures applicable to the Academy, and EVE is directed to enforce the rules, regulations, and procedures adopted by the Academy. EVE shall assist the Board in its policy making function by recommending the adoption of reasonable rules, regulations, and procedures applicable to the Academy.

L. **School Year and School Day.** The school year and the school day shall be as provided in the Charter Contract and as defined annually by the Board.

M. **Authority.** EVE shall have authority and power necessary to undertake its responsibilities described in this Agreement except in the case(s) wherein such power may not be delegated by law.

N. **Additional Programs.** The services provided by EVE to the Academy under this Agreement include, but are not limited to, providing the educational program described in the Charter Contract, as the same may change from time to time. The Board may decide to provide additional programs, including, but not limited to, summer school. The Academy may also purchase additional services from EVE at a mutually agreeable cost which will be documented in a written amendment to this Agreement.

O. **Annual Budget Preparation.** EVE will prepare and provide the Board with a proposed annual budget that shall conform to the State of Michigan's requirements and in a form satisfactory to the Board and to the Authorizer. The budget shall contain object level detail and comply with public accounting standards. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy and the educational program including, but not limited to, the projected cost of all services and educational programs provided to the Academy, rent and lease payments, debt service, maintenance and repairs to the Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Academy. EVE nor any owner, officer or employee of EVE shall be designated as the Chief Administrative Officer ("CAO") of the Academy, but an EVE employee may assist the CAO in carrying out their duties.

The proposed budget shall be submitted to the Board for approval not later than thirty (30) days prior to the date when the approved budget is required to be submitted to the Authorizer. EVE may not make deviations from the approved budget between major function areas without the prior approval of the Board.

P. **Academy Financial Health.** EVE shall do all things reasonably and professionally required to prevent the Academy's finances from experiencing any operating or fund balance deficits and shall do all things reasonably and professionally required to keep the Academy solvent.

Q. Disclosure of Information Pursuant to MCL 388. On an annual basis, EVE shall provide the Academy Board all of the same information that a school district is required to disclose under section 18(2) of the State School Aid Act, MCL 388.1618(2), for the most recent school fiscal year in which the information is available. Within thirty (30) days of receiving the information under section 18(2), the Academy Board shall make this information publicly available on its website, in a form and manner prescribed by the Michigan Department of Education.

R. Restriction on Providing Personally Identifiable Information. Except as permitted under the Code, EVE shall not sell or otherwise provide to a for-profit business entity any personally identifiable information that is part of a Academy student's education records. If EVE receives information that is part of a Academy student's education records, EVE shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this section, the terms "education records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136.

S. Procedures for Addressing Breach of Protected Information. Immediately upon discovery of a confirmed or suspected Breach, EVE shall report both orally and in writing to the Academy. In no event shall the report be made more than two (2) business days after EVE knows or reasonably suspects a breach has or may have occurred. In the event of a suspected breach, EVE shall keep the Academy informed regularly of the progress of its investigation until the uncertainty is resolved. EVE's report shall identify: (i) the nature of the unauthorized access, use or disclosure, (ii) the Protected or Private Information accessed, used or disclosed, (iii) the person(s) who accessed, used and disclosed and/or received Protected or Private Information (if known), (iv) what EVE has done or will do to mitigate any deleterious effect of the unauthorized access, use or disclosure, and (v) what corrective action EVE has taken or will take to prevent future unauthorized access, use or disclosure. (vi) EVE shall provide such other information, including a written report, as reasonably requested by the Board.

(1) Coordination of Breach Response Activities. In the event of a breach, EVE will: a. Immediately preserve any potential forensic evidence relating to the breach; b. Promptly (within 2 business days) designate a contact person to whom the Academy will direct inquiries, and who will communicate EVE's responses to Academy inquiries; c. As rapidly as circumstances permit, apply appropriate resources to remedy the breach condition, investigate, document, restore the Academy's service(s) as directed by the Academy, and undertake appropriate response activities; d. Provide status reports to the Academy on breach response activities, either on a daily basis or a frequency approved by the Academy; e. Coordinate all media, law enforcement, or other breach notifications with the Academy in advance of such notification(s), unless expressly prohibited by law; f. Make all reasonable efforts to assist and cooperate with the Academy in its breach response efforts; and g. Ensure that knowledgeable EVE staff are available on short notice, if needed, to participate in Academy-initiated meetings and/or conference calls regarding the breach.

T. Compliance with the Charter Contract and ESP Requirements. EVE agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Academy's obligations under the Academy's Charter Contract issued by Central Michigan

University Board of Trustees. The provisions of the Academy's Charter Contract shall supersede any competing or conflicting provisions contained in this Agreement.

(i) No provision of this Agreement shall interfere with the Academy Board's constitutional duty to exercise its statutory, contractual, and fiduciary responsibilities governing the operation of the Academy. No provision of this Agreement shall prohibit the Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.

ARTICLE V:

OBLIGATIONS OF THE BOARD

A. **Board Policy Authority.** The Board is responsible for determining the fiscal and academic policies that will govern the operation of the Academy, including, but not limited to, policies relative to the conduct of students while in attendance at, or en route to, school, and policies and regulations governing the procurement of supplies, materials, and equipment to be used at the Academy. The Board shall exercise good faith in considering the recommendations of EVE on issues including, but not limited to, policies, rules, regulations, procedures, curriculum, and budgets, subject to the constraints of law and the requirements of the Charter Contract.

B. **Building Facility.** The Board is responsible for the acquisition by either purchase or lease of building facilities that comply with all of the requirements of the Charter Contract and applicable law.

C. **Academy Employees.** The Board may employ such employees as it deems necessary. The cost to employ Academy employees shall be paid by the Board.

D. **Educational Consultants.** The Board may retain an educational consultant or consultants to review the operations of the Academy and the performance of EVE under this Agreement. EVE shall cooperate with the educational consultant or consultants and shall provide those individuals with prompt access to records, facilities, and information as if such requests came directly from the Board. EVE shall have no authority to select, evaluate, assign, supervise, or control any educational consultant employed by the Board, and agrees that it will not bring or threaten to bring any legal action against any educational consultant for the performance of the functions requested to be performed by the Board and which are consistent with this Agreement. The cost to employ an educational consultant shall be paid by the Board.

E. **Legal Counsel.** The Board shall select and retain legal counsel to advise it regarding its rights and responsibilities under the Charter Contract, this Agreement, and applicable law. Such legal counsel shall advise on the negotiation of this Agreement and shall not represent EVE or any EVE owner(s), director(s), officer(s), or employee(s). While the Board's counsel and EVE's counsel may meet and confer on issues, the Board shall not seek direct advisement from EVE's legal counsel.

F. **Audit.** The Board shall select and retain the independent auditor to perform the annual financial audit in accordance with the Charter Contract and applicable state law. The Board and previous management company shall retain full responsibility for managing and

completing the audit and Form 990 (Return of Organization Exempt from Income Tax relating to the 2019 - 2020 school year for the Academy).

G. **Budget.** The Board is responsible for adopting a budget in accordance with the relevant provisions of applicable law and asserts that it has adequate resources to fulfill its obligations under the Charter Contract, including, but not limited to, its oversight of EVE, the organization of the Academy, negotiation of the Charter Contract and any amendments, payment of employee costs, insurance required under the Charter Contract and this Agreement, the annual financial audit, and retention of the Board's legal counsel and consultants. In addition, the Board is responsible for determining the budget reserve amount included as part of the Academy's annual budget, for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount, and for approving necessary amendments to the budget to reflect necessary deviations from the adopted budget. The budget may be amended from time to time as deemed necessary by the Board.

H. **Academy Funds.** The Board shall determine the depository institution of all funds received by the Academy. All funds received by the Academy shall be deposited in the Academy's depository account. Signatories on Academy Board accounts shall solely be Board members and/or properly designated Academy Board employees. Administrative/view online access to the Board/Academy depository account and any other Board controlled accounts shall also be given to Board-designated EVE employees. All interest or investment earnings on Academy accounts shall accrue to the Academy. The Board shall pay its obligations under this Agreement on a consistent and timely basis. No provision of this Agreement shall alter the Board treasurer's legal obligation to direct that the deposit of all funds received by the Academy be placed in the Academy's depository account as required by law.

I. **Governmental Immunity.** The Board shall have the sole power to determine when to assert, waive, or not waive its governmental immunity.

J. **Charter Contract with Authorizer.** The Board will not act in a manner in which will cause the Academy to be in breach of its Charter Contract with the Authorizer.

K. **Evaluation of EVE.** The Board will evaluate the performance of EVE to provide EVE with an understanding of the Board's view of its performance under this Agreement. All evaluations conducted by the Board or a representative of the Board will be provided to EVE in writing, no later than thirty (30) days following the conclusion of the evaluation. EVE will be provided thirty (30) days to respond to the evaluation in writing, if it wishes to do so. Special evaluations may occur at any time at the discretion of the Board.

ARTICLE VI:

FINANCIAL ARRANGEMENT

A. **Academy's Source of Funding.** The major source of funding for the Academy is State School Aid received pursuant to the State School Aid Act, Act 94 of 1979, as amended ("State School Aid"). State School Aid payments are based upon the number of students enrolled

in the Academy. The Academy will also receive other payments as may be available from state and federal sources for specific programs and services.

B. Other Revenue Sources. In order to supplement and enhance the State School Aid payments and improve the quality of education at the Academy, the Board and EVE, with prior Board approval, shall endeavor to obtain revenue from other sources. In this regard:

1. The Academy and/or EVE shall solicit and receive donations consistent with the mission of the Academy.
2. The Academy and/or EVE may apply for and receive grant money, in the name of the Academy. EVE shall provide advance written notification to the Board of any grant applications it intends to make.
3. To the extent permitted under the Code, EVE may charge fees to students for extra services such as summer programs, after school programs, and athletics, and EVE may charge non-Academy students who participate in such programs.
4. All funds received by EVE or the Academy from such other revenue sources shall inure to and be deemed the property of the Academy.

C. Compensation for Services. The Academy shall pay EVE an annual management fee for each school year during the term of this Agreement. The amount of this annual fee shall be twelve percent (12%) of the sum of: (a) all funds the Academy receives directly or indirectly under Paragraph A attributable to the school year during which EVE provides services under this Agreement less amounts retained by the Authorizer, plus (b) all funds that the Academy receives directly or indirectly under Paragraph B (except for individual donations, obtained without the assistance of EVE, that are made to the Academy). The amount of the annual fee is subject to reduction in a mutually agreeable amount by the Parties in any school year if extenuating circumstances make payment of the entire annual fee inappropriate.

EVE's annual management fee shall be paid in twelve (12) installments, which shall be made on or about the 20th day of the months of July through June for the school year of GHA during which EVE provides services under this Agreement. EVE will cooperate with the Academy to modify the exact date of any monthly installment payment to coordinate with the timing of the funds received by the Academy, provided that all monthly installment payments must be remitted within thirty (30) days of the original payment date of such monthly installment payment.

D. Reasonable Compensation. EVE's compensation under this Agreement is reasonable compensation for services rendered. EVE's compensation for services under this Agreement is not based, in whole or in part, on a share of net profits from the operation of the Academy.

E. Payment of Educational Program Costs. In addition to the Academy's obligation to reimburse EVE for the compensation of certain EVE employees under Article VII, all costs reasonably incurred in providing the educational programs at the Academy shall be paid by the Academy in accordance with the annual budget approved by the Board. Such costs shall

include, but shall not be limited to, curriculum materials, professional learning and development required by the state or other governmental entities, textbooks, library books, computers and other equipment, software, and supplies utilized at the Academy for educational purposes, services provided pursuant to subcontract that are not included in the management fee, building payments, maintenance, utilities, capital improvements, and marketing and development costs. Marketing and development costs paid by or charged to the Academy shall be limited to those costs specific to the Academy program, and shall not include any costs for the marketing and development of EVE. The Board shall pay or reimburse EVE monthly for approved fees and expenses upon properly presented documentation and approval by the Board. In paying costs on behalf of the Academy, EVE shall not charge any additional amounts or markups. Any costs reimbursed to EVE that are determined by the independent audit not to be reasonably incurred on behalf of the educational program of the Academy shall be promptly returned to the Academy by EVE. No corporate costs of EVE shall be charged to, or reimbursed by the Academy. Furthermore, all costs for the educational program, marketing, and/or development costs as described supra, shall be aligned with the Academy's budget.

F. **EVE Costs.** The annual management fee set forth in Article V, Section C is intended to compensate EVE for all expenses it incurs for the administrative, financial, and management services EVE is required to provide under this Agreement, including, but not limited to, expenses associated with budgeting, accounting, board support, employee recruitment, hiring, and training, and compliance. EVE will provide sufficient professional and non-professional staff in these areas and is responsible for their compensation. The costs to be paid by EVE under this Paragraph do not include payments for personnel provided pursuant to Article VI (B), (C), and (D) that are to be reimbursed by the Academy under Article VI (A) or educational program costs under Article V (E).

G. **Other Public School Academies.** The Academy acknowledges that EVE has entered, or will enter into, management agreements with other public/charter school academies. EVE shall separately account for reimbursable expenses incurred on behalf of the Academy and other public school academies, and only charge the Academy for expenses incurred on behalf of the Academy. EVE must maintain separate accounts for the receipt of the Academy funds and payment of expenses. Comingling of the Academy funds with EVE funds or funds of other schools is strictly prohibited.

H. **Financial Reporting.** At least monthly, EVE shall provide the Board with a monthly cash flow analysis, an aged report of accounts payable, a bank reconciliation, and a written report detailing the status of the budget to actual revenues and a detailed schedule of expenditures at an object level for review and approval by the Board. EVE shall present the Board with a balance sheet and a statement of revenues, expenditures, and changes in fund balance at each regularly scheduled meeting. All financial reports must explain any variances from the approved budget and shall contain recommendations for necessary budget corrections. These reports shall be provided to the Board finance committee and the Board members at least one week prior to each regularly scheduled Board meeting. EVE shall provide special reports as necessary to keep the Board informed of changing conditions.

I. **No Other Financial Relationships.** Other than the financial arrangements described in this Agreement, EVE and the Academy shall have no other financial relationships.

No lease, promissory notes or other negotiable instruments, lease-purchase agreements, or other financing agreements between the Academy and EVE shall be permitted, and such arrangements are strictly prohibited.

J. **Access to Records.** EVE shall keep accurate financial records pertaining to its operation of the Academy, together with all the Academy financial records prepared by or in the possession of EVE (the "Records"), and retain all of these records in accordance with applicable state and federal law and the authorizer requirements. Financial, educational, operational, and student records that are now or may in the future come into the possession of EVE remain the Academy's records and are required to be returned by EVE to the Academy upon demand, provided that EVE may retain copies of records necessary to document the services provided to the Academy and its actions under the Agreement. EVE acknowledges that said records are subject to the provisions of the Michigan Freedom of Information Act. The Parties shall maintain the proper confidentiality of personnel, student, and other records as required by law. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. The financial, educational, operational, and student records pertaining to the Academy are public documents subject to disclosure in accordance with the provisions of applicable law. This Agreement shall not be construed to restrict the Authorizer's or the public's access to these records under applicable law or the Charter Contract.

K. **Audit Report Information.** EVE will make all finance and other records of EVE related to the Academy available to the Academy, the Academy's independent auditor selected by the Board and the Authorizer upon request. EVE staff will fully cooperate with the Academy's independent auditor.

L. **Bankruptcy of ESP Principal or Officer.** EVE shall notify the Academy's Board if any principal or officer of EVE, or EVE (including any related organizations or organizations in which a principal or officer of EVE served as a principal or officer) as a corporate entity, has filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer.

L. **Conflict of Interest.** EVE shall have a written conflict of interest policy, a copy of which shall be made available to the Board upon request. EVE shall not execute contracts with any third Parties for services to be provided to or on behalf of the Academy where there is a conflict of interest between EVE and the third party or the Academy and the third party.

M. **Transition Services.** EVE will provide the Academy with reasonable assistance necessary to transition from its current management service company to EVE. This includes, but is not limited to, assistance with financial matters, state, federal and/or Authorizer reporting requirements, and any other mutually agreed upon services. Parties agree to set a fee for these transition services that is mutually agreed upon and consistent with the cost of these services on the open market.

ARTICLE VII:

PERSONNEL AND TRAINING

A. **Personnel Responsibility.** EVE is responsible for providing the Academy with qualified Administrators and teachers, instructional support, pupil support, food service, secretarial, security, and other staff required to operate the Academy within the staffing and compensation levels approved by the Board in its annual budget (the "School Employees"). EVE shall have the authority to select, evaluate, assign, discipline, transfer, and terminate the employment of all School Employees, with the exception of the Board employees, if any, consistent with applicable law and the provisions of this Agreement. EVE, in its sole discretion, may subcontract with an employee leasing agency (the "Leasing Agency") to provide the School Employees; such School Employees will be employees of the leasing agency. EVE shall make payments to the retirement plan for school staff that is approved by the Board. Prior to the first payroll, EVE will provide the Board with a detailed listing of the anticipated compensation and fringe benefit costs for all School Employees.

B. **Payroll.** The Board will reimburse EVE for the cost of the salaries, fringe benefits, and social security withholdings of employees assigned to the Academy, provided that these costs are not higher than anticipated and approved in the annual budget. EVE accepts full liability and is responsible for paying all salaries, benefits, payroll taxes, worker's compensation, unemployment compensation and liability insurance for its employees leased to the Academy or working on Academy operations irrespective of whether EVE receives an advancement of its costs or the payment of services from the Academy. At the request of the Board, EVE will provide payroll services for employees of the Board. All records pertaining to teacher and administrator certification, as well as a copy of the employee handbook, shall be maintained physically on site or be directly accessible at all the Academy's facilities. Neither EVE, nor the leasing agency shall execute contracts with its staff assigned to the Academy that contain non-compete agreements of any nature.

C. **Criminal Background Checks.** EVE agrees that no individuals shall be assigned to perform any services under this Agreement that has not cleared the requisite criminal background check pursuant to applicable law. The Board may require that the results of criminal background checks are received, reviewed, and used (subject to a verification process) by a qualified governmental employee acting on behalf of the Academy and/or the Board, only as permitted by law to confirm that the individual does not have a criminal history in violation of the Code. The Board shall require the qualified governmental employee to provide a letter with a determination for assignment indicating if the individual is in compliance with the requirements of the Code or not. EVE shall not assign to the Academy any individual for whom EVE has received determination of non-assignment. Additionally, EVE shall perform unprofessional conduct checks on each Academy employee pursuant to 1230(b) of the Code.

D. **School Leader.** EVE will have the authority, consistent with applicable law, and with input from the Board, to select and supervise the School Leader ("School Leader") and to hold that individual accountable for the success of the Academy. At the request of the Board, EVE will review the performance of the School Leader with the Board. The School Leader may be a EVE employee, or an employee of the Leasing Agency. EVE agrees to provide the Board an

opportunity to meet with the School Leader prior to placement and to inform the Board in advance prior to taking any action that would alter the employment status of the School Leader. Upon receipt of written notification indicating that the Board is not satisfied with the performance of the School Leader, EVE agrees to review the School Leader's performance and report its findings to the Board. If EVE concurs with the Board findings and there is no resolution to the problems, EVE will provide a replacement School Leader. The School Leader shall have an administrator's certificate covering the applicable grade levels of the Academy. The employment agreement with the School Leader and the duties and compensation of the School Leader shall be determined by EVE, but that individual must be assigned on a full-time basis to the Academy and may not be providing services to any other school or academy without the prior approval of the Board. If the Superintendent of EVE is designated as the School Leader, the Superintendent need not be assigned to the Academy on a full-time basis.

E. Teachers. As part of the annual budgeting process, EVE shall make a recommendation to the Board regarding the number of teachers and the applicable grade levels and subjects required for the operation of the Academy pursuant to the Charter Contract. EVE shall provide the Academy with such teachers, qualified in the grade levels and subjects required, as are required by the Academy. The Board, however, shall ultimately decide the number of teachers, the applicable grade levels, and subjects taught at Academy as prescribed in the Charter Contract. Such teachers may, at the discretion of EVE, work at the Academy on a full or part-time basis. If assigned to the Academy on a part-time basis, such teachers may also work at other schools operated by EVE in the same city. Each teacher assigned to or retained by the Academy shall be a highly qualified teacher with a valid teaching certificate or temporary special permit issued by the Michigan Department of Education under the Code, to the extent required under the Code and the Every Student Succeeds Act. Teachers employed by the Leasing Agency shall not be considered teachers for purposes of continuing tenure under applicable law, and shall not be considered employees of the Academy or the Board.

F. Support Staff. As part of the annual budgeting process, EVE shall make a recommendation to the Board regarding the number of support staff required for the operation of the Academy pursuant to the Charter Contract. EVE shall provide the Academy with such support staff, qualified in the areas required, as are required by the Academy. Such support staff may, in the discretion of EVE, work at the Academy on a full or part-time basis. If assigned to the Academy on a part-time basis, such support staff may also work at other schools operated by EVE in the same city. Each support staff employee assigned to or retained by the Academy shall have received the training and hold the certificates, degrees, or licenses legally required for the position to which they are assigned under the Code and Every Student Succeeds Act.

G. Training. EVE shall ensure training is provided to the School Leader, teachers, and paraprofessionals on a regular and continuing basis and shall insure that School Employees receive all training required by law. The School Leader, teachers, paraprofessionals, and other support staff employees shall receive such other training as EVE determines is reasonable and necessary under the circumstances.

ARTICLE VIII:

TERMINATION OF AGREEMENT

A. **Termination by the Academy.** This Agreement may be terminated by the Academy for cause prior to the end of the term specified in Article III in the event that EVE should fail to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than sixty (60) days after notice from the Academy. Any action or inaction by EVE that is not cured within 60 days of notice thereof which causes the Charter Contract to be revoked, terminated, suspended or which causes the Charter Contract to be put in jeopardy of revocation, termination or suspension by the Authorizer is a material breach. In order to terminate this Agreement for cause, the Board is required to provide EVE with written notification of the facts it considers to constitute material breach and the reasonable period of time within which EVE has to remedy this breach. After the period to remedy the material breach has expired, the Board may terminate this Agreement by providing EVE with written notification of termination. This Agreement may be terminated by the Academy for violation of the charter contract, state, or federal law. If the agreement is cancelled for any other reason (except for reasons defined in this section and section C below), the management fee for the remainder of the term shall be payable upon termination.

B. **Termination by EVE.** This Agreement may be terminated by EVE if the Academy defaults on payments to EVE pursuant to Article VI or failure to give consideration to the recommendations of EVE regarding the operation of the Academy. In the event of termination under this close, EVE will endeavor to work with the Academy to transition services to a new provider.

C. **Revocation or Termination of Charter Contract.** If the Academy's Charter Contract issued by the Central Michigan University Board of Trustees is revoked, terminated or a new charter contract is not issued to the Academy after expiration of the Academy's Charter Contract, this Agreement shall automatically terminate on the same date as the Academy's Charter Contract is revoked, terminated or expires without further action of the parties.

D. **Change in Law.** If any federal, state, or local law, regulation, or court decision has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice to the other, may request renegotiation of the Agreement. If the Parties are unable or unwilling to renegotiate the terms within ninety (90) days after said notice, the party requesting the renegotiation may terminate this Agreement on one hundred-twenty (120) days further written notice.

E. **Academy Site Closure.** In the event the Academy is (i) to close an Academy site pursuant to a notice issued by the Michigan Department of Education under Section [507] [528] [561] of the Code, MCL [380.507][380.528][380.561]; or (ii) to undergo a reconstitution pursuant to Section [507][528][561] of the Code, MCL [380.507][380.528][380.561], and the Charter Contract, and such closure of a Academy site or reconstitution causes an amendment to or termination of this Agreement, the parties agree that this Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to

the Academy, and EVE shall have no recourse against the Academy or the Authorizer for implementing such site closure or reconstitution.

F. **Effective Date of Termination.** In the event this Agreement is terminated by either party prior to the end of the term specified in Article III, absent unusual and compelling circumstances or pursuant to section C of this Article, the termination will not become effective until the end of the school year in which this Agreement was terminated.

G. **Rights to Property upon Termination.** Upon termination of this Agreement, anything purchased with state school aid funds (or other Academy funds) shall remain the exclusive property of the Academy. EVE shall have the right to reclaim any usable property or equipment (including, but not limited to, desks, computers, copying machines, fax machines, and telephones) that were purchased by EVE with EVE funds. Fixtures and building alterations or any kind are the sole property of the Academy.

H. **Transition.** The Academy Board and EVE agree to make all efforts necessary to remedy a breach of this Agreement in order to continue school operations until completion of the then-current school fiscal year. If a breach cannot be remedied, the Academy Board and EVE agree to work cooperatively to transition management and operations of the school without disrupting the school's operations. Upon termination or expiration of this Agreement or if this Agreement is terminated due to a Charter Contract revocation, reconstitution, termination or non-renewal, EVE shall, without additional charge (i) close the financial records on the then-current school fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting within required timelines established by the appropriate local, state or federal authority; (ii) organize and prepare student records for transition to the new ESP, self-management or in the case of a school closure, transfer to a student's new school as designated by the student's parent / legal guardian or to a person or entity authorized to hold such records; (iii) provide for the orderly transition of employee compensation and benefits to the new ESP or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by the ESP to the Academy; (iv) organize and prepare the Academy's records, both electronic and hard-copy, for transition to the new ESP, self-management or dissolution; and (v) provide for the orderly transition to the new ESP, self-management or dissolution of all Academy-owned assets including, but not limited to, furniture, fixtures, equipment and real estate. This includes any keys, log-in information and passwords related to any Academy asset.

ARTICLE IX:

PROPRIETARY INFORMATION

A. **Copyright and Proprietary Information.** All instructional materials, training materials, curriculum, lesson plans, and any other materials developed by EVE, its employees, agents, or subcontractors, or by any individual working for or supervised by EVE, which (i) were directly developed and paid for by the Academy, or (ii) were developed by EVE at the direction

of the Board using Academy funds, shall be considered “work made for hire” as such term defined in Section 101 of the Copyright Act, 17 U. S. Code, Section 101 and the Academy shall own all copyright and other proprietary rights to such instructional materials, training materials, curriculum, lesson plans, and any other materials. EVE reserves its right to restrict the Academy’s proprietary rights over curriculum or educational materials previously developed or copyrighted by EVE.

B. **Required Disclosure.** EVE acknowledges that educational materials and teaching techniques utilized by the Academy are subject to disclosure under the Code and the Freedom of Information Act. The Academy shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching techniques or methods to the Authorizer and to the Michigan Department of Education, which teaching techniques or methods may thereafter be made available to the public.

ARTICLE X:

INDEMNIFICATION

A. **Indemnification of EVE.** To the extent permitted by law, the Academy shall indemnify and hold EVE (which term for purposes of this Paragraph A, includes EVE’s officers, directors, and employees) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, employment of former employees, prior relationships with vendors and any noncompliance by the Academy with any agreements, covenants, warranties, or undertakings of the Academy contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of the Board contained in or made pursuant to this Agreement. In addition, and to the extent permitted by law, the Academy shall reimburse EVE for any and all reasonable legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this Paragraph may be met by the purchase of insurance in a form and amounts acceptable to EVE.

B. **Limitations of Liabilities.** The Academy may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement.

C. **Indemnification of the Academy.** EVE shall indemnify and hold the Academy (which term for purposes of this Paragraph C, includes the Academy’s officers, directors, agents, and employees) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any noncompliance by EVE with any agreements, covenants, warranties, or undertakings of EVE contained in or made pursuant to this Agreement and any misrepresentation or breach of the representations and warranties of EVE contained in or made pursuant to this Agreement. In addition, EVE shall reimburse the Academy for any and all reasonable legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amounts acceptable to the Academy.

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

E. **Indemnification for Negligence.** To the extent permitted by law, the Academy shall indemnify and hold harmless EVE, and EVE's Owners, Board of Directors, partners, officers, employees, agents, and representatives, from any and all claims and liabilities which EVE may incur and which arise out of the negligence or intentional activity of the Academy's directors, officers, employees, agents, or representatives. EVE shall indemnify and hold harmless the Academy, and the Academy's Board, officers, employees, agents, and representatives, from any and all claims and liabilities which the Academy may incur and which arise out of the negligence or intentional activity of EVE's owner, directors, officers, employees, agents, or representatives.

ARTICLE XI:

INSURANCE

A. **Insurance for the Academy.** The Academy shall secure and maintain such policies of insurance as required by the Contract. This coverage shall include the building and related capital facilities if they are the property of the Academy. The Academy shall maintain such insurance in amounts and on such terms as required by the provisions of the Charter Contract, including the indemnification of EVE required by this Agreement. The Academy shall, upon request, present evidence to EVE that it maintains the requisite insurance in compliance with the provisions of this paragraph. EVE shall comply with any information or reporting requirements applicable to the Academy under its policy with its insurer(s), to the extent practicable.

B. **Insurance for EVE.** EVE shall secure and maintain such policies of insurance as required by the Authorizer and the Charter Contract, with the Academy listed as additional insured. EVE shall maintain such insurance in amounts and on such terms as are reasonably acceptable to the Academy and as required by the provisions of the Charter Contract and the

Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."). In the event the University or M.U.S.I.C. requests any change in coverage by ESPs, EVE agrees to comply with any change in the type of or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change. The ESP's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Charter Contract.

C. EVE shall, upon request, present evidence to the Academy and Authorizer that it maintains the requisite insurance in compliance with the provisions of this paragraph. The Academy shall comply with any information or reporting requirements applicable to EVE under EVE's policy with its insurer(s), to the extent practicable. Any policy of insurance maintained by EVE must include coverage for sexual molestation or abuse, must name the Academy as an additional insured, and shall not be changed, revoked, or modified absent thirty (30) days' notice to the Academy and the Authorizer. In the event the Authorizer modifies the level, type, scope, or other aspects of such coverage, then EVE shall undertake like and similar modifications within thirty (30) days of being notified of such change.

D. **Workers' Compensation Insurance.** Each party shall maintain workers' compensation insurance when and as required by law, covering their respective employees.

ARTICLE XII:

COMPLIANCE WITH CHARTER CONTRACT

A. **Charter Contract.** The Parties hereby agree to comply with the Charter Contract and the ESP Policies.

B. **Academy Board Due Diligence.** The Board hereby agrees to perform the necessary due diligence of EVE and provide all information to the Authorizer pursuant to the ESP Policies, if any.

C. **Academy Board Members.** All Academy Board members and their respective spouses and immediate family members hereby agree that they do not have any direct or indirect ownership, employment, contractual or management interest in EVE. The relationship between the Academy and EVE shall be consistent with the conflicts of interest and prohibited familial relationship provisions set forth in the Charter Contract and applicable law.

D. **ESP Agreement.** This Agreement is an arms-length, negotiated agreement between an informed Board and EVE. The Board shall not approve this Agreement until all Board members have been given the opportunity to review the Agreement with the Academy's legal counsel. Prior to the Board's approval of this Agreement, the Board shall obtain a legal opinion from its legal counsel, in the form provided in the ESP Policies. The Board shall only approve this Agreement with a formal vote at a public board meeting. Prior to the Board's vote on this Agreement, the Board shall provide an opportunity for public comment on this Agreement.

E. **Information Reporting.** EVE is hereby required to make information concerning the operation and management of the Academy, including, but not limited to, information in the Charter Contract, including all exhibits, attachments, and the like, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Charter Contract. EVE shall make information available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its transparency reporting under the Charter Contract, and also at least the information that a school district is required to disclose under applicable law for the most recent fiscal year for which that information is available.

ARTICLE XIII:

MISCELLANEOUS

A. **Force Majeure.** Neither party shall be liable if the performance of any part or all of this Agreement is prevented, delayed, hindered, or otherwise made impracticable or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God, sabotage, accident, or any other casualty or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.

B. **Notices.** All notices, demands, requests, and consents under this Agreement shall be in writing, shall be delivered to each party, and shall be effective when received by the Parties or mailed to the Parties at their respective addresses set forth below, or at such other address as may be furnished by a party to the other party:

If to EVE:
Earl Martin Phalen, CEO
1001 Marina Drive Apt. #410
Quincy, MA 02171

If to Academy:
_Mr. Matt Barcey_____
_8487 Retreat Drive_____
_Grand Blanc, MI 48439_____

And a copy to EVE's counsel:

Nicole J. Scott, Esq.
4352 Mitthoefer Road
Indianapolis, IN 46235

And a copy to Board's Attorney:

Mr. Gregory Meihn
Gordon, Rees, Scully, Mansukhani, LLP
37000 Woodward Avenue, Ste 225
Bloomfield Hills, MI 48304

C. **Severability.** The invalidity of any of the covenants, phrases, or clauses in this Agreement shall not affect the remaining portions of this Agreement, and this Agreement shall be construed as if such invalid covenant, phrase, or clause had not been contained in this Agreement.

D. **Successors and Assigns.** This Agreement shall be binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

E. **Entire Agreement.** This Agreement is the entire agreement between the Parties relating to the services provided and to the compensation for such services by the Parties. Any modification to this Agreement must be made in writing, approved by the Board and EVE, and signed by a duly authorized officer of each and must be done in a manner consistent with the Authorizer's ESP Policies.

F. **Amendments and Modifications.** The Board must submit any and all amendments or modifications of this Agreement to the Authorizer not less than 45 days prior to the Board's approval of such amendments or modifications. No amendment or modification of this Agreement shall be effective unless and until the Authorizer has notified the Academy in writing that it does not disapprove of the modification.

G. **Non-Waiver.** A failure of a party in exercising any right, power, or privilege under this Agreement shall not affect such right, power, or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power, or privilege. The rights and remedies of the Parties under this Agreement are cumulative and not exclusive of any rights or remedies which either party may otherwise have.

H. **Assignment.** EVE may not assign this Agreement without the prior written approval of the Board and prior written notification to Authorizer. Any assignment must be done in a manner consistent with the Authorizer's ESP Policies.

I. **Governing Law.** This Agreement shall be governed by and enforced in accordance with the laws of the State of Michigan.

J. **Delegation of Authority.** Nothing in this Agreement shall be construed as delegating to EVE any of the powers or authority of the Board that are not subject to delegation by the Board under applicable law or the Charter Contract.

K. **Compliance with Law.** The Parties agree to comply with all applicable laws and regulations in their performance of this Agreement.

L. **Dispute Resolution Procedure.** Any and all disputes between the Parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the Parties' performance of their respective obligations under this Agreement that are unable to be resolved through discussion and negotiation shall be resolved by arbitration. Such an arbitration procedure shall be the sole and exclusive remedy for such matters. The arbitrator shall be selected from a panel provided by and in accordance with the rules of the American Arbitration Association, and the arbitration shall be conducted in accordance with the rules of the American Arbitration Association, with such variations as the Parties and the arbitrator unanimously accept. A judgment on the award rendered by the arbitrator may be entered in any court having appropriate jurisdiction and shall be binding upon the Parties. Any such judgment shall require a cause opinion as to the final decision and shall be made available to the Authorizer upon request. The cost of arbitration, not including attorney

fees, shall be paid by the losing party. It shall be in the discretion of the arbitrator to award reasonable attorney fees to the prevailing party, to be paid by the losing party, if awarded.

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The Parties have executed this Agreement as of the day and year first above written.

ENTREPRENEURIAL VENTURES IN EDUCATION.

By: Earl Martin Phalen

Earl Martin. Phalen, CEO

Dated: 05/10/2023

Greater Heights Academy

By: Matt Barney

Matt Barney, Board President

Dated: 5/10/23

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 Plan 6-3

Floor Plan..... 6-4

Promissory Note (Chemical Bank) 6-5

Mortgage (Chemical Bank)..... 6-17

Bond (Charter Schools Development Corporation)..... 6-31

Mortgage (Charter Schools Development Corporation)..... 6-41

Certificates of Use and Occupancy..... 6-72

Pavilion Approval 6-74

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

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

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

Description: The Academy's Site consists of 13.34 acres of land in the northwest end of Flint in Mt. Morris Township. Located on the Site is a 32,100 square foot facility, one 24 x 30 outbuilding, a play structure, a pavilion, and a parking lot. The facility contains 12 classrooms, an art room, a theater room, three intervention rooms, four student restrooms, two staff restrooms, office space, a conference room, teacher's lounge, kitchen and a gymnasium with a stage. A garage is attached to the back end of the facility.

Configuration of Grade Levels: Kindergarten through Sixth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Westwood Heights Schools
ISD: Genesee

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.

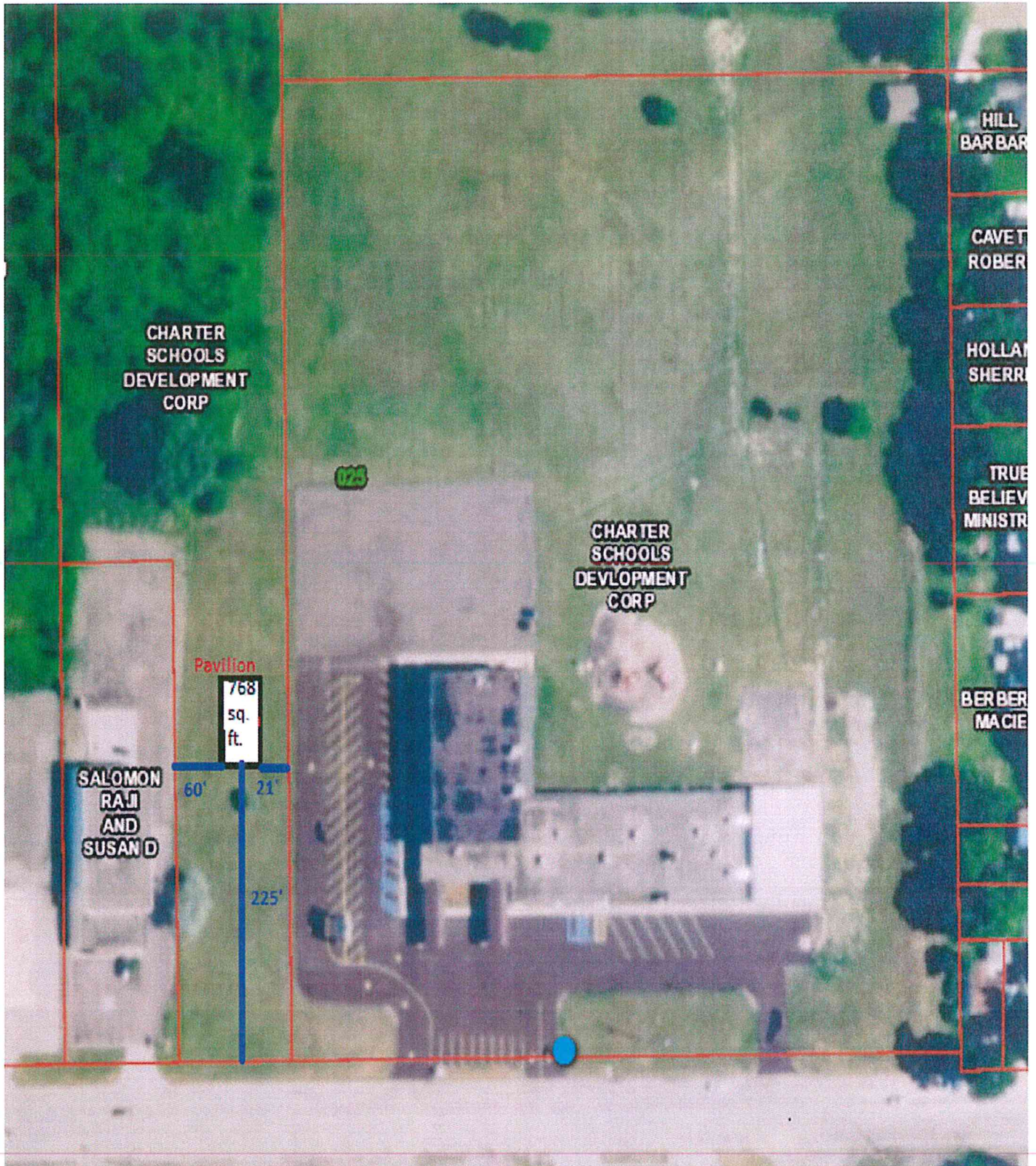
- A. Narrative description of physical facility
- B. Size of building
- C. Scaled floor plan
- D. Copy of executed lease or purchase agreement

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.

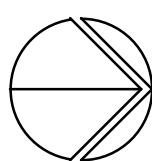
5. If the Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the University Board must be amended

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.



3196 W. Pasadena Ave.
Flint, MI 48504



FIRST FLOOR COMPOSITE PLAN
SCALE: 1/16" = 1' - 0"

WACKELT ASSOCIATES, INC.
ARCHITECTS
30500 VAN DYKE AVENUE
SUITE M-7
WARREN, MICHIGAN 48093
PH: 586.573.4100
PH: 586.573.4100
FX: 586.573.0822
www.WackeltyAla.com

- Peter Basco Associates Inc**
CONSULTING ENGINEERS
-  5365 Larnack, Suite 101
Troy, Michigan 48069-3276
Tel. 248-679-9666
Fax 248-679-0007
- www.peterbascoassociates.com
For input to: info@pba.com

N

- GREATER HEIGHTS ACADEMY
 FOUR CLASSROOM
 FLINT, MICHIGAN

PRELIMINARY	<input checked="" type="checkbox"/>
DESIGN DEVELOPMENT	<input checked="" type="checkbox"/>
CONSTRUCTION	<input checked="" type="checkbox"/>
FINAL RECORD	<input type="checkbox"/>
DRAWN BY:	STP
CHECKED BY:	GJZ
REVISIONS:	

PROMISSORY NOTE
(Term Loan)

COPY

Borrower's Name and Address: GREATER HEIGHTS ACADEMY , a Michigan non-profit corporation 3196 W. Pasadena Avenue Flint, Michigan 48504	Bank's Name and Address: CHEMICAL BANK , a division of TCF National Bank 333 East Main Street, Midland, Michigan 48640	Loan Number: 801451006 Effective Date: December 19, 2019 Maturity Date: December 1, 2024 Loan Amount: \$1,092,000.00
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FOR VALUE RECEIVED, the undersigned (the "**Borrower**") promises to pay to the order of **CHEMICAL BANK, a division of TCF National Bank** (the "**Bank**") at any office of Bank or where otherwise requested by Bank, the principal sum of **ONE MILLION NINETY TWO THOUSAND AND 00/100 DOLLARS (\$1,092,000.00)** plus interest thereon pursuant to the provisions that follow:

1. **SINGLE ADVANCE:** The principal sum shown above is the maximum amount of principal Borrower can borrow under this Note. After the initial principal advance, future principal advances are not contemplated. All advances are subject to the terms and conditions as provided in this Note and in the Loan Agreement between Borrower and Bank of even date (the "**Loan Agreement**").

2. **PURPOSE:** The purpose of the loan evidenced by this Note (the "**Loan**") is to assist Borrower in financing the cost to purchase certain real property located at 3196 W. Pasadena Avenue, Flint, Michigan (the "**Property**").

3. **CLOSED END CREDIT:** Bank and Borrower agree that Borrower may not borrow under this Note up to the maximum principal sum more than one time.

4. **INTEREST RATE:** Except as otherwise provided herein, the outstanding principal indebtedness evidenced by this Promissory Note (this "**Note**") shall bear interest as follows:

a. From the date hereof, until this Note is paid in full on or prior to Maturity, interest (computed on the basis of a 365/360-day year for the actual number of days outstanding) on the unpaid principal balance of this Note shall accrue at a fixed rate of **FOUR and 50/100 PERCENT (4.50%)** per annum;

5. **INSTALLMENT PAYMENTS:** Except as otherwise provided herein, the indebtedness evidence by this Note shall be paid in monthly installments of principal and interest in the amount of **EIGHT THOUSAND FOUR HUNDRED THREE DOLLARS AND 67/100 DOLLARS (\$8,403.67)** each, which shall be due and payable commencing February 1, 2020 and

continuing on the 1st day of each successive month thereafter until December 1, 2024 (the "**Maturity Date**"), at which time the remaining unpaid principal balance shall be paid in full. All outstanding principal, late payment charges, accrued and unpaid interest shall all be due and payable on the Maturity Date, or any acceleration of said Maturity Date under the terms of this Note.

6. **MAXIMUM INTEREST RATE:** Notwithstanding anything contained in this Note to the contrary, the effective rate of interest under this Note shall never be more than the maximum rate permitted by law.

7. **DEFAULT RATE:** Notwithstanding anything contained in this Note to the contrary, upon the occurrence of an Event of Default or otherwise at Maturity, the Interest Rate shall increase by five (5) percentage points (the "**Default Rate**") and shall continue to accrue at such Default Rate until the Event of Default is cured to the satisfaction of Bank or until indebtedness of Borrower to Bank under this Note is paid in full, whichever first occurs.

9. **POST MATURITY:** Borrower agrees to pay interest on the unpaid balance of this Note owing after Maturity and until paid in full at the Default Rate (as defined below). For the purpose of deciding when the Default Rate applies, the term "**Maturity**" or "**Maturity Date**" means the date of the last applicable scheduled payment due on this Note or the date Bank accelerates payment on this Note, whichever is earlier and at all times subject to applicable notice and cure periods. For purposes of this Note, any reference to "**notice and cure periods**" shall mean the notice and cure periods, if any, set forth in Section 26 of this Note and all other notice and cure periods identified under the Loan Agreement and other Loan Documents.

10. **LATE CHARGE:** If a payment is made more than 10 days after it is due, Borrower agrees to pay a late charge of five percent (5%) of the late payment, with a minimum late charge of \$50.00.

11. **ADDITIONAL CHARGES:** In addition to principal payments and interest and late charges, Borrower agrees to pay to Bank a service charge of \$31.00 for each payment (check or automatic payment) that is dishonored or returned unpaid.

12. **NO OBLIGATION TO RENEW.** Bank shall be under no obligation to renew the credit facility represented by this Note after Maturity. Any consideration to renew said credit facility will be contingent on the timely receipt and satisfactory review of the required financial information and reports as required by Bank during the term of this Note, Borrower's satisfactory performance of all of Borrower's obligations under this Note, the Loan Agreement, the related loan, security and guaranty documents and subject to such other underwriting criteria as Bank determines in its sole discretion.

13. **SECURITY:** Repayment of the indebtedness and performance of all obligations of Borrower to Bank under this Note shall be secured by the following: (a) Mortgage to be executed by Borrower to and for the benefit of Bank and granting to Bank a first priority mortgage covering the Property (the "**Mortgage**") as said Property is more particularly described in the Mortgage; (b) Assignment of Leases and Rents to be executed by Borrower to and for the benefit of Bank covering the Property (the "**Assignment**"); and (c) Uniform Commercial Code fixture filing by Borrower to and for the benefit of Bank covering the Property (the "**UCC Recording**"). Additionally, repayment

of the Indebtedness under this Note and performance of all obligations of Borrower to Bank under this Note and the other Loan Documents shall be secured by a certain Intercept Agreement in form and substance approved by Bank (the "**Intercept Agreement**") wherein funds provided by the State of Michigan to Central Michigan University (the "Authorizer") or any replacement Authorizer, and eventually funded to or for the benefit of Borrower will be subject to an intercept wherein such funds shall be re-directed and made payable to Bank ahead of Borrower upon the occurrence and continuation of any Event of Default (as the term "Event of Default" is defined hereunder).

14. **SUBORDINATION.** Borrower shall cause Charter Schools Development Corporation ("CSDC") to fund a loan in an amount not in excess of \$857,000.00 to Borrower for the purpose of further assisting Borrower in financing the acquisition of the Property (the "CSDC Loan"). Any and all forms of collateral under the CSDC Loan shall at all times be made subordinate to the first priority lien of the Mortgage, Assignment and UCC Recording. Borrower shall cause CSDC to execute such documents of subordination that may be required by Bank (the "**Subordination**") and to provide such other documentation or information as shall be requested by Bank from time to time during such term of the Loan until all indebtedness of Borrower to Bank under this Note and the other Loan Documents (collectively the "**Indebtedness**") is paid in full

15. **DEFINITIONS.** This Note, the Loan Agreement, Mortgage, Assignment, UCC Recording, Intercept Agreement, Subordination, and any other security documents referred to in this Note or the Loan Agreement, together with any other related documents executed in conjunction herewith are sometimes collectively referred to herein as the "**Loan Documents**". All of the property and assets securing this Note under the Loan Documents are collectively referred to herein as the "**Collateral**".

16. **EXPENSES:** Borrower shall reimburse Bank for all reasonable out-of-pocket expenses heretofore or hereafter incurred by Bank in connection with making the Loan and any renewals, extensions or modifications of the Loan and in connection with taking any security for the Loan, including, without limitation, filing and recording fees, reasonable attorneys' fees and expenses, and costs of credit reports, surveys, appraisals, title work and mortgagee's title insurance. Each out-of-pocket expense (if not reimbursed to Bank on or before the date of this Note shall be reimbursed to Bank at the time of the first required interest payment under this Note after the expense is incurred.

17. **PREPAYMENTS:**

(a) Except as otherwise provided below herein, in the event the Loan is fully or partially prepaid, then such prepayments of principal under the Loan may only be made upon payment of a prepayment fee equal to a percentage of the principal amount prepaid determined as follows: (i) for prepayments made during the 1st year after the effective date of the Loan, the fee is 5% of the prepaid amount; (ii) for prepayments made during the 2nd year after the effective date of the Loan, the fee is 4% of the prepaid amount; (iii) for prepayments made during the 3rd year after the effective date of the Loan, the fee is 3% of the prepaid amount; (iv) for prepayments made during the 4th year after the effective date of the Loan, the fee is 2% of the prepaid amount; and (v) for prepayments made during the 5th year after the effective date of the Loan, the fee is 1% of the prepaid amount.

(b) Notwithstanding the foregoing subsection 17(a) above to the contrary, Borrower shall not be required to pay any prepayment penalty or premium if any of the following occur: (i) the Loan is fully or partially prepaid within the last thirty (30) days of the 5th year after the effective date of the Loan; or (ii) if condemnation proceeds or insurance proceeds are paid to Bank to the extent such proceeds are applied by Bank first to recover the reasonable costs incurred by Bank to obtain such proceeds and thereafter to be applied against principal pursuant to the terms for application of payments under Section 20 of this Note.

Any partial prepayment will not excuse or reduce any later scheduled payment until this Note is paid in full (unless, when Borrower makes the prepayment, Bank and Borrower agree in writing to the contrary).

18. **MANAGEMENT OF BORROWER.** Any material changes in Borrower's management from that in effect at the time this Note is executed or from that which is allowed under the terms of the Loan Agreement, without the prior written consent of Bank, which consent shall not be unreasonably withheld, shall be a non-monetary Event of Default hereunder.

19. **APPLICABLE LAW.** This Note shall be governed by the laws of the State of Michigan. Any term of this Note that conflicts with applicable law will not be effective, unless the law expressly permits the variation by written agreement between Bank and Borrower. If any provision of this Note cannot be enforced according to its terms, this fact will not affect the enforceability of the remainder of this Note. Except as otherwise expressly provided herein, this Note may not be amended or terminated except in writing and executed by the proper and duly authorized representatives of Borrower and Bank. Time is of the essence in this Note.

20. **APPLICATION OF PAYMENTS.** Each payment Borrower makes on this Note will first reduce the amount Borrower owes Bank for charges which are neither interest nor principal. The remainder of each payment will then reduce accrued unpaid interest, and then unpaid principal. If Bank and Borrower agrees to a different application of payments, any such agreement must be expressly set forth herein.

21. **INTEREST ACCRUAL.** Interest accrues on the principal remaining unpaid hereunder from time to time outstanding from the date hereof until said principal amounts are paid in full. If Borrower receives the principal in more than one advance, each advance will start to earn interest only when the advance is made. The interest rate in effect on this Note at any given time will apply to the entire principal sum outstanding at that time. Notwithstanding anything to the contrary, Borrower does not agree to pay and Bank does not intend to charge any rate of interest that is higher than the maximum rate of interest Bank could charge under applicable law for the extension of credit that is agreed to in this Note (either before or after Maturity). If any notice of interest accrual is sent and is in error, Bank and Borrower shall agree to correct it, and if Bank actually collects more interest than allowed by law and this Note, Bank agrees to refund it to Borrower.

22. **BANK PAYMENTS.** Bank may add amounts to the principal if Bank makes any payments that are otherwise the obligations of Borrower under this Note or any Loan Documents with interest accruing at the interest rate set forth herein.

23. **SET-OFF.** Subject to any applicable notice and cure periods, and limitations and restrictions imposed under any applicable law, Borrower agrees that Bank may at any time during the continuance of any Event of Default set off any amount due and payable under this Note ("Any Amount Due And Payable Under This Note" as defined below) against any right Borrower has to receive money from Bank ("Right To Receive Money From Bank" as defined below).

For purposes of this Note, the term "Right To Receive Money From Bank" means:

- (a) any deposit account balance Borrower has with Bank, both now and in the future;
- (b) any money owed to Borrower on an item presented to Bank or in Bank's possession for collection or exchange; and
- (c) any repurchase note or other non-deposit obligation.

For purposes of this Note, the term "Any Amount Due And Payable Under This Note" means the total amount of which Bank is entitled to demand payment under the terms of this Note at the time Bank sets off. This total includes any balance as of the due date for which Bank properly accelerates under this Note.

If Borrower's Right To Receive Money From Bank is also owned by someone who has not agreed to pay this Note, Bank's right of set-off will apply to Borrower's interest in the obligation and to any other amounts Borrower could withdraw on Borrower's sole request or endorsement. Bank's right of set-off does not apply to an account or other obligation where Borrower's rights are only as a representative. It also does not apply to any Individual Retirement Account or other tax-deferred retirement account.

Bank will not be liable for the dishonor of any check when the dishonor occurs because Bank set off this debt against any accounts of Borrower. Borrower hereby agrees to hold Bank harmless from any such claims arising as a result of Bank's exercise of Bank's right to set-off.

24. **REPRESENTATIONS AND WARRANTIES:** Borrower is a non-profit corporation duly formed and in good standing under the laws of the State of Michigan; the person(s) executing this Note, the Loan Agreement and the other Loan Documents as identified officers of Borrower has/have been duly authorized to act pursuant to the terms of Borrower's Bylaws and pursuant to a corporate certificate to be executed by the Secretary of Borrower and confirmed by a Director of Borrower, in form and substance for such corporate certificate as shall be approved by Bank; this Note, the Loan Agreement and the other Loan Documents are valid and binding obligations of Borrower, fully enforceable in accordance with their respective terms, except as enforceability may be subject to the effect of any bankruptcy, fraudulent conveyance, insolvency, moratorium, reorganization or other similar laws affecting creditors rights generally, and to the discretionary nature of specific performance, injunctive relief and other equitable remedies; execution and delivery by Borrower of the Loan Documents and other documents relating to the Loan do not conflict with or violate any agreement to which Borrower is a party; all financial information provided to Bank by or on behalf of Borrower has been prepared and will continue to be

prepared in accordance with accounting principles consistently applied and fully and fairly presents in all material respects the financial condition of Borrower and there has been no material adverse change in Borrower's business, property, or condition since the date of Borrower's latest financial statement delivered to Bank; and, to Borrower's knowledge, there are no actions or proceedings pending or threatened in any court or before any governmental department or agency which would affect the validity of any of the Loan Documents.

25. **EVENTS OF DEFAULT.** Each of the following shall be an "**Event of Default**" under this Note:

(a) if Borrower fails to make a Loan installment payment of principal and/or interest when due for such installment under this Note;

(b) if Borrower fails to pay any other payment or performance of any other monetary obligation required under this Note or under the Loan Agreement (other than a scheduled principal and/or interest payment), including, but not limited to, any late charge, out-of-pocket expense, or loan processing fee at any time owing to Bank under this Note and Borrower fails to cure such payment within ten (10) days after written notice of such failed payment is provided to Borrower.

(c) if Borrower fails to pay any other indebtedness of Borrower to Bank, which failure is not cured within any applicable notice and cure period, if any, that may be provided in any agreement or instrument evidencing such other indebtedness;

(d) if Borrower fails in the performance of any non-monetary obligation required by Bank under this Note, the Loan Agreement or any other Loan Documents in any material respect and fails to cure such requirement within thirty (30) days after written notice of such failure is provided to Borrower, unless Bank shall determine in good faith that Bank's interest or security would be materially impaired during the applicable thirty (30) day period, in which case Bank may provide such shorter notice and opportunity to cure as Bank may reasonably determine;

(e) if Borrower fails to pay, or keep any promise, on any other debt or other loan Borrower has with Bank in any material respect, and fails to cure such failure within any applicable notice and cure periods;

(f) if any other creditor of Borrower levies upon or attaches any property which is collateral for the Loan, and such levy or attachment is not discharged within sixty (60) days;

(g) if Borrower becomes insolvent (for purposes of this Note, an entity or natural person shall be deemed "insolvent" if either their liabilities exceed assets or they are unable to pay debts as they become due);

(h) if any warranty or representation made by or for Borrower in connection with the Loan, or if any financial data or any other information now or hereafter furnished to Bank by or on behalf of Borrower, shall prove to be false, inaccurate, or misleading in any material respect at the time they were made;

(i) if any collateral securing the Loan is used in a manner or for a purpose which threatens confiscation by a legal authority;

(j) if Borrower changes Borrower's name or assumes an additional name without providing at least thirty (30) days prior written notice to Bank;

(k) if Borrower voluntarily suspends transaction of Borrower's business for more than thirty (30) days for whatever reason;

(l) if there shall be entered against Borrower one or more judgments or decrees in excess of \$25,000.00 which are not insured against or satisfied or appealed from and bonded within the time or times limited by applicable rules of procedure for appeal as of right, or if a writ of attachment or garnishment against Borrower shall be issued and levied and not released or bonded over within sixty (60) days after such issue or levy;

(m) if Borrower shall materially default beyond any applicable notice and cure periods in the due payment of any indebtedness to whomsoever owed, or shall materially default beyond any applicable notice and cure periods in the observance or performance of any term, covenant, or condition in any mortgage, security agreement, guaranty, subordination, instrument, lease, or agreement to which Borrower is a party;

(n) if Borrower voluntarily files any petition in Bankruptcy or makes an assignment for the benefit of creditors or consents to or does not object to any proceedings for the appointment of a receiver (except for Bank's benefit);

(o) if any involuntary proceedings in Bankruptcy are commenced against Borrower and are not dismissed within thirty (30) days after the commencement thereof;

(p) if a receiver is appointed over Borrower over any of Borrower's assets over Borrower's objections (except for Bank's benefit), which appointment is not dismissed or terminated within thirty (30) days thereafter;

(q) if Bank, in good faith, reasonably believes that the value of any collateral securing this Note or the ability of Borrower to pay this Note or otherwise meet Borrower's obligations under this Note, the Loan Agreement or the other Loan Documents is or soon will be impaired, time being of the essence; provided, however, Borrower shall have 30 days after Bank notifies Borrower of the occurrence of such an Event of Default to demonstrate to Bank's reasonable satisfaction that the value of any collateral securing this Note or the ability of Borrower to pay this Note or otherwise meet Borrower's obligations under this Note, the Loan Agreement or the other Loan Documents is not or will not soon be impaired; or

(r) upon the occurrence of any other Event of Default under and as defined in any of the other Loan Documents.

26. **REMEDIES.** Subject to any applicable notice and cure periods, and limitations and restrictions imposed under any applicable law, upon the occurrence of an Event of Default, Bank has, but is not limited to, the following remedies:

- (a) Bank at its option may demand immediate payment of all that Borrower owes Bank under this Note (principal, accrued unpaid interest and other accrued unpaid charges);
- (b) Bank may set off this debt against any right Borrower has to the payment of money from Bank, in accordance with Section 23 of this Note;
- (c) Bank may demand security, additional security, or additional parties to be obligated to pay this Note as a condition for not using any other remedy;
- (d) Bank may refuse to make advances to Borrower and may terminate and require an acceleration of any line of credit available to Borrower from Bank;
- (e) Bank may use any remedy Bank has under state or federal law or under any Loan Documents; and/or
- (f) Bank may use any remedy given to Bank in any agreement securing or evidencing this Note or the Loan.

By selecting any one or more of these remedies Bank does not give up Bank's right to use later any other remedy. By waiving Bank's right to declare an event to be an Event of Default, Bank does not waive Bank's right to consider later the event an Event of Default if it continues or happens again.

27. **COLLECTION COSTS AND ATTORNEY'S FEES.** Borrower agrees to pay all reasonable costs of collection, replevin or any other or similar type of cost if there shall occur an Event of Default under this Note. In addition, if Bank hires an attorney to collect this Note, Borrower also agrees to pay any reasonable fee Bank incurs with such attorney plus court costs (except where prohibited by law). To the extent permitted by the United States Bankruptcy Code, Borrower also agrees to pay the reasonable attorney's fees and costs Bank incurs to collect this debt as awarded by any court exercising jurisdiction under the Bankruptcy Code.

28. **WAIVER.** Borrower hereby waives any and all rights to require Bank to:

- (a) demand payment of amounts due (presentment);
- (b) obtain official certification of nonpayment (protest); or
- (c) except as otherwise provided in this Note, give notice that amounts due have not been paid (notice of dishonor).

Borrower waives any defenses Borrower has based on suretyship or impairment of collateral. Borrower does not waive any rights of notice and/or cure periods provided under this Note, the Loan Agreement or any other Loan Document.

No delay by Bank in the exercise of any right or remedy shall operate as a waiver thereof. No single or partial exercise by Bank of any right or remedy shall preclude any other or future exercise thereof or the exercise of any other right or remedy. No waiver by Bank of any default or of any provision hereof shall be effective unless in writing and signed by Bank. No waiver of any right or remedy on one occasion shall be a waiver of that right or remedy on any future occasion. The modification or waiver of any of Borrower's obligations or Bank's rights under this Note must be contained in a writing signed by Bank. Bank may perform Borrower's obligations without causing a waiver of those obligations or rights. Borrower's obligations under this Note shall not be affected if Bank amends, compromises, exchanges, fails to exercise, impairs or releases any of the following obligations under this Note and the documents referred to herein: (a) any of the obligations belonging to Borrower, endorser or guarantor; (b) any of its rights against the Borrower, guarantor or endorser; or (c) any interest in the collateral securing the obligations.

29. **OBLIGATIONS INDEPENDENT.** Borrower understands that Borrower is primarily liable for this Note even if someone else has also agreed to pay it (by, for example, signing this Note or a separate guaranty or endorsement). Bank may sue Borrower alone, or anyone else who is obligated on this Note now or in the future, or any number of obligated parties together, to collect this Note. Bank may without notice release any party to this Note without releasing any other party. If Bank gives up any of Bank's rights, with or without notice, it will not affect Borrower's duty to pay this Note. Borrower agrees that Bank may, at Bank's option, extend this Note or the debt represented by this Note, or any portion of this Note or debt, from time to time without limit or notice and for any term without affecting Borrower's liability for payment of this Note. Borrower will not assign Borrower's obligations under this Note without Bank's prior written approval.

30. **CREDIT INFORMATION.** Borrower agrees and authorizes Bank to obtain credit information about Borrower from time to time (for example, by requesting a credit report) and to report to others Bank's credit experience with Borrower (such as a credit reporting agency). Borrower agrees to provide Bank, upon Bank's reasonable request from time to time, any financial statement or information Bank may reasonably require in form satisfactory to Bank. Borrower warrants that to the best of its knowledge, the financial statements and information Borrower provides to Bank are or will be accurate, correct and complete in all material respects.

31. **TO THE EXTENT NOT PROHIBITED BY LAW, BORROWER AND BANK EACH WAIVE THEIR RIGHT TO A JURY TRIAL WITH RESPECT TO ANY ACTION OR CLAIM ARISING OUT OF ANY DISPUTE IN CONNECTION WITH THIS NOTE, ANY RIGHTS, REMEDIES, OBLIGATIONS, OR DUTIES HEREUNDER, OR THE PERFORMANCE OR ENFORCEMENT HEREOF OR THEREOF.** Except as prohibited by law, Borrower waives any right which it may have to claim or recover in any litigation referred to in the preceding sentence any special, exemplary, punitive or consequential damages or any damages other than, or in addition to, actual damages. Borrower (a) certifies that neither Bank nor any representative, agent or attorney of Bank has represented, expressly or otherwise, that Bank would not, in the event of litigation, seek to enforce the foregoing waivers or other waivers contained in this Note, and (b) acknowledges that, in accepting this Note and the other Loan Documents to which Bank is a party, Bank is relying upon, among other things, the waivers and certifications contained in this Section 31.

32. **NOTICE.** Any notice, request, demand, waiver, consent, approval or other communication required to be given pursuant to this Note (each, a "Notice") shall be in writing and shall be deemed given to the intended recipient upon completion of any of the following: (i) actual receipt by the intended recipient by whatever means; (ii) receipted personal delivery thereof at the intended recipient's address set forth above; or (iii) delivery by a nationally recognized private overnight courier service providing proof of such delivery to the intended recipient at the address set forth above with all courier fees prepaid. All notices are to be given or made to the parties at their respective addresses appearing on this Note or to such other address as any party may designate by a notice given in accordance with the provisions of this Section 32.

33. **SEVERABILITY.** The declaration of invalidity or unenforceability of any provision of this Note or the documents referred to herein shall not affect the validity or enforceability of the remaining provisions of any of the foregoing.

34. **ASSIGNMENT.** Borrower agrees not to assign any of Borrower's rights, remedies or obligations described in this Note without the prior written consent of Bank, which consent may be withheld in Bank's sole discretion. Borrower agrees that Bank may assign some or all of its rights and remedies described in this Note without prior notice to or consent from Borrower.

35. **MISCELLANEOUS:** This Note shall bind the undersigned and the undersigned's successors and assigns; provided, however, the undersigned shall have no right to assign or transfer its rights or obligations under this Note without the prior written discretionary consent of Bank. In the event of any conflict between the terms and provisions of this Note and the terms and provisions of the Loan Agreement, the terms and provisions of this Note shall control.

SIGNATURES: Borrower agrees to all of the terms of this Note and by acceptance hereof. Bank agrees to the terms of this Note. Borrower has signed this Promissory Note for delivery to Bank to be effective as of December 19, 2019.

Address of Borrower:

3196 W. Pasadena Avenue
Flint, Michigan 48504

BORROWER:

GREATER HEIGHTS ACADEMY,
a Michigan non-profit corporation

By: _____

Matthew Barcey

Its: President

Accepted by Bank:

CHEMICAL BANK,
a division of TCF National Bank

and

By: _____

Thomas Tucker

Its: Secretary

By: _____

Glen Maurer

Its: Vice President

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AMORTIZATION SCHEDULE

Principal	Loan Date	Maturity	Loan No	Call / Coll	Account	Officer	Initials
\$1,092,000.00	12-19-2019	12-24-2024	801451006			01686	
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing "****" has been omitted due to text length limitations.							

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

Lender: Chemical Bank, a Division of TCF National Bank
East Metropolitan Community Bank - 5802
2508 South Louise Ave
Sioux Falls, SD 57106
(586) 783-4500

Disbursement Date: December 19, 2019
Interest Rate: 4.500

Repayment Schedule: Balloon
Calculation Method: 365/360 U.S. Rule

Payment Number	Payment Date	Payment Amount	Interest Paid	Principal Paid	Remaining Balance
1	01-24-2020	8,395.90	4,914.00	3,481.90	1,088,518.10
2	02-24-2020	8,395.90	4,218.01	4,177.89	1,084,340.21
3	03-24-2020	8,395.90	3,930.73	4,465.17	1,079,875.04
4	04-24-2020	8,395.90	4,184.52	4,211.38	1,075,663.66
5	05-24-2020	8,395.90	4,033.74	4,362.16	1,071,301.50
6	06-24-2020	8,395.90	4,151.29	4,244.61	1,067,056.89
7	07-24-2020	8,395.90	4,001.46	4,394.44	1,062,662.45
8	08-24-2020	8,395.90	4,117.82	4,278.08	1,058,384.37
9	09-24-2020	8,395.90	4,101.24	4,294.66	1,054,089.71
10	10-24-2020	8,395.90	3,952.84	4,443.06	1,049,646.65
11	11-24-2020	8,395.90	4,067.38	4,328.52	1,045,318.13
12	12-24-2020	8,395.90	3,919.94	4,475.96	1,040,842.17
2020 TOTALS:		100,750.80	49,592.97	51,157.83	
13	01-24-2021	8,395.90	4,033.26	4,362.64	1,036,479.53
14	02-24-2021	8,395.90	4,016.36	4,379.54	1,032,099.99
15	03-24-2021	8,395.90	3,612.35	4,783.55	1,027,316.44
16	04-24-2021	8,395.90	3,980.85	4,415.05	1,022,901.39
17	05-24-2021	8,395.90	3,835.88	4,560.02	1,018,341.37
18	06-24-2021	8,395.90	3,946.07	4,449.83	1,013,891.54
19	07-24-2021	8,395.90	3,802.09	4,593.81	1,009,297.73
20	08-24-2021	8,395.90	3,911.03	4,484.87	1,004,812.86
21	09-24-2021	8,395.90	3,893.65	4,502.25	1,000,310.61
22	10-24-2021	8,395.90	3,751.16	4,644.74	995,665.87
23	11-24-2021	8,395.90	3,858.21	4,537.69	991,128.18
24	12-24-2021	8,395.90	3,716.73	4,679.17	986,449.01
2021 TOTALS:		100,750.80	46,357.64	54,393.16	
25	01-24-2022	8,395.90	3,822.49	4,573.41	981,875.60
26	02-24-2022	8,395.90	3,804.77	4,591.13	977,284.47
27	03-24-2022	8,395.90	3,420.50	4,975.40	972,309.07
28	04-24-2022	8,395.90	3,767.70	4,628.20	967,680.87
29	05-24-2022	8,395.90	3,628.80	4,767.10	962,913.77
30	06-24-2022	8,395.90	3,731.29	4,664.61	958,249.16
31	07-24-2022	8,395.90	3,593.43	4,802.47	953,446.69
32	08-24-2022	8,395.90	3,694.61	4,701.29	948,745.40
33	09-24-2022	8,395.90	3,676.39	4,719.51	944,025.89
34	10-24-2022	8,395.90	3,540.10	4,855.80	939,170.09
35	11-24-2022	8,395.90	3,639.28	4,756.62	934,413.47
36	12-24-2022	8,395.90	3,504.05	4,891.85	929,521.62
2022 TOTALS:		100,750.80	43,823.41	56,927.39	
37	01-24-2023	8,395.90	3,601.90	4,794.00	924,727.62
38	02-24-2023	8,395.90	3,583.32	4,812.58	919,915.04
39	03-24-2023	8,395.90	3,219.70	5,176.20	914,738.84
40	04-24-2023	8,395.90	3,544.61	4,851.29	909,887.55
41	05-24-2023	8,395.90	3,412.08	4,983.82	904,903.73
42	06-24-2023	8,395.90	3,506.50	4,889.40	900,014.33
43	07-24-2023	8,395.90	3,375.05	5,020.85	894,993.48
44	08-24-2023	8,395.90	3,468.10	4,927.80	890,065.68
45	09-24-2023	8,395.90	3,449.00	4,946.90	885,118.78
46	10-24-2023	8,395.90	3,319.20	5,076.70	880,042.08
47	11-24-2023	8,395.90	3,410.16	4,985.74	875,056.34
48	12-24-2023	8,395.90	3,281.46	5,114.44	869,941.90
2023 TOTALS:		100,750.80	41,171.08	59,579.72	
49	01-24-2024	8,395.90	3,371.02	5,024.88	864,917.02
50	02-24-2024	8,395.90	3,351.55	5,044.35	859,872.67
51	03-24-2024	8,395.90	3,117.04	5,278.86	854,593.81

AMORTIZATION SCHEDULE **(Continued)**

Loan No: 801451006

Page 2

52	04-24-2024	8,395.90	3,311.55	5,084.35	849,509.46
53	05-24-2024	8,395.90	3,185.66	5,210.24	844,299.22
54	06-24-2024	8,395.90	3,271.66	5,124.24	839,174.98
55	07-24-2024	8,395.90	3,146.91	5,248.99	833,925.99
56	08-24-2024	8,395.90	3,231.46	5,164.44	828,761.55
57	09-24-2024	8,395.90	3,211.45	5,184.45	823,577.10
58	10-24-2024	8,395.90	3,088.41	5,307.49	818,269.61
59	11-24-2024	8,395.90	3,170.79	5,225.11	813,044.50
60	12-24-2024	816,093.42	3,048.92	813,044.50	0.00
2024 TOTALS:		908,448.32	38,506.42	869,941.90	
TOTALS:		1,311,451.52	219,451.52	1,092,000.00	

NOTICE: This is an estimated loan amortization schedule. Actual amounts may vary if payments are made on different dates or in different amounts.

LeasePro, Ver. 18.4.0.040 Copr. Finestra USA Corporation 1997, 2019. All Rights Reserved. MI TR-208571 PR-141

MORTGAGE

(Commercial Property)

This MORTGAGE executed on December 17, 2019 and made effective as of December 19, 2019 (the "Effective Date"), from **GREATER HEIGHTS ACADEMY**, a Michigan non-profit corporation (the "Mortgagor"), with offices located at 3196 W. Pasadena Avenue, Flint, Michigan 48504, to **CHEMICAL BANK**, a division of TCF National Bank (the "Lender"), with offices located at 333 East Main Street, Midland, Michigan 48640.

FOR VALUE RECEIVED, Mortgagor mortgages, warrants and grants a security interest to Lender in the parcels of land located in the City of Flint, County of Genesee, and State of Michigan as described on the attached **Exhibit "A"**, and (a) all buildings, structures and other improvements now or in the future located on the land and all easements, hereditaments and appurtenances now or in the future belonging to the land; (b) all fixtures now or in the future attached to or used in connection with the land; (c) all equipment (including, without limitation, all machinery, engines, boilers, elevators and plumbing, heating, air conditioning and ventilating equipment) now or in the future located on the land, all of which equipment shall be considered to be fixtures and a part of the realty; (d) all rents, income and profits arising from the land or from the buildings, structures, other improvements, fixtures and equipment now or in the future located on the land; and (e) all rights to make divisions of the land that are exempt from the platting requirements under the laws of the State of Michigan. In this Mortgage, the above-described land, buildings, structures, improvements, easements, hereditaments, appurtenances, fixtures and equipment are collectively called the "Premises".

This is a future advance mortgage made and given to secure payment and performance of:

- (a) all indebtedness and obligations of the Mortgagor, whether now existing or hereafter arising or now or hereafter owing to the Lender, including, but not limited to, all future advances, all obligations of the Mortgagor under this Mortgage and under all notes, loan agreements, security agreements, pledge agreements, assignments, mortgages, leases, guaranties and other agreements, instruments and documents, heretofore or hereafter executed by Mortgagor, and
- (b) any and all partial or full extensions or renewals of such indebtedness and obligations referenced above herein; (all of the foregoing being hereinafter collectively termed the "Indebtedness").

The Indebtedness includes, but is not necessarily limited to, all obligations and indebtedness, whether now existing or hereafter arising pursuant to a certain Promissory Note from Mortgagor to

Lender of even date herewith in the principal amount of ONE MILLION NINETY TWO THOUSAND AND 00/100 (\$1,092,000.00) DOLLARS and all replacements, extensions, renewals and modifications thereof (the "Promissory Note") and all obligations and liabilities whether now existing or hereafter arising, contained in any loan documents executed in connection with the Promissory Note (the "Loan Documents").

Subject to all the terms and provisions of this Mortgage, the Mortgagor does also hereby mortgages and warrants unto the Lender any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the Premises as a result of (a) the exercise of the right of eminent domain, (b) the alteration of the grade of any street, or (c) any other injury to or decrease in value of the Premises, to the extent of all amounts which may be accrued by this Mortgage on the date of receipt of any such award or payment by the Lender, and of reasonable counsel fees, costs and disbursements reasonably incurred by the Lender in connection with the collection of such award or payment. The Mortgagor agrees to execute and deliver from time to time, such further instruments as may be requested by Lender to confirm such assignment to the Lender of any such award or payment.

If Lender assigns this Mortgage and the Indebtedness that is secured by it at the time of the assignment, then this Mortgage shall also secure all Indebtedness and obligations then and in the future owing to the assignee by Mortgagor. From and after the assignment, each reference in this Mortgage to Lender shall be considered to refer to the assignee.

Mortgagor further warrants, represents and agrees as follows:

1. **Payment of Indebtedness.** Mortgagor agrees to pay the Indebtedness and perform all obligations now or in the future owing by Mortgagor, including payment of all accrued interest of the Indebtedness, in accordance with the terms of all instruments, documents or agreements evidencing such Indebtedness and performance obligations of Mortgagor (collectively the "Instruments").

2. **Warranties.** Mortgagor warrants and represents to Lender the following: (a) to the best of Mortgagor's knowledge, all financial statements and other information concerning Mortgagor, the Premises, any guarantor of any of the Indebtedness and any person obligated on any of the Indebtedness, that have been furnished to Lender, are true and correct in all material respects; (b) all financial statements and other information concerning Mortgagor, the Premises, any guarantor of any of the Indebtedness and any person obligated on any of the Indebtedness that shall in the future be furnished by Mortgagor to Lender shall be true and correct in all material respects; (c) the execution, delivery and performance of this Mortgage by Mortgagor will not violate any law, rule, judgment, order, agreement or instrument binding upon Mortgagor and will not require the approval of any public authority or any third party; and (d) this Mortgage is the valid and binding obligation of Mortgagor, enforceable in accordance with its terms, except as enforceability may be subject to the effect of any bankruptcy, fraudulent conveyance, insolvency, moratorium, reorganization or other similar laws affecting creditors rights generally, and to the discretionary nature of specific performance, injunctive relief and other equitable remedies. Mortgagor further represents and warrants to Lender that Mortgagor is a non-profit corporation duly organized and validly existing in good standing in the State of Michigan; that Mortgagor has full power and authority to carry on its business as presently conducted and to enter into and perform its obligations under this Mortgage; that the execution, delivery and performance of this Mortgage by Mortgagor have been duly

authorized by all necessary action of its members or other governing body and will not violate Mortgagor's articles of organization, operating agreement or other governing instrument.

3. **Assignment of Leases and Contracts.** Mortgagor assigns and mortgages to Lender, and grants to Lender a security interest in, as additional security for the Indebtedness, all of Mortgagor's right, title and interest in and to all existing and future oral or written leases of all or any part of the Premises or of any interest in them and all existing and future land contracts or other agreements by which the Premises or any interest in them is being or shall be sold, together with all rents and profits arising from, and all other proceeds of, those leases, land contracts or other agreements. Mortgagor shall at all times during the term of the loan that is the subject of the Promissory Note (the "Loan") comply with all covenants and obligations provided under that certain Assignment of Leases and Rents executed by Mortgagor to and for the benefit of Lender as of even date herewith. Mortgagor will pay and perform all obligations and covenants required of it by the terms of each lease, land contract or other agreement. If Mortgagor shall default in the payment or performance of any obligation or covenant, then Lender shall have the right, but shall have no obligation, to pay or perform it on behalf of Mortgagor, and all sums expended by Lender in doing so shall be payable by Mortgagor to Lender upon demand, together with interest at the Default Rate. Neither this section nor section 10 of this Mortgage implies that Lender consents to the sale, lease or transfer of the Premises or any interest in them.

4. **Minerals.** Mortgagor assigns and mortgages to Lender, and grants to Lender a security interest in, as additional security for the Indebtedness, all of Mortgagor's right, title and interest in and to (a) all oil, gas and other minerals located in, on or under the Premises; (b) all oil, gas or mineral leases, royalty agreements and other contracts that have been or in the future are entered into with respect to the Premises or with respect to any oil, gas or other minerals located in, on or under the Premises ("Mineral Leases"); and (c) all rents, profits, royalties and income at any time arising from the leases or from the sale of oil, gas or other minerals located in, on or under the Premises. Upon the occurrence of an Event of Default (as the term "Event of Default" is defined at section 14 of this Mortgage), Lender shall be entitled to the present and full possession, receipt and use of and right to such oil, gas, other minerals, Mineral Leases, rents, profits, royalties and income, for application to the Indebtedness in any manner that Lender in its sole discretion shall determine.

5. **Taxes.** Mortgagor will cause real property taxes to remain exempt in connection with the Premises due to its use as a charter school and non-profit corporation. It shall be an Event of Default under this Mortgage at the sole discretion of Lender in the event real property taxes become due and owing against the Premises (the "Taxes"). In the event Lender does not elect to declare the assessment of real property taxes to be an Event of Default under this Mortgage, then at Lender's sole discretion, Lender may require that Mortgage pay funds to establish a tax escrow for the payment of the Taxes when due (the "Tax Escrow") to be held by Lender. Mortgagor shall thereafter periodically provide payment, on each date that Lender shall designate, of an amount equal to (a) the amount that Lender from time to time reasonably estimates will be sufficient to permit Lender to pay the Taxes when levied against the Premises, at least ten (10) days before it is due and payable; divided by (b) the number of payments by Mortgagor that will occur between (i) the date of Lender's request, the date of any new estimate by Lender of the amount of the annual tax, assessment or other charge or the date when Lender last paid the tax, assessment or other charge on behalf of Mortgagor (whichever date is applicable); and (ii) the tenth day before the tax, assessment or other charge will

be due and payable. Upon demand by Lender, Mortgagor will pay to Lender any additional sums that are reasonably necessary to make up any deficiency in the amount necessary to enable Lender to pay fully those Taxes when due. All sums that Mortgagor pays to Lender under this section may be commingled with the general funds of Lender, and no interest shall be payable to Mortgagor with respect to them. If any other Event of Default under this Mortgage occurs, then Lender may apply any funds of Mortgagor it then holds in escrow under this section against the Indebtedness, in any manner that Lender shall determine.

6. **Insurance.** Mortgagor will cause all buildings, improvements, other insurable parts of the Premises and rents and other income from the Premises to be insured against loss or damage by fire, by hazards included within extended coverage and by other risks that Lender from time to time may reasonably require, in amounts and with insurers that are reasonably acceptable to Lender, and Mortgagor shall cause all premiums on the insurance to be paid when due. All insurance policies required herein shall be provided by such insurers having an A.M. Best Financial Strength Rating (FSR) of A- or better and an A.M. Best Financial Size Category Rating (FSC) of IX or better (or the equivalent rating from any successor rating agency or entity reasonably selected by mortgagee if A.M. Best Company discontinues publishing rating of insurance companies or if the rating system is changed). Lender shall not, however, require hazard insurance covering any building or buildings that are part of the Premises to be in an amount greater than the replacement cost of the building or buildings. Within ten (10) days after Lender notifies Mortgagor that the Premises are located in a special flood hazard area but are not covered by flood insurance in the amount required by applicable law (including, without limitation, the Federal Flood Insurance Act of 1968, as amended), Mortgagor shall obtain and at all times maintain in effect the required insurance. Each policy evidencing insurance required by this section shall provide that loss shall be payable to Lender as its interest shall appear at the time of the loss, shall contain a standard mortgagee clause, shall be in form and substance acceptable to Lender and certificates of insurance evidencing such coverage shall be delivered to Lender in such ACORD form and with such identified terms and coverage as shall be required by Lender. Each policy shall provide that the insurer: (a) shall give Lender at least ten (10) days' prior written notice before such policy is canceled due to non-payment of policy premium when due; and (b) shall give Lender at least thirty (30) days' prior written notice before such policy is altered or cancelled for any other reason. All of the insurance policies required hereby shall be evidenced by one or more certificates of insurance delivered to Lender by Mortgagor on or before the closing date, upon renewal of such policies and otherwise at such other times as Lender may request from time to time and at such other times as Lender may request from time to time.

Upon foreclosure of this Mortgage or other transfer of the Premises in satisfaction of the Indebtedness, all rights, title and interest of Mortgagor in and to any insurance policies then in force, including the right to any premium refund, shall vest in the purchaser or grantee.

In the event of a fire or other casualty to the improvements to the Premises, which fire or other casualty is not caused by the willful misconduct of Mortgagor, Mortgagor shall be entitled to utilize the proceeds of the casualty insurance for the rebuilding or restoration of such improvements to the condition or better as existed prior to such casualty, subject to the following conditions:

(a) There shall not exist any Event of Default under this Mortgage, the Promissory Note which it secures, or any other Loan Documents (as defined in the Loan Agreement) beyond any applicable notice and cure period, if any;

(b) Lender shall have determined, in its reasonable discretion, that the use of the proceeds for rebuilding or restoration of the Premises will not cause the likelihood of repayment of the Indebtedness or security for the Indebtedness to be impaired; and

(c) Such rebuilding or restoration shall be capable of being completed prior to the scheduled maturity of the Promissory Note.

Upon the determination by Lender that insurance proceeds may be utilized for repair or restoration of the improvements, all insurance proceeds shall be deposited with Lender and advances for repair and restoration shall be made in accordance with and subject to all limitations and conditions of Lender's then current practices and procedures for administering commercial construction loans. No interest shall be payable to Mortgagor in connection with the insurance proceeds so deposited. Regularly scheduled payments under the Promissory Note shall remain payable as provided therein notwithstanding said fire or other casualty and regardless whether Lender consents to the use of proceeds for rebuilding or restoration as provided herein.

If there shall occur any destruction of or damage to the Premises and Lender does not consent to rebuilding or restoration under the terms of this Mortgage, Lender shall have the right to make proof of the loss or damage, if Mortgagor does not promptly do so, and Lender is authorized to settle, adjust or compromise any claims for loss or damage under any insurance policy. Mortgagor shall immediately endorse and deliver to Lender all proceeds of any policy.

Lender may require Mortgagor to pay a reasonable fee to Lender for determining whether the Premises are located in a special flood hazard area, if either (i) Lender undertook the determination because of a revision of flood plain areas; or (ii) Lender purchased required flood insurance, under this section 6, after Mortgagor failed to purchase the required insurance following Lender's notification to Mortgagor that Mortgagor was required to do so.

7. Maintenance and Repair. Mortgagor will maintain the Premises in good condition and repair; will not commit or suffer any waste of the Premises; will not remove, demolish or substantially alter any building or fixture on the Premises without the prior written consent of Lender; will cause to be complied with all laws, ordinances, regulations and requirements of any governmental authority applicable to the Premises or to activities on the Premises; will promptly repair, restore, replace or rebuild any part of the Premises that is damaged or destroyed by any casualty upon receipt of any available insurance proceeds therefor; and will promptly pay when due all charges for utilities and other services to the Premises.

8. Lender's Right to Perform; Receiver. Upon the occurrence of an Event of Default under this Mortgage (including, without limitation, its obligations to keep the Premises in good condition and repair, to pay taxes and assessments and to obtain and maintain insurance), then Lender shall have the right, but shall have no obligation, to perform, or cause to be performed, the obligation, and all reasonable sums expended by Lender in doing so shall become part of the Indebtedness, payable by Mortgagor to Lender upon demand, together with interest at the Default Rate. Lender and any persons authorized by Lender shall have the right to enter upon the Premises at all reasonable times for the purpose of inspecting the Premises or effecting maintenance or repairs or taking any other action under the preceding sentence. The failure of Mortgagor to pay funds into the

Tax Escrow or similar charges upon the Premises when due or to obtain and maintain required insurance shall constitute waste and shall entitle Lender to petition a court of competent jurisdiction for appointment of a receiver of the Premises for the purpose of preventing the waste. The receiver, subject to the order of the court, may collect the rents and income from the Premises and exercise control over the Premises as the court shall order. Any payment or performance by Lender, under this Mortgage, of an obligation that Mortgagor has failed to perform under a lease or other agreement, and any exercise by Lender of any right, remedy or option under a lease or other agreement, shall not be considered an assumption by Lender of the lease, land contract or other agreement or of any obligation or liability under it.

9. **Condemnation.** If all or any part of the Premises are taken, whether temporarily or permanently, under power of eminent domain or by condemnation, the entire proceeds of the award or other payment for the taking shall either be paid directly to Lender or, in the case of a partial taking or condemnation that does not prevent the continued use of the Property for a multi-tenanted commercial building, shall be used to make such necessary repairs or alterations to permit such continued use of the Property, subject to the terms of this Mortgage.

10. **Sale or Transfer.** If there shall be a sale or transfer, by operation of law or otherwise, of all or any part of the Premises by or through Mortgagor, Lender may deal with the buyer or transferee with respect to this Mortgage and the Indebtedness as fully and to the same extent as it might with Mortgagor, without in any way releasing, discharging or affecting the liability of Mortgagor under this Mortgage and upon the Indebtedness and without waiving Lender's right to accelerate payment of the Indebtedness under section 15 of this Mortgage by reason of the sale or transfer.

11. **Property Information.** From time to time upon Lender's reasonable written request, Mortgagor shall promptly provide detailed financial statements relating to the Premises, prepared in accordance with generally accepted accounting principles or otherwise prepared in forms approved by Lender, for the periods and as of the dates that Lender shall require, which statements shall show, without limitation, all income and expenses, capital expenditures, tenant improvements, leasing commissions, and all indebtedness secured by mortgages or liens upon the Premises; and (e) any additional information concerning the Premises and the leasing of them that Lender shall reasonably request. Mortgagor shall cause Lender to have the right during normal business hours (whether or not any part of the Premises is then being leased) and with twenty-four hour prior written notice, to inspect and make copies of Mortgagor's records concerning the Premises and any lease of or other transaction or matter concerning the Premises.

12. **Environmental Warranties and Agreements.** Mortgagor warrants and represents to Lender, and agrees, as follows:

(a) To the best of Mortgagor's knowledge, the Premises and all activities of Mortgagor and all other persons on the Premises are and shall continue to be in compliance with all environmental laws and all access laws. The Premises is not and shall not become a site or source of environmental contamination. To the best of Mortgagor's knowledge, no asbestos or polychlorinated biphenyls are present on or contained in the Premises.

(b) In this Mortgage (i) "environmental law" means at any time any applicable federal, state or local law (including common law), ordinance, rule, regulation, permit, order or other legally binding requirement that then (A) regulates the quality of air, water, soil or other environmental media; (B) regulates the generation, management, transportation, treatment, storage, recycling or disposal of any wastes; (C) protects public health, occupational safety and health, natural resources or the environment; or (D) establishes liability for the investigation, removal or remediation of, or harm caused by, environmental contamination; (ii) "hazardous substance" means at any time any substance or waste that is then subject to or regulated by any environmental law; (iii) "environmental contamination" means the presence of a hazardous substance in or on, or the release, discharge or emission of a hazardous substance from, the Premises in excess of any limit or criterion established or issued under any environmental law; and (iv) "access law" means at any time any applicable law, ordinance, rule, regulation or order that then regulates the accessibility of the Premises to disabled persons, including, but not limited to, the federal Americans With Disabilities Act, as amended.

(c) Except as shown on environmental reports provided by Mortgagor to Lender or otherwise obtained by Lender, Mortgagor has no knowledge of any violation of federal, state or local environmental laws regarding the Premises and has provided these representations and warranties in connection with its ownership of the Premises and its review of any environmental report of the Premises required by Lender as a condition for providing the loan that is the subject of the Promissory Note.

13. **Access to Premises.** Lender and any persons authorized by Lender shall have the right to enter upon the Premises during normal business hours after not less than three (3) business days prior written notice (unless reasonable remediation efforts require shorter period of notice not less than twenty-four (24) hours) to Mortgagor for the purpose of (i) appraising the Premises; (ii) investigating (including, without limitation, sampling soil, water and air) whether the Premises and activities upon it are in compliance with environmental laws and access laws and whether the Premises is a site or source of environmental contamination; or (iii) removing or remediating any environmental contamination. Without limiting the foregoing, Lender shall have the right to conduct and submit to appropriate governmental agencies a baseline environmental assessment of the Premises as required under the laws of the State of Michigan, as such laws shall be amended or added from time to time. If, at the time of appraisal, investigation, assessment, removal or remediation, there shall have occurred and be continuing an Event of Default under this Mortgage, then Mortgagor shall reimburse Lender on demand for all actual and reasonable costs and expenses of the appraisal, investigation, assessment, removal or remediation, together with interest at the Default Rate. Mortgagor shall execute any consultant contract, waste manifest, notice and other documents that Lender requests to enable Lender to take or conduct any action or activity contemplated by this section, if Mortgagor is given a reasonable opportunity to negotiate the terms of the contract, manifest, notice or other document.

14. **Events of Default and Acceleration.** Upon the occurrence of any of the following events of default, all or any part of the Indebtedness shall, at the option of Lender, or any affiliate of the Lender, become immediately due and payable without notice or demand (each an "Event of Default"):

(a) If Mortgagor shall have failed to make any payment of principal or interest when due for such installment under the Promissory Note;

(b) If Mortgagor shall have failed to make any other payment under the Promissory Note or on any other indebtedness now or hereafter owed by Mortgagor to Lender and has not cured such payment default within any applicable cure period permitted under the applicable document or instrument;

(c) If default occurs in the performance of any obligation to Lender under this Mortgage, whether or not Lender shall have performed the obligation on Mortgagor's behalf, and whether or not Mortgagor shall have reimbursed Lender for any payments or expenses it incurred in curing the default, and such default has not been cured within thirty (30) days after Lender sends written notice thereof to Mortgagor, unless Lender determines in good faith that Lender's interest or security would be materially impaired during the applicable thirty (30) day period, in which case Lender may provide such shorter notice and opportunity to cure as Lender may reasonably determine;

(d) If default occurs in the performance of any other obligation to Lender under the Promissory Note or under any other mortgage, security agreement, loan agreement, assignment, guaranty or other agreement that now or in the future secures or relates to any of the Indebtedness or that evidences, secures or relates to any guaranty of any of the Indebtedness (each a "Security Document" and collectively the "Security Documents") and such default has not been cured within the applicable cure period after receipt of any required notice;

(e) If any warranty, representation or statement that has been or in the future made to Lender by Mortgagor or by any guarantor of all or part of the Indebtedness ("Guarantor") in this Mortgage or in any Security Document, credit application, financial statement or otherwise, shall have been false in any material respect when made or furnished;

(f) If Mortgagor shall default in payment of the principal of or interest on any indebtedness for borrowed money now or in the future owed to Lender and such default has not been cured within the applicable cure period after receipt of any required notice;

(g) If Mortgagor dissolves, becomes insolvent or makes an assignment for the benefit of creditors;

(h) If Mortgagor, without the written consent of Lender, shall sell, convey or transfer the Premises or any interest in the Premises or any rents or profits from the Premises or if any mortgage, lien or other encumbrance or any writ of attachment, garnishment, execution or other legal process shall be issued against or placed upon the Premises or any interest in them or any rents or profits from them and such other lien or encumbrance or writ of attachment, garnishment, execution or other legal process shall not be removed within sixty (60) days of it first occurring, except in favor of Lender, or if any part of the Premises or any interest in them shall be transferred by operation of law;

(i) If all or any material part of the Premises shall be damaged or destroyed by fire or other casualty, regardless of insurance coverage for the loss, unless Mortgagor shall complete

restoration of the improvements pursuant to section 6 of this Mortgage, or shall be taken by condemnation or power of eminent domain, except partial condemnations for easements, rights-of-way, road widening or related interests which do not materially adversely affect the value of the Premises provided Lender consents to such condemnation in writing, under terms required by Lender;

(j) If any law or government regulation shall impose a tax or assessment upon mortgages or debts secured by mortgages and such tax or assessment is not paid by Mortgagor within the latest to occur of the following (i) thirty (30) days after notice of the same is provided to Mortgagor; or (ii) thirty (30) days before such tax or assessment is due.

(k) If a voluntary case in bankruptcy or receivership shall be started by Mortgagor or if an involuntary case in bankruptcy, receivership or insolvency shall at any time be commenced against Mortgagor which is not dismissed within thirty (30) days after the commencement thereof.

All or any part of the Indebtedness also may become, or may be declared to be, immediately due and payable under the terms and conditions contained in any Security Document, Instrument or other agreement that at any time evidences, secures or relates to the Indebtedness.

15. **Remedies.** Lender shall have all rights and remedies given by this Mortgage or otherwise permitted by law. In addition, if the Indebtedness shall not be paid at maturity, Lender shall have the right and is hereby authorized:

(a) To collect and receive all rents, profits and other amounts that are due or shall later become due under the terms of any leases, land contracts or other agreements, now or in the future in effect, by which the Premises or any interest in them are then being sold or leased or under any Mineral Lease, and to exercise any other right or remedy of Mortgagor under any lease, land contract, other agreement or Mineral Lease; but Lender shall have no obligation to make any demand or inquiry as to the nature or sufficiency of any payment received or to present or file any claim or take any other action to collect or enforce the payment of any amounts to which Lender may become entitled, and Lender shall not be liable for any of Mortgagor's obligations under any lease, land contract or other agreement.

(b) To obtain or update abstracts of title, title searches, title insurance and surveys with respect to the Premises, and Mortgagor shall reimburse Lender for all actual and reasonable costs of doing so, together with interest at the Default Rate.

(c) To foreclose this Mortgage by action under applicable law.

(d) To sell, release and convey the Premises at public sale, and to sign and deliver to the purchasers at the sale good and sufficient deeds of conveyance, paying any surplus funds, after payment of the Indebtedness in full and the expenses of the sale, including attorney fees as provided by law, to Mortgagor, all in accordance with Chapter 32 of the Michigan Revised Judicature Act, as it may be amended from time to time, and any similar statutory provisions that may later be enacted in addition to Chapter 32 or in substitution for it.

(e) To exercise any and all rights and options under any lease, land contract or other agreement by which any part or all of the Premises are then being leased or purchased, including any option to purchase the Premises or to renew or extend the term of any lease, land contract or other agreement, but Lender shall have no obligation to exercise any right or option.

All rights and remedies of Lender under this Mortgage, whether or not exercisable only on default, shall be cumulative and may be exercised from time to time, and no delay by Lender in the exercise of any right or remedy shall be a waiver of it, and no single or partial exercise of any right or remedy shall prevent other or further exercise of it or the exercise of any other right or remedy, except to the extent otherwise provided by law. In this Mortgage, "Maturity" means the time when the Indebtedness shall be or shall become due and payable, whether by the terms of the Instruments or Security Documents or pursuant to section 14 of this Mortgage or otherwise.

16. **Security Interest In Fixtures.** Mortgagor grants to Lender a security interest in all fixtures now or in the future located on the Premises. If the Indebtedness is not paid at Maturity, Lender, at its option, may enforce this security interest in fixtures under the Michigan Uniform Commercial Code or other applicable law or may include fixtures in any foreclosure of this Mortgage under section 15 of this Mortgage. Any requirement of reasonable notice with respect to any sale or other disposition of fixtures shall be met if Lender sends the notice at least five (5) days before the date of sale or other disposition.

17. **Indemnification.** Mortgagor shall indemnify and hold harmless Lender with respect to any and all claims, demands, causes of action, liabilities, damages, losses, judgments and expenses (including attorney fees) that shall be asserted against or incurred by Lender by reason of (a) any representation or warranty by Mortgagor in this Mortgage being inaccurate in any respect; (b) any failure of Mortgagor to perform any of Mortgagor's obligations under this Mortgage; or (c) any past, present or future condition or use of the Premises (whether known or unknown), other than an excluded condition or use, including, but not limited to, liabilities arising under any "environmental law", as defined in section 12 of this Mortgage. An "excluded condition or use" is one that both (i) does not exist or occur, to any extent, at any time before Mortgagor has permanently given up possession and control of the Premises by reason of a foreclosure of this Mortgage or Lender's acceptance of a conveyance of the Premises to Lender in lieu of foreclosure; and (ii) was not caused or permitted to exist, in whole or part, by any act or omission of Mortgagor. Indemnification by Mortgagor under this section shall not limit any other right or remedy (including Lender's right to accelerate payment of the Indebtedness) that is available to Lender by reason of the circumstance in respect of which indemnity is made. Mortgagor's obligations under this section shall survive foreclosure of this Mortgage and any conveyance of the Premises in lieu of foreclosure.

18. **Waivers.**

(a) Mortgagor and any other person who in the future obtains a mortgage or lien upon, or any other interest in, the Premises waives, with respect to any foreclosure of this Mortgage: (i) any right to marshaling of the Premises and any right to require a minimum bid or "upset" price; and (ii) the benefit of any stay, extension, exemption or moratorium law, now existing or later enacted.

(b) Lender may at any time release all or any part of the Premises from the lien of this Mortgage or release the liability of any person for the Indebtedness, with or without consideration and without giving notice to, or obtaining the consent of, the holder of any mortgage or lien upon, or other interest in, the Premises. A release shall not impair or affect the validity or priority of this Mortgage, regardless of the effect of the release upon the mortgage, lien or other interest or the holder of it. This subsection does not imply that Lender consents to the placing of a mortgage, lien or other encumbrance on the Premises.

(c) Mortgagor (i) waives notice of any advances or other extensions of credit included in the Indebtedness; (ii) waives any right to require Lender to sue upon or otherwise enforce payment of the Indebtedness or to enforce any security for it before exercising its rights and remedies under this Mortgage; and (iii) agrees that the validity and enforceability of this Mortgage shall not be impaired or affected by any failure of Lender to obtain or perfect, or to secure priority of, any other security at any time given, or agreed to be given, by any person for the Indebtedness.

(d) Lender is authorized, from time to time and without notice to or consent of Mortgagor and with or without consideration, to give and make any extensions, renewals, modifications, waivers, settlements and compromises, on such terms and conditions as Lender may see fit, with regard to any of the Indebtedness at any time owing or with regard to any security for the Indebtedness that is not owed by Mortgagor provided that the security provided by this Mortgage shall not increase without the prior written consent of Mortgagor. Any of these actions shall not impair or affect the validity or enforceability of this Mortgage.

19. **Expenses.** Mortgagor shall pay to Lender on demand all actual and reasonable expenses, including attorney fees and legal expenses, paid or incurred by Lender in collecting or attempting to collect the Indebtedness or in protecting and enforcing the rights of and obligations to Lender under any provision of this Mortgage, including, without limitation, taking any action in any bankruptcy, insolvency or reorganization proceedings concerning Mortgagor or foreclosing this Mortgage by advertisement or by action. The expenses shall bear interest, from the date paid or incurred by Lender, at the Default Rate.

20. **Application of Proceeds.** If any rents or profits or, subject to the provisions of section 6 and section 9 of this Mortgage, any proceeds of insurance or proceeds of any condemnation or eminent domain award or proceeds from any sale of the Premises at foreclosure are paid to Lender, Lender shall have the right to apply the rents or profits or proceeds, in amounts and proportions that Lender shall in its sole discretion determine, to the full or partial satisfaction of any or all of the indebtedness and obligations secured by this Mortgage, including any contingent or secondary obligations, whether or not they shall then be due and payable by the primary obligor.

21. **Notices.** Any notice, request, demand, waiver, consent, approval or other communication required to be given pursuant to this Mortgage shall be in writing and shall be deemed given to the intended recipient upon completion of any of the following: (i) actual receipt by the intended recipient by whatever means; (ii) receipted personal delivery thereof at the intended recipient's address set forth above; or (iii) delivery by a nationally recognized private overnight courier service providing proof of such delivery to the intended recipient at the address set forth above with all courier fees prepaid. All notices are to be given or made to the parties at their

respective addresses appearing on this Mortgage or to such other address as any party may designate by a notice given in accordance with the provisions of this section 21.

22. **Other.** The provisions of this Mortgage shall be binding upon and inure to the benefit of Mortgagor and Lender and their respective successors, assigns, heirs and personal representatives. Any provision of this Mortgage prohibited or unenforceable by any applicable law shall be ineffective only to the extent and for the duration of the prohibition or unenforceability without invalidating the remaining provisions of this Mortgage. If Mortgagor is more than one person, their obligations under this Mortgage are joint and several, and the term "Mortgagor" refers to each of them and all of them.

Mortgagor has signed this Mortgage as of the date stated on the first page of this Mortgage.

MORTGAGOR:

GREATER HEIGHTS ACADEMY,
a Michigan non-profit corporation

By: _____

Matthew Barcey

Its: President

and

By: _____

Thomas Tucker

Its: Secretary

STATE OF MICHIGAN)

) ss

COUNTY OF GENESEE)

The foregoing instrument was acknowledged before me on December 17, 2019 by Matthew Barcey as President of GREATER HEIGHTS ACADEMY, a Michigan non-profit corporation, on behalf of the corporation.

E. Gardner

Notary Public

Genesee

County, Michigan

Acting in _____ County, Michigan

My Commission Expires: 11/20/25

STATE OF MICHIGAN)
) ss
COUNTY OF GENESEE)

The foregoing instrument was acknowledged before me on December 17, 2019 by Thomas Tucker as Secretary of GREATER HEIGHTS ACADEMY, a Michigan non-profit corporation, on behalf of the corporation.

E. Gardner
Notary Public
Genesee County, Michigan
Acting in _____ County, Michigan
My Commission Expires: 11/20/2025

This instrument is drafted by:
John D. Bartley, Esq.
O'Reilly Rancilio P.C.
12900 Hall Road, Suite 350
Sterling Heights, Michigan 48313

When recorded, return to:
CHEMICAL BANK
333 East Main Street
Midland, Michigan 48640

Loan # 801451006

**EXHIBIT "A" TO MORTGAGE
GREATER HEIGHTS ACADEMY TO CHEMICAL BANK**

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

Tax Parcel ID Number: 14-34-400-008
Commonly known as: 3196 W. Pasadena Avenue

Parcel 2: Real property situated in the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, Township of Mt. Morris, Genesee County, Michigan, described as follows: Beginning North 88 degrees 42 minutes 15 seconds East along the South line of Section 34, a distance of 300.00 feet from the South 1/4 of said Section 34; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 400.00 feet; thence South 88 degrees 42 minutes 15 seconds West parallel with the South line of Section 34, a distance of 100.00 feet; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 533.00 feet; thence North 88 degrees 42 minutes 15 seconds East, parallel with the South line of Section 34, a distance of 200.34 feet; thence South 01 degree 17 minutes 45 seconds East 933.00 feet to the South line of Section 34; thence South 88 degrees 42 minutes 15 seconds West along the South line of Section 34, a distance of 100.00 feet to the point of beginning.

Tax Parcel ID Number: 14-34-400-007
Commonly known as: Vacant

EXECUTION VERSION

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE

GREATER HEIGHTS ACADEMY
PUBLIC SCHOOL ACADEMY SUBORDINATE REVENUE BOND, SERIES 2019
(GENERAL OBLIGATION)

Registered Owner: Charter Schools Development Corporation

Principal Amount: \$857,000

Interest Rate: 5.5%

Date of Issuance: December 17, 2019

FOR VALUE RECEIVED, Greater Heights Academy, County of Genesee, State of Michigan (the "Academy"), hereby acknowledges itself indebted and promises to pay, but only as provided in this Bond, to the Registered Owner specified above, or its registered assigns, the Principal Amount specified above in the principal installment amounts on the dates set forth on the attached Exhibit A, which is hereby incorporated and made part hereof, in lawful money of the United States of America, together with interest thereon at the Interest Rate set forth above, commencing on December 17, 2019, and monthly thereafter on the last day of each month as set forth on the attached Exhibit A. Payments shall be made via ACH/auto debit from Academy's operating account. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve months of thirty days each. The Academy agrees that it will deposit via ACH/auto debit with the Registered Owner payment of principal of and interest on this Bond in immediately available funds by 3:00 p.m. on the dates set forth on the attached Exhibit A.

Academy shall make payments of principal and interest based on a 15 year amortization schedule with a final payment due on the 60th month following the date of issuance.

This Bond is issued under and in pursuance of the provisions of Act 451, Public Acts of Michigan, 1976, as amended, a resolution adopted by the Board of Directors of the Academy on December 17, 2019 (the "Resolution"), and a loan agreement (the "Loan Agreement") dated December 17, 2019 between the Academy and the Registered Owner for the purpose of financing the Project as more fully described in the Resolution.

For the prompt payment of this Bond, both principal and interest, the subordinate full faith and credit of the Academy is hereby pledged. As further security for the repayment of the Bond,

Greater Heights Academy

the Academy has granted to the Registered Owner a second lien mortgage (the "Mortgage") on the Academy's school facility as more fully described in the Resolution. This Bond is also subject to the terms and conditions of the Loan Agreement of even date herewith which is incorporated by reference.

The Bond is being issued on a subordinate basis to the Academy's full faith and credit pledge for the repayment of a certain Bond of even date herewith issued by the Academy to Chemical Bank and the first lien mortgage on the Project granted to Chemical Bank further securing the Chemical Bank Bond.

The Academy shall be precluded from incurring any additional indebtedness that is senior to the Mortgage and the subordinate full faith and credit pledge by the Academy under this Bond, except for that certain Bond of even date herewith issued by the Academy to Chemical Bank. With the written consent of the Registered Owner, the Academy may incur additional indebtedness secured by the Mortgage and on a parity basis with the subordinate full faith and credit pledge by the Academy under this Bond. Without the consent of the Registered Owner, the Academy may incur additional indebtedness subordinate to the Mortgage and the subordinate full faith and credit pledge by the Academy under this Bond.

THIS BOND IS A SUBORDINATE FULL FAITH AND CREDIT OBLIGATION OF THE ACADEMY PAYABLE SOLELY FROM THE ACADEMY'S FUNDS PLEDGED THEREFOR PURSUANT TO THE RESOLUTION. ALL STATE SCHOOL AID IS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE AND THE LEGISLATURE IS NOT REQUIRED TO APPROPRIATE MONIES FOR SUCH PURPOSE. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THE STATE OF MICHIGAN, CENTRAL MICHIGAN UNIVERSITY (THE "AUTHORIZING BODY" OF THE ACADEMY), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT NOR ANY TAXING POWERS OF THE STATE OF MICHIGAN, THE AUTHORIZING BODY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO THE PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THIS BOND. THE ACADEMY HAS NO TAXING POWER.

This Bond is transferable only upon the books of the Academy by the Registered Owner in person or the Registered Owner's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Academy, duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Resolution authorizing the Bond.

This Bond may be repaid in full at any time without penalty. Partial payoffs may be made no more than once per year and only upon 60 days written notice to the Registered Owner.

Greater Heights Academy

Any one of the following shall constitute an Event of Default hereunder:

Each of the following shall constitute an “**Event of Default**” under this Bond and the Loan Agreement:

1. **Payment Default.** Failure of the Academy to pay (i) on or before the due date thereof (subject to any applicable grace, notice or cure period provided in the Bond), any principal, interest or other sum owing on this Bond, or (ii) within ten (10) days after the giving of written notice, any sum otherwise owing to the Registered Owner.
2. **Performance Defaults.** Failure of the Academy to comply with or perform when due any other term, obligation, covenant or condition contained in the Loan Agreement, the Bond, the Mortgage or in any of the other Loan Documents (as defined in the Loan Agreement), or failure of Academy to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between Registered Owner and Academy.
3. **Receiver; Bankruptcy.** Should Academy (a) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its property, (b) admit in writing its inability to pay its debts as they mature, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent, (e) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or if corporate action shall be taken by Academy for the purposes of effecting any of the foregoing, or (f) by any act indicate its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver or trustee for any of its property, or permit any such, receivership, trusteeship or proceeding to continue undischarged for a period of sixty (60) days.
4. **Default in Favor of Third Parties.** Should a default beyond the expiration of any stated grace or cure period occur under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Academy's property or Academy's ability to repay this Bond or perform Academy's Obligations under the Loan Agreement or any of the other Loan Documents or any Guarantor's ability to perform any of his or its obligations under the Guaranty as set forth in the Loan Agreement.
5. **False Statements.** Any warranty, representation or statement made or furnished to Registered Owner by or on behalf of Academy or any Guarantor as set forth in the Loan Agreement is false or misleading in any material respect at the time made or furnished, or becomes false or misleading at any time thereafter.
6. **Defective Collateralization.** This Bond or any of the other Loan Documents ceases to be in full force and effect (including failure of any provision purporting to grant a

Greater Heights Academy

perfected security interest to create a valid and perfected security interest) at any time and for any reason.

7. **Insolvency.** The dissolution or termination of Academy's existence as a going business, or a trustee or receiver is appointed for Academy or for all or a substantial portion of the assets of Academy, or Academy makes a general assignment for the benefit of Academy's creditors.

8. **Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Academy, any creditor of any collateral securing this Bond, or by any governmental agency. This includes a garnishment, attachment, or levy on or of any of Academy's deposit accounts with Registered Owner. However, this Event of Default shall not apply if there is a good faith dispute by Academy as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding, and if Academy gives Registered Owner written notice of the creditor or forfeiture proceeding and furnishes reserves or a surety bond for the creditor or forfeiture proceeding satisfactory to Registered Owner.

9. **Material Adverse Effect.** Registered Owner determines that a Material Adverse Effect (as defined in the Loan Agreement) has occurred, or Registered Owner believes the prospect of payment or performance of this Bond is impaired.

10. **Insecurity.** Registered Owner, in good faith, deems itself insecure.

11. **Change in Ownership; Alienation of Title.** Any change in the ownership or control of Academy or any change in the legal or equitable title to the Property (as defined in the Loan Agreement).

12. **Judgment.** Unless adequately insured in the opinion of Registered Owner, the entry of a final judgment for the payment of money involving more than \$10,000.00 against Academy and the failure by Academy to discharge the same, or cause it to be discharged, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered, or to secure a stay of execution pending appeal of such judgment.

13. **Execution; Attachment.** Any execution or attachment shall be levied against the Collateral (as defined in the Loan Agreement), or any part thereof, and such execution or attachment shall not be set aside, discharged or stayed within thirty (30) days after the same shall have been levied.

14. **Right to Cure.** If any default, other than a default under Sections 1, 3, 6, 7, 8, 11, 12 or 13 above (for which no additional notice or cure period shall be provided), is curable and if Academy has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Academy, after receiving written notice from Registered Owner demanding cure of such default: (a) cures the default within ten

Greater Heights Academy

(10) days or such other time frame as otherwise specifically provided for herein; or (b) if the cure requires more than ten (10) days, immediately initiates steps that Registered Owner deems in Registered Owner's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical. Nothing in this Section 14 shall require Registered Owner to provide Academy with an additional ten (10) days to cure any event of default occurring hereunder or under any of the other Loan Documents, which event of default was not cured within any applicable grace period provided therein.

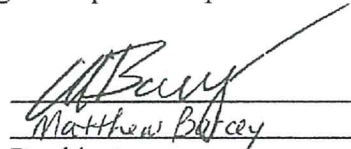
Upon the occurrence and continuation of any Event of Default hereunder, the Registered Owner has all rights and remedies as set forth in Article IX of the Loan Agreement.

No remedy by the terms of this Bond is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Registered Owner now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder, whether by the Registered Owner, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the issuance of this Bond, existed, have happened and have been performed in due time, folio and manner, as required by the Constitution and statutes of the State of Michigan, and that the amount of this Bond together with all other indebtedness of the Academy does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Greater Heights Academy, Genesee County, Michigan, by its Board of Directors, has caused this Bond to be executed in its name by its Authorized Officer as of the Date of Issuance.

GREATER HEIGHTS ACADEMY,
a Michigan nonprofit corporation

By: 
Name: Matthew Butcey
Title: President

Greater Heights Academy

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____ Tax Identification or Social Security No. _____) the within Bond and all rights thereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular without alteration or enlargement or any change whatsoever.

EXHIBIT A

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS

[See Amortization Schedule Attached]

Greater Heights Academy Subordinate Loan

Compounding Period: Monthly

Nominal Annual Rate: 5.500%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	12/19/2019	857,000.00	1		
2 Payment	02/01/2020	7,016.12	59	Monthly	12/01/2024
3 Payment	12/19/2024	652,289.73	1		

TValue Amortization Schedule - Normal, 365 Day Year

Date	Payment	Interest	Principal	Balance
Loan 12/19/2019				857,000.00
2019 Totals	0.00	0.00	0.00	
1 02/01/2020	7,016.12	5,614.39	1,401.73	855,598.27
2 03/01/2020	7,016.12	3,921.49	3,094.63	852,503.64
3 04/01/2020	7,016.12	3,907.31	3,108.81	849,394.83
4 05/01/2020	7,016.12	3,893.06	3,123.06	846,271.77
5 06/01/2020	7,016.12	3,878.75	3,137.37	843,134.40
6 07/01/2020	7,016.12	3,864.37	3,151.75	839,982.65
7 08/01/2020	7,016.12	3,849.92	3,166.20	836,816.45
8 09/01/2020	7,016.12	3,835.41	3,180.71	833,635.74
9 10/01/2020	7,016.12	3,820.83	3,195.29	830,440.45
10 11/01/2020	7,016.12	3,806.19	3,209.93	827,230.52
11 12/01/2020	7,016.12	3,791.47	3,224.65	824,005.87
2020 Totals	77,177.32	44,183.19	32,994.13	
12 01/01/2021	7,016.12	3,776.69	3,239.43	820,766.44
13 02/01/2021	7,016.12	3,761.85	3,254.27	817,512.17
14 03/01/2021	7,016.12	3,746.93	3,269.19	814,242.98
15 04/01/2021	7,016.12	3,731.95	3,284.17	810,958.81
16 05/01/2021	7,016.12	3,716.89	3,299.23	807,659.58
17 06/01/2021	7,016.12	3,701.77	3,314.35	804,345.23
18 07/01/2021	7,016.12	3,686.58	3,329.54	801,015.69
19 08/01/2021	7,016.12	3,671.32	3,344.80	797,670.89
20 09/01/2021	7,016.12	3,655.99	3,360.13	794,310.76
21 10/01/2021	7,016.12	3,640.59	3,375.53	790,935.23
22 11/01/2021	7,016.12	3,625.12	3,391.00	787,544.23

Greater Heights Academy Subordinate Loan

	Date	Payment	Interest	Principal	Balance
23	12/01/2021	7,016.12	3,609.58	3,406.54	784,137.69
2021 Totals		84,193.44	44,325.26	39,868.18	
24	01/01/2022	7,016.12	3,593.96	3,422.16	780,715.53
25	02/01/2022	7,016.12	3,578.28	3,437.84	777,277.69
26	03/01/2022	7,016.12	3,562.52	3,453.60	773,824.09
27	04/01/2022	7,016.12	3,546.69	3,469.43	770,354.66
28	05/01/2022	7,016.12	3,530.79	3,485.33	766,869.33
29	06/01/2022	7,016.12	3,514.82	3,501.30	763,368.03
30	07/01/2022	7,016.12	3,498.77	3,517.35	759,850.68
31	08/01/2022	7,016.12	3,482.65	3,533.47	756,317.21
32	09/01/2022	7,016.12	3,466.45	3,549.67	752,767.54
33	10/01/2022	7,016.12	3,450.18	3,565.94	749,201.60
34	11/01/2022	7,016.12	3,433.84	3,582.28	745,619.32
35	12/01/2022	7,016.12	3,417.42	3,598.70	742,020.62
2022 Totals		84,193.44	42,076.37	42,117.07	
36	01/01/2023	7,016.12	3,400.93	3,615.19	738,405.43
37	02/01/2023	7,016.12	3,384.36	3,631.76	734,773.67
38	03/01/2023	7,016.12	3,367.71	3,648.41	731,125.26
39	04/01/2023	7,016.12	3,350.99	3,665.13	727,460.13
40	05/01/2023	7,016.12	3,334.19	3,681.93	723,778.20
41	06/01/2023	7,016.12	3,317.32	3,698.80	720,079.40
42	07/01/2023	7,016.12	3,300.36	3,715.76	716,363.64
43	08/01/2023	7,016.12	3,283.33	3,732.79	712,630.85
44	09/01/2023	7,016.12	3,266.22	3,749.90	708,880.95
45	10/01/2023	7,016.12	3,249.04	3,767.08	705,113.87
46	11/01/2023	7,016.12	3,231.77	3,784.35	701,329.52
47	12/01/2023	7,016.12	3,214.43	3,801.69	697,527.83
2023 Totals		84,193.44	39,700.65	44,492.79	
48	01/01/2024	7,016.12	3,197.00	3,819.12	693,708.71
49	02/01/2024	7,016.12	3,179.50	3,836.62	689,872.09
50	03/01/2024	7,016.12	3,161.91	3,854.21	686,017.88
51	04/01/2024	7,016.12	3,144.25	3,871.87	682,146.01
52	05/01/2024	7,016.12	3,126.50	3,889.62	678,256.39
53	06/01/2024	7,016.12	3,108.68	3,907.44	674,348.95
54	07/01/2024	7,016.12	3,090.77	3,925.35	670,423.60
55	08/01/2024	7,016.12	3,072.77	3,943.35	666,480.25
56	09/01/2024	7,016.12	3,054.70	3,961.42	662,518.83
57	10/01/2024	7,016.12	3,036.54	3,979.58	658,539.25
58	11/01/2024	7,016.12	3,018.30	3,997.82	654,541.43
59	12/01/2024	7,016.12	2,999.98	4,016.14	650,525.29
60	12/19/2024	652,289.73	1,764.44	650,525.29	0.00

Greater Heights Academy Subordinate Loan

	Date	Payment	Interest	Principal	Balance
2024 Totals		736,483.17	38,955.34	697,527.83	
Grand Totals		1,066,240.81	209,240.81	857,000.00	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
5.499%	\$209,240.81	\$857,000.00	\$1,066,240.81

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MORTGAGE

GREATER HEIGHTS ACADEMY
as Mortgagor

to

CHARTER SCHOOLS DEVELOPMENT CORPORATION
as Mortgagee

RELATING TO:

\$857,000
GREATER HEIGHTS ACADEMY REVENUE BOND, SERIES 2019

Dated as of December 17, 2019

Prepared by, and when recorded,
return to:
Alan S. Macdonald, Esq.
Macdonald + Macdonald PC
181 Harry S. Truman Parkway, Suite 260
Annapolis, MD 21401

MORTGAGE

THIS MORTGAGE ("Mortgage") is made as of December 17, 2019, by and between GREATER HEIGHTS ACADEMY, as Mortgagor ("Mortgagor") and CHARTER SCHOOLS DEVELOPMENT CORPORATION, as the registered owner of the Series 2019 Bond (as defined below), as Mortgagee ("Mortgagee").

PRELIMINARY STATEMENTS

A. Mortgagor is issuing its Public School Academy Revenue Bond, Series 2019 in the aggregate principal amount of \$857,000 (the "Series 2019 Bond") for the purposes set forth in the Series 2019 Bond. All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Series 2019 Bond.

B. Pursuant to the Series 2019 Bond, certain State School Aid payments have been pledged and assigned by Mortgagor to Mortgagee for the payment of the principal of and interest on the Series 2019 Bond.

C. The Series 2019 Bond is further secured by a lien on and security interest in the Mortgagor's school facility (defined below) pursuant to this Mortgage, granted by Mortgagor.

GRANTING CLAUSES

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Mortgagor hereby irrevocably grants a security interest in, mortgages, warrants, grants, bargains, sells, transfers, conveys and assigns to Mortgagee and to its assigns forever, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY, for the benefit and security of Mortgagee, under and subject to the terms and conditions hereinafter set forth, all of Mortgagor's estate, right, title and interests in, to and under any and all of the following property now owned, together with all cash and noncash proceeds thereof, which may be referred to herein as the "Mortgaged Estate:"

LAND

The real property located in the County of Genesee, State of Michigan (the "State"), described in Exhibit A attached hereto and by this reference incorporated herein (the "Land");

IMPROVEMENTS

Any and all buildings, structures, fixtures and improvements existing or to be constructed on the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements or situated thereon or on the Land, whether or not affixed thereto, and all replacements and substitutions therefor (collectively, the "Improvements" and, together with the Land, the "Real Property");

RENTS, REVENUES AND DERIVATIVE INTERESTS

All rents, issues, profits and royalties derived from the Real Property and the operation thereof (collectively the "Revenues"); all estate, right, title and interest of Mortgagor in and to all leases or subleases covering the Real Property or any portion thereof now or hereafter existing or entered into, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature; all right, title and interest of Mortgagor in and to all options to purchase or lease the Real Property or any portion thereof or interest therein, and any greater estate therein now owned; all interests, estate or other claims, both in law and in equity, which Mortgagor now has in the Real Property or any portion thereof or interest therein; all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto; all right, title and interest of Mortgagor, now owned, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property (all of the foregoing in this paragraph being, collectively, the "Derivative Interests" and, together with the Real Property, the "Project");

INTANGIBLES

All of Mortgagor's interest in all existing and future accounts, contract rights, general intangibles, files, books of account, plans, specifications, agreements, permits, licenses and certificates necessary or desirable in connection with the acquisition, ownership, leasing, construction, operation, servicing or management of the Project, whether now existing or entered into or obtained after the date hereof, and all existing and future names under or by which the Project or any portion thereof may at any time be operated or known (the "Intangibles");

CLAIMS AND AWARDS

All the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in the Project or Intangibles and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Project or Intangibles including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages; and

PROCEEDS

All of the rents, revenues, issues, profits, products and proceeds of any and all of the foregoing.

A security interest is granted by this Mortgage in that portion of the Mortgaged Estate which constitutes personalty pursuant to and as set forth in Article IV hereof.

MORTGAGE

Greater Heights Academy, Series 2019 Bond

TO HAVE AND TO HOLD the Mortgaged Estate hereby granted or mortgaged or intended to be granted or mortgaged, unto Mortgagee, and its successors in trust, heirs and assigns, upon the terms, provisions and conditions set forth herein in fee simple forever.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Secured Obligations (defined below) hereby shall be paid when due, and if Mortgagor shall keep, perform and observe all and singular the obligations, covenants, agreements and provisions in this Mortgage expressed to be kept, performed by and observed by or on the part of Mortgagor, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void, but otherwise shall be and remain in full force and effect.

THIS MORTGAGE SHALL SECURE THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS:

(i) Payment of indebtedness evidenced by the Series 2019 Bond and all replacements, renewals, amendments, extensions, substitutions and modifications thereof bearing interest and being payable as provided therein;

(ii) Performance of all obligations and covenants of Mortgagor under the Series 2019 Bond and each agreement of Mortgagor incorporated by reference therein or herein, or contained therein or herein;

(iii) Payment of all other indebtedness and performance of all other obligations and covenants of Mortgagor contained in any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby or thereby to the extent related to the Series 2019 Bond; and

(iv) Payment of all fees and expenses of Mortgagee to the extent related to the Series 2019 Bond;

The indebtedness and the obligations secured by this Mortgage which are described in (i) through (iv) above may be referred to herein as the "Secured Obligations."

It is the intention of the parties hereto that the Mortgaged Estate shall secure all of the Secured Obligations presently or hereafter owed, and that the priority of the security interest created by this Mortgage for all such Secured Obligations shall be controlled by the time of proper recording of this Mortgage. In addition, this Mortgage shall also secure unpaid balances of advances made with respect to the Mortgaged Estate for the payment of taxes, assessments, insurance premiums, costs or any other advances incurred for the protection of the Mortgaged Estate, together with interest thereon until paid, all as contemplated in this Mortgage, all of which shall constitute a part of the Secured Obligations. This paragraph shall serve as notice to all persons who may seek or obtain a lien on the Mortgaged Estate subsequent to the date of recording of this Mortgage, that until this Mortgage is released, any debt owed by Mortgagor to the extent related to the Series 2019 Bond, including advances made subsequent to the recording of this Mortgage, shall be secured with the priority afforded this Mortgage as recorded.

MORTGAGE
Greater Heights Academy, Series 2019 Bond

IT IS HEREBY COVENANTED, DECLARED AND AGREED that the Mortgaged Estate is to be held and disposed of by Mortgagee, upon and subject to the provisions of this Mortgage.

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

Mortgagor hereby represents, warrants, covenants and agrees:

Section 1.01. Payment of Secured Obligations. Mortgagor hereby grants this Mortgage to secure the payment and performance when due of the Secured Obligations. The consideration received by Mortgagor to execute and deliver this Mortgage and the liens and security interests created herein is sufficient and will provide a direct economic benefit to Mortgagor.

Section 1.02. Title of Mortgagor. Mortgagor has, subject to the matters set forth as exceptions in the loan policy of title insurance to be provided to Mortgagee in connection with this Mortgage as well as those exceptions provided in the attached Exhibit B (the "Permitted Encumbrances"), in its own right, good, marketable and indefeasible title in fee simple to the Mortgaged Estate, which is free from encumbrance superior to the encumbrance of this Mortgage, and has full right, power and authority to execute and deliver this Mortgage and to make the conveyances and grant the interests and security contemplated hereby. This Mortgage constitutes a valid first lien upon and security interest in the Mortgaged Estate, subject only to the Permitted Encumbrances.

Mortgagor hereby covenants that Mortgagor shall preserve such title and the validity and priority of the lien of this Mortgage and shall forever warrant and defend the same to Mortgagee against all lawful claims whatsoever; and shall execute, acknowledge and deliver all such further documents or assurances as may at any time hereafter be required by Mortgagee to protect fully the lien of this Mortgage.

Section 1.03. [Reserved]

Section 1.04. Maintenance; Repair; Alterations. Mortgagor shall: (i) keep the Mortgaged Estate in good condition and repair, subject to reasonable and ordinary wear and tear; not remove, demolish or substantially alter (except such alterations as may be required by applicable laws, ordinances or regulations) any of the Improvements; (ii) complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Land and promptly restore in like manner any Improvement which may be damaged or destroyed thereon, subject to the provisions of Section 1.07 hereof, and pay when due all claims for labor performed and materials furnished therefor; (iii) comply with all applicable laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Mortgaged Estate or any part thereof or requiring any alterations or improvements; (iv) not commit or permit any waste or deterioration of the Mortgaged Estate; (v) keep and maintain

MORTGAGE
Greater Heights Academy, Series 2019 Bond

abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; (vi) comply with the provisions of any lease, if this Mortgage is on a leasehold; (vii) use the Mortgaged Estate and continue to cause the Mortgaged Estate to be used as permitted under applicable law; and (viii) not commit, suffer or permit any act to be done in or upon the Mortgaged Estate in violation of any applicable law, ordinance or regulation.

Section 1.05. Required Insurance. Mortgagor shall provide, maintain and keep at all times in force those policies of insurance required in the Academy's Charter Contract with its Authorizing Body ("Charter Contract").

Section 1.06. Delivery of Insurance Policies; Payment of Premiums.

(a) All policies of insurance shall be issued by companies and in amounts as required by the provisions of the Charter Contract.

(b) In the event Mortgagor fails to provide, maintain, keep in force or deliver and furnish to Mortgagee evidence of the policies of insurance required by the Charter Contract, Mortgagee may procure such insurance or single-interest insurance for such risks covering Mortgagee's interest, and Mortgagor will pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums, together with interest thereon, shall be secured by this Mortgage.

(c) Upon occurrence of an Event of Default, Mortgagee shall apply any sums or amounts received pursuant hereto, or as Revenues or income of the Mortgaged Estate or otherwise, as required under the Series 2019 Bond. The receipt, use or application of any such sums by Mortgagee hereunder shall not be construed to affect the maturity of any Secured Obligation or any of the rights or powers of Mortgagee under the terms of the Series 2019 Bond or any of the obligations of Mortgagor under the Series 2019 Bond. Notwithstanding the application of such sums to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and Mortgagor shall not be excused in the remaining payment thereof.

Section 1.07. Insurance Proceeds. After the occurrence of any casualty to the Mortgaged Estate or any part thereof, Mortgagor shall give prompt written notice thereof to Mortgagee and each insurer and promptly submit a claim to such insurer(s) for payment of insurance proceeds. Proceeds of all insurance awards ("Insurance Proceeds") shall be held and disbursed by the Mortgagor. Notwithstanding the application of Insurance Proceeds to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and Mortgagor shall not be excused in the payment thereof.

Except as provided below, nothing contained in this Mortgage shall be deemed to excuse Mortgagor from repairing or maintaining the Mortgaged Estate as provided in Section 1.04 hereof. The application or release by Mortgagee of any Insurance Proceeds shall not cure or waive any Event of Default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

Section 1.08. Assignment of Policies Upon Foreclosure. In the event of the foreclosure of this Mortgage, or other transfer of title to the Mortgaged Estate, or any part thereof, by nonjudicial foreclosure sale or deed in lieu of foreclosure, the purchaser of the Mortgaged Estate, or such part thereof, shall succeed to all of Mortgagor's rights, including any rights to unexpired insurance and unearned or returnable premiums, in and to all insurance policies required by Section 1.05 hereof, subject to limitations on assignment of blanket policies, and limited to such rights as relate to the Mortgaged Estate or such part thereof. If Mortgagee acquires title to the Mortgaged Estate, or any part thereof, in any manner, it shall thereupon (as between Mortgagor and Mortgagee) become the sole and absolute owner of the insurance policies, and all proceeds payable thereunder with respect to the Mortgaged Estate, or such part thereof, required by Section 1.05 hereof, with the sole right to collect and retain all unearned or returnable premiums thereon with respect to the Mortgaged Estate, or such part thereof, if any.

Section 1.09. Expenses; Indemnification; Waiver of Offset.

(a) Mortgagor shall pay or reimburse Mortgagee for all reasonable expenses incurred by Mortgagee before and after the date of this Mortgage with respect to any and all transactions contemplated by this Mortgage including without limitation, the preparation of any document reasonably required hereunder or any amendment, modification, restatement or supplement to this Mortgage, the delivery of any consent, non-disturbance agreement or similar document in connection with this Mortgage or the enforcement of any of Mortgagee's rights. Such expenses shall include, without limitation, all reasonable title and conveyancing charges, recording and filing fees and taxes, mortgage taxes, intangible personal property taxes, escrow fees, revenue and tax stamp expenses, privilege taxes, use taxes, insurance premiums (including title insurance premiums), title search and title rundown charges, brokerage commissions, finders' fees, placement fees, court costs, surveyors', photographers', appraisers', architects', engineers', consulting professionals', accountants', and attorneys' fees and disbursements.

(b) If (i) any sale (or prerequisite to a sale), action or proceeding shall be commenced by Mortgagee (including but not limited to any sale of the Mortgaged Estate, or any action to foreclose this Mortgage or to collect the Secured Obligations), or any action or proceeding is commenced to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Mortgage (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of Mortgagor or any other person or entity obligated hereunder), or in which Mortgagee is served with any legal process, discovery notice or subpoena, and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Mortgage or issuance of the Series 2019 Bond or acceptance of a guaranty from a guarantor of the Secured Obligations or any of the transactions contemplated by this Mortgage and such action or proceeding does not relate to or arise out of the negligence, breach of trust or willful misconduct of Mortgagee as applicable, then Mortgagor will immediately reimburse or pay to Mortgagee all of the expenses which have been or may be incurred by Mortgagee with respect to the foregoing

(including reasonable counsel fees and disbursements), together with interest thereon, and any such sum and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Mortgage, prior to any right, or title to, interest in or claim upon the Mortgaged Estate attaching or accruing to this Mortgage, and shall be deemed to be secured by this Mortgage. In any action or proceeding to sell the Mortgaged Estate, to foreclose this Mortgage, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

(c) To the extent permitted by law, Mortgagor shall indemnify and hold harmless Mortgagee, from and against all claims, damages, losses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) arising out of or based upon any matter related to this Mortgage, the Mortgaged Estate or the occupancy, ownership, maintenance or management of the Mortgaged Estate by Mortgagor, including, without limitation, any claims based on the alleged acts or omissions of any employee or agent of Mortgagor except for such damages incurred due to the negligence, breach of trust or willful misconduct of Mortgagee or its affiliates, directors, officers, agents or employees. This indemnification shall be in addition to any other liability which Mortgagor may otherwise have to Mortgagee.

(d) Mortgagor waives any and all right to claim or recover against Mortgagee for loss of or damage to Mortgagor, the Mortgaged Estate, Mortgagor's property or the property of others under Mortgagor's control from any cause insured against or required to be insured against by the provisions of this Mortgage except for such damages incurred due to the negligence, breach of trust or willful misconduct of Mortgagee.

(e) All sums payable by Mortgagor under this Mortgage shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the Secured Obligations of Mortgagor hereunder shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Mortgaged Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Mortgaged Estate or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Mortgagor, or any action taken with respect to this Mortgage by any trustee or receiver of Mortgagor, or by any court, in any such proceeding; or (v) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Mortgagor shall have notice or knowledge of any of the foregoing. To the extent permitted by law, Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any Secured Obligation. Notwithstanding the above, Mortgagor may maintain a separate suit regarding such matters.

Section 1.10. Taxes and Impositions.

(a) Mortgagor agrees to pay, prior to delinquency, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Mortgaged Estate or any part thereof, or become due and payable, and which create, may create or appear to create a lien upon the Mortgaged Estate, or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other governmental and nongovernmental charges of like nature are hereinafter referred to as "Impositions").

(b) Subject to the applicable State law provisions, Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings.

(c) Mortgagor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Mortgaged Estate as a single lien.

Section 1.11. Utilities. Mortgagor shall pay when due all utility charges which are incurred for the benefit of the Mortgaged Estate or any part thereof or which may become a charge or lien against the Mortgaged Estate for gas, electricity, water or sewer services furnished to the Mortgaged Estate and all other taxes, assessments or charges of a similar nature, whether public or private, affecting the Mortgaged Estate or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 1.12. Actions Affecting Mortgaged Estate. Mortgagor shall appear in and contest any action or proceeding purporting to affect the title of Mortgagor in the Mortgaged Estate or any part thereof or security hereof or the rights or powers of Mortgagee; and Mortgagor shall pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Mortgagee may appear.

Section 1.13. Actions by Mortgagee To Preserve Mortgaged Estate. Should Mortgagor fail to make any payment or to do any act as and in the manner provided in this Mortgage, Mortgagee, without notice to, or demand upon, Mortgagor and without releasing Mortgagor from any Secured Obligation, may make or do the same in such manner and to such extent as Mortgagee, may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), Mortgagee shall have, and is hereby given the right, but not the obligation: (i) to enter upon and take possession of the Mortgaged Estate; (ii) to make additions, alterations, repairs and improvements to the Mortgaged Estate which it may consider necessary or proper to keep the Mortgaged Estate in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee shall affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (v) in

MORTGAGE

Greater Heights Academy, Series 2019 Bond

exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Any such costs and expenses incurred by Mortgagee and any such amounts paid by Mortgagee shall be secured hereby with the same priority afforded this Mortgage as recorded. Mortgagor shall immediately upon demand therefor by Mortgagee pay all of the foregoing costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and reasonable attorneys' fees provided, however, that Mortgagor shall not be liable to pay for any such costs or expenses incurred by Mortgagee due to the gross negligence, willful misconduct or breach of trust of Mortgagee or its affiliates, directors, officers, agents or employees.

Section 1.14. Survival of Warranties. Mortgagor shall fully and faithfully satisfy and perform the Secured Obligations. All representations, warranties and covenants of Mortgagor contained herein shall remain continuing obligations, warranties and representations of Mortgagor during any time when any portion of the obligations secured by this Mortgage remain outstanding.

Section 1.15. Eminent Domain. Should the Mortgaged Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Mortgagor receive any notice or other information regarding such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee. Mortgagee may participate in any such Condemnation proceedings, and Mortgagor shall from time to time deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. Mortgagor shall, at its sole cost and expense, diligently prosecute any such proceedings and shall consult with Mortgagee and cooperate with them in the carrying on or defense of any such proceedings. All proceeds of Condemnation awards or proceeds of sale in lieu of Condemnation with respect to the Mortgaged Estate and all judgments, decrees and awards for injury or damage to the Mortgaged Estate or any part thereof or interest therein shall be paid to Mortgagor or Mortgagee and shall be applied first to all reasonable costs and expenses incurred by Mortgagee, if any, in obtaining the proceeds. The balance of proceeds, if any, shall be paid to the Mortgagor.

Mortgagor hereby assigns and transfers to Mortgagee, and agrees to execute such further assignments of, all such proceeds, judgments, decrees and awards as Mortgagee may request. Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such judgment, decree or award. Mortgagor hereby authorizes, directs and empowers Mortgagee, at its option, and with notice to Mortgagor, on Mortgagor's behalf, or on behalf of the successors or assigns of Mortgagor, to adjust, compromise, claim, collect and receive such proceeds and to give proper receipts and acquittances therefor. Mortgagee shall not be, in any event or circumstance, liable or responsible for failure to collect or exercise diligence in the collection of any proceeds, judgments, decrees or awards unless such failure is due to Mortgagee's negligence, willful misconduct or breach of trust.

Section 1.16. Additional Security. In the event Mortgagee at any time holds additional security for any of the Secured Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with or after any sale is made hereunder.

Section 1.17. Additional Indebtedness. Except for the Permitted Encumbrances, Mortgagor shall not further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the Uniform Commercial Code in effect in the State, the "UCC").

Section 1.18. Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The covenants and agreements of Mortgagor contained herein shall apply to and be binding upon any successor owner of the Mortgaged Estate or any part thereof.

Section 1.19. Inspections. Mortgagee or their agents, representatives or workmen are authorized to enter upon notice of two Business Days to Mortgagor at any reasonable time upon or in any part of the Mortgaged Estate for the purpose of inspecting the same and all books, records and documents relating thereto.

Section 1.20. Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's sole cost and expense, all liens, encumbrances and charges upon the Mortgaged Estate, or any part thereof or interest therein other than the Permitted Encumbrances. Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Mortgagor shall thereafter diligently and in good faith proceed to cause such lien, encumbrance or charge to be removed and discharged. If Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either, by paying the amount claimed to be due, or by procuring the discharge of such lien, either, by depositing in court a bond in the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Any cost incurred by Mortgagee in connection with any such payment or discharge shall be secured hereby and shall be immediately due and payable without notice or demand.

Section 1.21. Restrictions Affecting Title. Mortgagor shall perform when due all obligations required to be performed by Mortgagor by the provisions of any agreement affecting title to the Mortgaged Estate or any part thereof.

Section 1.22. Further Assurances. Mortgagor shall, upon the execution and delivery hereof and thereafter from time to time, take such actions as Mortgagee may request to cause this Mortgage, each supplement and amendment to such instrument and financing statements with respect thereto and each instrument of further assurance (collectively, the "Recordable Documents") to be filed, registered and recorded as may be required by law and maintain the first lien or security interest, as applicable, hereof upon the Trust Estate and protect the validity of the Recordable Documents. Mortgagor shall take all action and do all things which it is authorized by law to take and do, and cooperate with Mortgagee as Mortgagee deems necessary

or desirable, to insure the release of all encumbrances against the Mortgaged Estate, except the Permitted Encumbrances, existing prior to the date hereof.

So long as any Secured Obligations shall remain unpaid, Mortgagor shall execute, acknowledge, where appropriate, and deliver from time to time promptly at the request of Mortgagee all such instruments and documents as in the opinion of Mortgagee are necessary or desirable to preserve the first priority lien created by this Mortgage. If Mortgagor shall fail or refuse to execute, acknowledge, where appropriate, and deliver such instruments and documents to preserve the first priority lien created by this Mortgage within 10 Business Days following a written request by Mortgagee, Mortgagor irrevocably constitutes and appoints Mortgagee as its attorney-in-fact to execute and deliver such instruments, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

Section 1.23. Performance of Covenants; Incorporation of Representations and Warranties. Mortgagor shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Series 2019 Bond and in all of its proceedings pertaining to this Mortgage. The covenants, representations and warranties of Mortgagor set forth in the Series 2019 Bond are incorporated by reference into this Mortgage as if stated in full in this Mortgage and such representations and warranties as incorporated herein shall be deemed to have been made as of the date of this Mortgage and shall survive the execution and delivery of this Mortgage.

Section 1.24. Notification of Event of Default Under Mortgage. Mortgagor agrees to notify Mortgagee immediately in writing of any default by Mortgagor in the performance or observance of any covenant, agreement, representation, warranty or obligation of Mortgagor set forth in this Mortgage. Mortgagor shall also notify Mortgagee in writing of any event or condition which with the lapse of time or the giving of notice would constitute an Event of Default.

Section 1.25. Required Notices. Mortgagor shall notify Mortgagee within three (3) days of: (a) receipt of any notice from any governmental or quasi-governmental authority relating to the structure, use or occupancy of the Real Property or alleging a violation of any legal requirement; (b) a substantial change in the occupancy or use of all or any part of the Real Property; (c) receipt of any notice from the holder of any lien or security interest in all or any part of the Real Property; (d) commencement of any litigation affecting or potentially affecting the financial ability of Mortgagor or the value of the Real Property; (e) a fire or other casualty causing damage to all or any part of the Real Property; (f) receipt of any notice, request for information, demand letter or notification of potential liability with regard to hazardous materials or any other environmental matter affecting the Real Property or Mortgagor's interest therein; or (g) receipt of any notice of the imposition of, or of threatened or actual execution on, any lien on or security interest in all or any part of the Mortgaged Estate.

Section 1.26. Organization; Due Authorization. Mortgagor is a public school academy duly organized, validly existing and in good standing under the laws of the State and has the requisite power, authority and legal right to carry on the business conducted by it and to engage in the transactions contemplated by the Series 2019 Bond. The execution and delivery of

the Series 2019 Bond and this Mortgage and the performance and observance of the respective provisions thereof have all been authorized by all necessary actions of Mortgagor.

Section 1.27. Liabilities; Compliance With Other Instruments. Mortgagor has no liabilities regarding the Mortgaged Estate except those hereunder and those otherwise contemplated or permitted by this Mortgage, none of which are delinquent. Mortgagor is not in default (i) in the payment of any taxes levied or assessed against it or its assets, (ii) under any applicable statute, rule, order or regulation of any governmental authority, (iii) under this Mortgage, or (iv) under any other agreement to which it is a party or by which it or any of its properties are bound.

Neither the execution and delivery of this Mortgage and the Series 2019 Bond, nor the consummation of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof, conflicts with or results or will result in a breach of any of the terms, conditions or provisions of the articles of incorporation of Mortgagor, any law, order, rule, regulation, writ, injunction or decree of any court or governmental authority, or any agreement or instrument to which Mortgagor is a party or by which it or any of its properties are bound, or constitutes or will constitute a default thereunder, or result or will result in the creation or imposition of any lien of any nature whatsoever upon any of its property or assets pursuant to the terms of any such agreement or instrument except the liens created or permitted by the Series 2019 Bond.

Section 1.28. Enforceability. This Mortgage and the Series 2019 Bond have been duly executed and delivered by Mortgagor and constitute valid and binding obligations of Mortgagor enforceable in accordance with their respective terms, except as the enforceability (but not the validity thereof) may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally.

Section 1.29. Pending Litigation. There are no proceedings pending or, to the knowledge of Mortgagor, threatened, against or affecting Mortgagor or any part of the Mortgaged Estate in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor or the right or ability of Mortgagor to enter into this Mortgage or the Series 2019 Bond, and if any such proceedings are subsequently initiated or threatened then Mortgagor will promptly provide written notice to Mortgagee. Mortgagor is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal.

Section 1.30. Compliance With Law. Mortgagor and the Mortgaged Estate are in substantial compliance with all laws, ordinances, governmental rules or regulations to which it is subject, including, without limitation, the Occupational Safety and Health Act of 1970, the Employee Retirement Income Security Act of 1974 and all laws, ordinances, governmental rules or regulations relating to environmental protection the violation of which would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor.

Section 1.31. After-Acquired Property. The Mortgage Estate shall include the right, title and interest of Mortgagor in and to all improvements, additions and appurtenances to, the Mortgaged Estate, hereafter acquired by or released to Mortgagor. As required, Mortgagor shall execute and deliver to Mortgagee any further assurances, mortgages, grants, conveyances or assignments as Mortgagee may reasonably require to subject such property to the lien of this Mortgage.

Section 1.32. Transfer of Interests in Mortgagor or Mortgaged Estate. Except in accordance with the terms and restrictions of the Series 2019 Bond, and except for the Permitted Encumbrances, Mortgagor shall not, by operation of law or otherwise, sell, convey, alienate, transfer, grant, bargain, mortgage, encumber or assign ownership or control of all or any interest direct or indirect in Mortgagor or any part of the Mortgaged Estate or any interest therein, without the prior written consent of Mortgagee.

Section 1.33. Lease Provisions. Any lease of all or any part of the Mortgaged Estate by Mortgagor permitted under this Mortgage and the Series 2019 Bond shall contain a provision obligating such lessee to enter into a subordination, attornment and nondisturbance agreement with Mortgagee, in form and substance satisfactory to Mortgagee.

Section 1.34. Defeasance Terminates Lien. Upon defeasance of the Series 2019 Bond, the lien of this Mortgage upon the Mortgaged Estate shall cease, and Mortgagee shall execute and deliver to Mortgagor at Mortgagor's sole cost and expense all documents necessary to effect such a release.

ARTICLE II

[RESERVED]

ARTICLE III

ASSIGNMENT OF LEASES AND RENTS

Section 3.01. Assignment. As additional security for the payment of the Indebtedness, insurance premiums, taxes and assessments, at the time and in the manner herein agreed, and for the performance of the covenants and agreement herein contained, pursuant to Act 210 of the Public Acts of Michigan of 1953, as amended, Mortgagor assigns, transfers, and sets over unto Mortgagee all of Mortgagor's estate, right, title and interest in and to (a) all present and future leases of the Mortgaged Estate or any portion thereof, all licenses and agreements relating to the management, leasing, occupancy or operation of the Mortgaged Estate, whether such leases, licenses and agreements are now existing or entered into after the date hereof ("Leases"); and (b) the rents, issues, revenues, receipts, deposits and profits of the Mortgaged Estate, including, without limitation, all amounts payable and all rights and benefits accruing to Mortgagor under the Leases ("Payments"). The term "Leases" shall also include all subleases and other agreements for the use or occupancy of the Real Property, all guarantees of and security for the

MORTGAGE

Greater Heights Academy, Series 2019 Bond

tenant's performance thereunder, the right to exercise any landlord's liens and other remedies to which the landlord is entitled, and all amendments, extensions, renewals or modifications thereto. This assignment shall run with the land and be good and valid as against Mortgagor or those claiming by, under or through Mortgagor, from the date of the recording of this instrument. This assignment shall continue to be operative during the foreclosure or any other proceedings taken to enforce this Mortgage. In the event of a sale or foreclosure, which shall result in a deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency. This assignment is given as collateral security only and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor contained in any such assigned leases. Upon the occurrence and during the continuance of an Event of Default, Mortgagee shall be entitled to all the rights and remedies conferred by Act 210 of the Public Acts of Michigan of 1953, as amended. Payments collected by Mortgagee subsequent to any Event of Default shall be applied at the direction of, and in such order as determined by Mortgagee, to the costs, if any, of taking possession and control of and managing the Real Property and collecting such amounts, including to reasonable attorneys' fees, receiver's fees, premiums on receiver's bonds, costs of repairs to the Mortgaged Estate, premiums on insurance policies, taxes, assessments and other charges on the Mortgaged Estate, and the costs of discharging any obligation or liability of Mortgagor with respect to the Leases and to the sums secured by this Mortgage. MORTGAGOR HEREBY WAIVES ANY RIGHT TO NOTICE, OTHER THAN SUCH NOTICE AS MAY BE PROVIDED IN ACT 210 OF THE PUBLIC ACTS OF MICHIGAN OF 1953, AS AMENDED, AND WAIVES ANY RIGHT TO ANY HEARING, JUDICIAL OR OTHERWISE, PRIOR TO MORTGAGEE'S EXERCISE OF ITS RIGHTS UNDER THIS MORTGAGE AND/OR THE ASSIGNMENT OF AND RENTS GRANTED TO LENDERS HEREUNDER.

Section 3.02. Rights of Mortgagee. Upon the occurrence and during the continuance of an Event of Default, Mortgagee may, at any time without notice (except if required by any Applicable Law), either in person, by agent or by a court-appointed receiver, regardless of the adequacy of Mortgagee's security, enter upon and take possession and control of the Mortgaged Estate to perform all acts necessary and appropriate to operate and maintain the Mortgaged Estate, including to execute, cancel or modify the Leases, make repairs to the Mortgaged Estate, execute or terminate contracts providing for the management or maintenance of the Mortgaged Estate, all on such terms as are deemed best to protect the security of this assignment. Mortgagee and the receiver shall have access to the books and records used in the operation and maintenance of the Mortgaged Estate and shall be liable to account only for those Rents actually received. Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Estate by reason of anything done or left undone by Mortgagee hereunder, except to the extent of Mortgagee's gross negligence or willful misconduct. Any entering upon and taking possession and control of the Mortgaged Estate by Mortgagee or the receiver and any application of Payments as provided herein shall not cure or waive any Event of Default or invalidate any other right or remedy of Mortgagee.

Section 3.03. Mortgagor's Affirmative Obligations. Mortgagor shall: (a) fulfill, perform and observe in all respects each and every condition and covenant of Mortgagor contained in any Lease; (b) give prompt notice to Mortgagee of any claim or event of default

under any Lease given to or by Mortgagor, together with a complete copy or statement of any information submitted or referenced in support of such claim or event of default; (c) at the sole cost and expense of Mortgagor, enforce the performance and observance of each and every covenant and condition of any Lease to be performed or observed by any other party thereto, unless such enforcement is waived in writing by Mortgagee; and (d) appear in and defend any action challenging the validity, enforceability or priority of the lien created hereby or the validity or enforceability of any Lease.

Section 3.04. Negative Covenants. Mortgagor shall not, without Mortgagee's consent: (a) enter into any Lease; (b) modify or amend the terms of any Lease; (c) grant any consents under any Lease, including any consent to an assignment of any Lease, a mortgaging of the leasehold estate created by any Lease or a subletting by the tenant under any Lease; (d) terminate, cancel, surrender, or accept the surrender of, any Lease, or waive or release any person from the observance or performance of any material obligation to be performed under the terms of any Lease or liability on account of any warranty given thereunder; or (e) assign, transfer, mortgage, pledge or hypothecate any Lease or any interest therein to any party other than Mortgagee. Any lease, modification, amendment, grant, termination, cancellation, surrender, waiver or release in violation of the foregoing provision shall be null and void and of no force and effect.

Section 3.05. Effect of Assignment. The foregoing assignment shall not cause Mortgagee to be: (a) a mortgagee in possession; (b) responsible or liable for the control, care, management or repair of the Mortgaged Estate or for performing any of the terms, agreements, undertakings, obligations, representations, warranties, covenants and conditions of the Leases; (c) responsible or liable for any waste committed on the Mortgaged Estate by the tenants under any of the Leases or any other parties, for any dangerous or defective condition of the Mortgaged Estate, or for any negligence in the management, upkeep, repair or control of the Mortgaged Estate resulting in loss or injury or death to any tenant, licensee, employee, invitee or other person; (d) responsible for or under any duty to produce rents or profits; or (e) directly or indirectly liable to Mortgagor or any other person as a consequence of the exercise or failure to exercise any of the rights, remedies or powers granted to Mortgagee hereunder or to perform or discharge any obligation, duty or liability of Mortgagor arising under the Leases.

ARTICLE IV

SECURITY AGREEMENT

Section 4.01. Creation of Security Interest. With respect to any portion of the Mortgaged Estate which now constitutes fixtures governed by the UCC, this Mortgage shall constitute a security agreement between Mortgagor as the debtor and Mortgagee as the secured party, and Mortgagor hereby grants to Mortgagee a security interest in such portion of the Mortgaged Estate (such portion being the "Fixtures"). Cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the UCC. Mortgagor will execute and deliver to Mortgagee all financing statements that may from time to time be required by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any

MORTGAGE

Greater Heights Academy, Series 2019 Bond

searches required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such property, and it is expressly agreed that if upon an Event of Default Mortgagee should proceed to dispose of such property in accordance with the provisions of the UCC, 10 days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may at its option, dispose of such property in accordance with Mortgagee's rights and remedies with respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the UCC.

Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity, or business form or structure and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may reasonably require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Mortgaged Estate described or referred to herein.

Some of the items of the Mortgaged Estate described herein are goods that are or are to become fixtures related to the Real Property, and it is intended that as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Estate is situated. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated in Section 6.05 of this Mortgage. The mailing address of Mortgagor, as debtor, is as stated in Section 6.05 of this Mortgage.

Section 4.02. Warranties; Representations and Covenants of Mortgagor. Mortgagor hereby warrants, represents and covenants, with respect to the Fixtures, as follows:

(a) except for the security interest granted hereby, Mortgagor is, and as to any of the Fixtures to be acquired after the date hereof will be, the sole owner of the Fixtures, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for Permitted Encumbrances. Mortgagor will notify Mortgagee and will defend the Fixtures against, all prohibited claims and demands of all persons at any time claiming the same or any interest therein;

(b) Mortgagor will not lease, sell, convey or in any manner transfer the Fixtures (except Fixtures transferred in the ordinary course of business and replaced by Fixtures of a similar nature and having at least the same value as the Fixtures replaced, and except for Permitted Encumbrances) without the prior written consent of Mortgagee;

(c) the Fixtures are not used or bought for personal, family or household purposes;

(d) the Fixtures will be kept on or at the Project and Mortgagor will not remove the Fixtures from the Project without the prior written consent of Mortgagee, except such portions or items of personal property which are consumed or worn out in ordinary usage,

all of which shall be promptly replaced by Mortgagor with new items of equal or greater quality; and

(e) all covenants and obligations of Mortgagor contained herein relating to the Mortgaged Estate shall be deemed to apply to the Fixtures whether or not expressly referred to herein.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT

Section 5.01. Events of Default. Any one or more of the following events shall be deemed an event of default hereunder (each, an “Event of Default”):

(a) the occurrence of a default or an Event of Default by Mortgagor under the Series 2019 Bond (other than this Mortgage) subject to any applicable notice or cure periods provided therein;

(b) a default or breach of any covenant contained in Section 1.05, 1.10 or 1.25;

(c) if Mortgagor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent within the meaning of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the “Bankruptcy Code”), or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(d) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Mortgagor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Mortgagor or of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Mortgagor and such appointment shall remain unvacated and unstayed for an aggregate of 30 days (whether or not consecutive);

(e) if a writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Mortgaged Estate, or any judgment

involving monetary damages shall be entered against Mortgagor which shall become a lien on the Mortgaged Estate or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 30 days after its entry or levy;

(f) if, during the term of the Series 2019 Bond secured by this Mortgage, Mortgagor shall without the prior written approval of Mortgagee (unless permitted as provided herein) sell, convey, alienate, mortgage or encumber the Mortgaged Estate or any part thereof or any interest therein, or shall be divested of its title or any interest therein, in any manner, whether voluntarily or involuntarily, or if there is any merger, consolidation or dissolution affecting Mortgagor, or if there is a transfer of a majority interest in Mortgagor in a series of transactions or as a single transaction;

(g) any assignment by Mortgagor of the whole or any part of the Revenues, issues or profits arising from the Mortgaged Estate (including, without limitation, the Revenues) to any person without the written consent of Mortgagee (unless permitted as provided herein) or if, without such consent, Mortgagor shall otherwise further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the UCC);

(h) if at any time any representation, warranty or statement made by Mortgagor in the Series 2019 Bond or any certificate delivered by Mortgagor shall be incorrect or misleading in any material respect, or any material misrepresentation shall at any time be made to Mortgagee by Mortgagor; or

(i) failure by Mortgagor to punctually perform or observe any covenant or agreement contained in this Mortgage (other than as set forth above) and such failure shall not have been cured within 30 days after written notice from Mortgagee of such failure.

Section 5.02. Acceleration Upon Default; Additional Remedies. Subject to the cure provisions of this Section 5.02, upon the occurrence of an Event of Default (which default is not cured within any applicable cure period) Mortgagee may, at Mortgagee's sole option exercised in Mortgagee's sole discretion, pursue any one or more of the following remedies:

(a) Declare all or any portion of the Secured Obligations to be due and payable, and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind except as otherwise provided herein;

(b) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Estate or any part thereof and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Estate, take any action described in Article II, III or IV hereof, sue for or

otherwise collect the Revenues thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon any Secured Obligations, all in such order as Mortgagee may determine. The entering upon and taking possession of the Mortgaged Estate, the taking of any action described in Article II, III or IV hereof, the collection of such Revenues and the application thereof as aforesaid, shall not cure or waive any default or notice of default or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Estate or the collection, receipt and application of Revenues, issues or profits, Mortgagee shall be entitled to exercise every right provided for the Series 2019 Bond or by law upon occurrence of any Event of Default, including the right to exercise the power of sale herein conferred;

(c) Commence an action to foreclose this Mortgage (either judicially or non-judicially), appoint a receiver, specifically enforce any of the covenants hereof, or sell the Mortgaged Estate pursuant to the power of sale herein conferred and in a manner provided under Michigan law;

(d) Exercise any or all of the remedies available to a secured party under the UCC, including, but not limited to:

(i) Either personally or by means of a court appointed receiver, commissioner or other officer, take possession of all or any of the Fixtures and exclude therefrom Mortgagor and all others claiming under Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor in respect of the Fixtures or any part thereof. In the event Mortgagee demands or attempts to take possession of the Fixtures in the exercise of any rights under the Series 2019 Bond, Mortgagor promises and agrees to promptly turn over and deliver complete possession thereof to Mortgagee;

(ii) Without notice to or demand upon Mortgagor, make such payments and do such acts as Mortgagee may deem necessary to protect its security interest in the Fixtures, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder and, in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

(iii) Require Mortgagor to assemble the Fixtures or any portion thereof, at a place designated by Mortgagee and reasonably convenient to both parties, and promptly to deliver such Fixtures to Mortgagee, or an agent or representative designated by it. Mortgagee shall have the right to enter upon any or all of Mortgagor's premises and property to exercise Mortgagee's rights hereunder;

MORTGAGE
Greater Heights Academy, Series 2019 Bond

(iv) Sell, lease or otherwise dispose of the Fixtures at public sale, with or without having the Fixtures at the place of sale, and upon such terms and in such manner as Mortgagee may determine. Mortgagee may be a purchaser at any such sale;

(v) Unless the Fixtures are perishable or threaten to decline speedily in value or are of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least 10 days' prior written notice of the time and place of any public sale of the Fixtures or other intended disposition thereof. Such notice may be mailed to Mortgagor at the address set forth in Section 6.05 herein and shall be deemed to be given on the date of mailing thereof; and

(vi) Any sale made pursuant to the provisions of this subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of all or a portion of the remainder of the Mortgaged Estate under power of sale as provided herein upon giving the same notice with respect to the sale of the Personal Property hereunder as is required for such sale of the remainder of the Mortgaged Estate under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under the UCC.

(e) Exercise any other rights or remedies which may now or hereafter be available to Mortgagee under this Mortgage or the Series 2019 Bond or pursuant to applicable law or in equity; or

(f) If held by Mortgagee, surrender the insurance policies maintained pursuant to Section 1.05, collect the unearned insurance premiums and apply such sums as a credit on the Secured Obligations in such priority and proportion as Mortgagee shall deem proper, and in connection therewith, Mortgagor hereby appoints Mortgagee as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Mortgagee to collect such insurance premiums.

MORTGAGE
Greater Heights Academy, Series 2019 Bond

THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON THE OCCURRENCE OF AN EVENT OF DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT AND THE SALE OF THE MORTGAGED ESTATE IN CONNECTION THEREWITH, NO HEARING IS REQUIRED AND THE ONLY NOTICE REQUIRED IS THE PUBLICATION OF NOTICE IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THE NOTICE ON THE PREMISES. THE MORTGAGOR HERBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND THE STATE TO A HEARING PRIOR TO SALE IN CONNECTION WITH FORECLOSURE OF THIS MORTGAGE BY ADVERTISEMENT AND ALL NOTICE REQUIREMENTS EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

Section 5.03. [Reserved].

Section 5.04. Appointment of Receiver. If an Event of Default (which is not cured within any applicable cure period) shall have occurred, Mortgagee as a matter of right and without notice to Mortgagor or anyone claiming under Mortgagor, and without regard to the value of the Mortgaged Estate or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Estate and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases in accordance with Michigan law and all the powers and duties of Mortgagee in case of entry as provided in Section 5.02(b) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Estate unless such receivership is sooner terminated. Mortgagee shall, in addition to and not in limitation of any of the foregoing or any other remedies provided in this Mortgage or otherwise available under applicable law, have all of the rights provided under the laws of the State.

Section 5.05. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation hereby and to exercise all rights and powers under this Mortgage or under the Series 2019 Bond or other agreement or any laws now or hereafter in force. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by the Series 2019 Bond to Mortgagee or to which Mortgagee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee. Mortgagee may pursue inconsistent remedies.

The acceptance by Mortgagee of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided. The acceptance by Mortgagee of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon

MORTGAGE
Greater Heights Academy, Series 2019 Bond

condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and failure of Mortgagor to pay such entire sum then due shall be and continue to be an Event of Default notwithstanding such acceptance of such amount on account, as aforesaid. Mortgagee shall be, at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Mortgagee thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon it, and the right to proceed with a sale under any notice of default, or an election to sell, or the right to exercise any other rights or remedies hereunder, shall in no way be impaired, whether any of such amounts are received prior or subsequent to such proceeding, election or exercise. Consent by Mortgagee to any action or inaction of Mortgagor which is subject to written consent or approval of Mortgagee hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions or inactions.

Section 5.06. Possession of Mortgaged Estate. In the event of a trustee's sale or foreclosure sale hereunder and after the time of such sale, and Mortgagor occupies the portion of the Mortgaged Estate so sold, or any part thereof, Mortgagor shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Estate so occupied, such rental to be due and payable daily to the purchaser. An action of unlawful detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Estate and premises; and this agreement and a trustee's deed shall constitute a lease and agreement under which the tenant's possession arose and continued. Nothing contained in this Mortgage shall be construed to constitute Mortgagee as a "mortgagee in possession" in the absence of its taking actual possession of the Mortgaged Estate pursuant to the powers granted herein.

Section 5.07. Relief from Stay. In the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, subject to court approval, Mortgagee shall thereupon be entitled and Mortgagor irrevocably consents to relief from any stay imposed by Section 362 of the Bankruptcy Code on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided in the Series 2019 Bond and Mortgagor hereby irrevocably waives its rights to object to such relief. In the event Mortgagor shall commence a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, Mortgagor hereby agrees that no injunctive relief against Mortgagee shall be sought under Section 105 or other provisions of the Bankruptcy Code by Mortgagor or other person or entity claiming through Mortgagor, nor shall any extension be sought of the stay provided by Section 362 of the Bankruptcy Code.

Section 5.08. Cash Collateral. To the fullest extent allowed by applicable law, Mortgagor hereby acknowledges and agrees that in the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (i) that all of the Revenues are, and shall for purposes be deemed to be, "proceeds, product, offspring, rents, or profits" of the Project covered by the lien of this Mortgage, as such quoted terms are used in Section 552(b) of the Bankruptcy Code; (ii)

that in no event shall Mortgagor assert, claim or contend that any portion of the Revenues are, or should be deemed to be, "accounts" or "accounts receivable" within the meaning of the Bankruptcy Code and/or applicable state law; (iii) that the Revenues are and shall be deemed to be in any such bankruptcy proceeding "cash collateral" of Mortgagee as that term is defined in Section 363 of the Bankruptcy Code; and (iv) that Mortgagee has valid, effective, perfected, enforceable and matured rights in and to the Revenues without any further action required on the part of Mortgagee to enforce or perfect its rights in and to such cash collateral, including, without limitation, providing notice to Mortgagor under Section 546(b) of the Bankruptcy Code.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Governing Law. This Mortgage shall be governed by the internal laws of the State without giving effect to its conflicts of law principles. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions of this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought. If any conflict shall arise between the terms of this Mortgage and the Series 2019 Bond, the terms of the Series 2019 Bond shall govern.

Section 6.02. Waiver of Rights. To the extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted (i) providing for any appraisalment before sale of any portion of the Mortgaged Estate, or (ii) in any way extending the time for the enforcement of the collection of the Secured Obligations or creating or extending a period of redemption from any sale made in collecting the Secured Obligations. To the full extent Mortgagor may do so under the laws of the State, Mortgagor agrees that Mortgagor will not at any time insist upon, plea, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisalment, valuation, stay, extension, redemption or homestead exemption, and Mortgagor, for Mortgagor, Mortgagor's representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Estate, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisalment, stay of execution, homestead exemption, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Mortgagor expressly waives and relinquishes any and all rights, remedies and defenses that Mortgagor may have or be able to assert by reason of the laws of the State pertaining to the rights, remedies and defenses of sureties. The waivers and agreements contained in this section and elsewhere in this Mortgage are given by Mortgagor knowingly and voluntarily and upon advice of counsel.

MORTGAGE

Greater Heights Academy, Series 2019 Bond

Section 6.03. Limitation of Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Mortgagee for the use, forbearance, or detention of the money to be held or otherwise, or for the performance or payment of any covenant or obligation contained herein or therein, exceed the maximum amount permissible under applicable law. If from any circumstance whatsoever fulfillment of any provision hereof or thereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance Mortgagee or holders of the Series 2019 Bond shall ever receive as interest under the Series 2019 Bond or this Mortgage or otherwise anything of value which would exceed interest at the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Series 2019 Bond or on account of other Secured Obligations and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Series 2019 Bond and such other Secured Obligations, such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance, or detention of the Secured Obligations shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such obligations until payment in full so that the rate of interest on account of Secured Obligations is uniform throughout the term thereof. The terms and provisions of this paragraph shall control all agreements between Mortgagor and Mortgagee.

Section 6.04. [Reserved]

Section 6.05. Notices. Unless otherwise required by law, whenever Mortgagor or Mortgagee shall desire to give or serve any notice, demand, request or other communication with respect to this Mortgage, each such notice, demand, request or other communication shall be in writing and shall be deemed to have been given: (a) upon receipt if sent by hand delivery; (b) one day after deposit with overnight courier; or (c) two days after deposit in the case of certified mail, postage prepaid, addressed to the following mailing addresses:

If to Mortgagor:	Greater Heights Academy 3196 West Pasadena Avenue Flint, MI 48504 Attention: President Telephone: 810-768-3860 Facsimile: 810-768-3865
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MORTGAGE
Greater Heights Academy, Series 2019 Bond

If to Mortgagee:

Charter Schools Development Corporation
7880 Milestone Parkway, Suite 425
Hanover, MD 21076
Attention: Rebecca Secrest
Telephone: 443-561-1283
Facsimile: 410-271-8362

Any party may at any time change its address for such notices by delivering to the other parties hereto, as aforesaid, a notice of such change.

Section 6.06. Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 6.07. Invalidity of Certain Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the Secured Obligations, or if the lien is invalid or unenforceable as to any part of the Mortgaged Estate, the unsecured or partially secured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured portion of the Secured Obligations, and all payments made on such obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Secured Obligations which is not secured or fully secured by the lien of this Mortgage.

Section 6.08. Subrogation. To the extent that proceeds of the Series 2019 Bond or advances under this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Mortgaged Estate, such proceeds or advances have been or will be advanced by Mortgagee, at Mortgagor's request, and Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released of record.

Section 6.09. Change in Ownership. If the ownership of the Mortgaged Estate or any part thereof or interest therein becomes vested in a person other than Mortgagor owning the same on the date hereof, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and the Secured Obligations in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Secured Obligations. No sale of the Mortgaged Estate, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Secured Obligations, given by Mortgagee, shall operate to release, discharge, modify, change or affect the original liability, if any, of Mortgagor or the liability of any guarantors or sureties of Mortgagor, either in whole or in part; provided that Mortgagor may be released from its original liability under this Mortgage upon transfer of the entire Mortgaged Estate with the written consent of Mortgagee.

Section 6.10. Assignment of Mortgagee's Interest. It is expressly agreed that any and all terms of this Mortgage, the Series 2019 Bond and all other agreements made or executed by Mortgagor or others in favor of Mortgagee, and all rights, powers, privileges, options and remedies conferred upon Mortgagee herein and therein, shall inure to and be for the benefit of,

MORTGAGE

Greater Heights Academy, Series 2019 Bond

and may be exercised by, Mortgagee, and the words "Mortgagee" shall also mean and include the successor or successors and the assign or assigns of Mortgagee. Mortgagor hereby specifically grants unto Mortgagee the right and privilege, at Mortgagee's option, to transfer and assign to any third person all or any part of Mortgagee's rights to receive funds or payments hereunder.

Section 6.11. Time Is of the Essence. Time is of the essence under this Mortgage and the Series 2019 Bond.

Section 6.12. Obligations of Mortgagor. The obligations of Mortgagor to make payments hereunder and under the Series 2019 Bond and to perform and observe all agreements on its part contained herein and therein with respect thereto shall be absolute and unconditional. Until this Mortgage is terminated or payment in full of all Series 2019 Bond is made, Mortgagor (i) will not suspend or discontinue any payments under the Series 2019 Bond or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Series 2019 Bond and this Mortgage; and (iii) except as provided herein will not terminate the Series 2019 Bond or this Mortgage for any cause.

Section 6.13. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Series 2019 Bond or for any claim based thereon, this Mortgage or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of Mortgagor, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Series 2019 Bond.

Section 6.14. Supplements; Amendments. This Mortgage may be supplemented or amended by written agreement between Mortgagor and Mortgagee.

Section 6.15 Power of Attorney. Mortgagee may act as attorney-in-fact or otherwise on behalf of Mortgagor pursuant to Sections 1.22, 3.01 and 5.02(f) of this Mortgage. This power of attorney is coupled with an interest, is durable and is not affected by subsequent disability or incapacity of the principal or lapse of time.

Section 6.16 Non-Merger. Should Mortgagee acquire title to the Real Property as a result of foreclosure or by conveyance from Mortgagor in lieu thereof, this Mortgage shall not merge in the fee estate of the Real Property but shall remain and continue as an existing and enforceable lien for the Secured Obligations until the same shall be released of record by Mortgagee in writing.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed on the day and year set forth in the acknowledgment attached hereto and effective on the date first written above.

GREATER HEIGHTS ACADEMY,
a Michigan nonprofit corporation

By: 

Name: Matthew Barcey

Title: President

MORTGAGE
Greater Heights Academy, Series 2019 Bond

COUNTY OF Genesee

Personally came before me on December 17, 2019, the above named Matthew Barcey, President of the Greater Heights Academy, to me known to be the person who executed the foregoing instrument and acknowledged the same on behalf of Greater Heights Academy.

E Gardner E. Gardner

Name:

Notary Public, State of Michigan

My commission expires: 11/20/2025

Acting in County of: Genesee

MORTGAGE

Greater Heights Academy, Series 2019 Bond

EXHIBIT A

LEGAL DESCRIPTION

The land referred to in this Commitment, situated in the County of Genesee, City of Flint, State of Michigan, is described as follows:

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

Tax Parcel ID Number: 14-34-400-008

Commonly known as: 3196 W. Pasadena Avenue

Parcel 2: Real property situated in the Southeast 1/4 of Section 34, Town 8 North, Range 6 East, Township of Mt. Morris, Genesee County, Michigan, described as follows: Beginning North 88 degrees 42 minutes 15 seconds East along the South line of Section 34, a distance of 300.00 feet from the South 1/4 of said Section 34; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 400.00 feet; thence South 88 degrees 42 minutes 15 seconds West parallel with the South line of Section 34, a distance of 100.00 feet; thence North 01 degree 19 minutes West parallel with the North and South 1/4 line of Section 34, a distance of 533.00 feet; thence North 88 degrees 42 minutes 15 seconds East, parallel with the South line of Section 34, a distance of 200.34 feet; thence South 01 degree 17 minutes 45 seconds East 933.00 feet to the South line of Section 34; thence South 88 degrees 42 minutes 15 seconds West along the South line of Section 34, a distance of 100.00 feet to the point of beginning.

Tax Parcel ID Number: 14-34-400-007

Commonly known as: Vacant

EXHIBIT B

PERMITTED EXCEPTIONS
AS DISCLOSED IN TITLE INSURANCE POLICY

CERTIFICATE OF USE AND OCCUPANCY

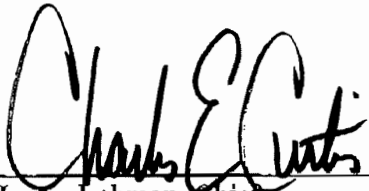
PERMANENT

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

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

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

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



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

October 23, 2013

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

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

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

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

Charles E. Curtis

**Charles E. Curtis, Assistant Chief
Building Division**

December 23, 2015

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

FINAL BUILDING APPROVED

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

BCC-3795 (Rev. 4/11)

Authority: 1972 PA 230

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7
REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY

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

- Section a. Governance Structure. The governance structure of the Academy is set forth in Section a of this Schedule.
- Section b. Educational Goal and Related Measures. The educational goal and related measures of the Academy are set forth in Section b of this Schedule.
- Section c. Educational Programs. The educational programs of the Academy are set forth in Section c of this Schedule.
- Section d. Curriculum. The curriculum of the Academy is set forth in Section d of this Schedule.
- Section e. Methods of Pupil Assessment. The methods of pupil assessment of the Academy are set forth in Section e of this Schedule.
- Section f. Application and Enrollment of Students. The 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 3-6 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 the norms 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 3-6 at the Academy will be assessed using the following measures and targets:

Sub Indicator	Measure	Metric	Target
Against a Standard:	The median of student growth percentiles (MGP) reflecting fall-to-spring scaled score growth on the reading and math NWEA Growth tests.	MGP: Exceeds $\geq 65^{\text{th}}$ Meets $\geq 50^{\text{th}}$ Approaching $\geq 45^{\text{th}}$ Does not meet $< 45^{\text{th}}$	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 Statement

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

Vision Statement

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

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

Values

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

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

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

Further, the mission indicates all students have the capability to learn. The MTSS program ensures no child is left behind and students receive quality instruction to meet individual needs. The mission also addresses creating educational success through positive family, school and community partnerships. The staff and administration at the Academy realize that parents are a child’s first teacher. Parent input is crucial to the success of each student and the Academy communicates regularly with families regarding the progress and success of their students.

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

Educational Program Delivery

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

The Academy's core instruction:

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

Curriculum

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

The Academy's kindergarten through sixth grade classrooms are self-contained, allowing for flexibility and ample time for differentiating instruction. In working as a collaborative team, daily schedules are planned to maximize student potential. The Academy has established the expectations regarding individual schedules. English language arts ("ELA") instruction is a minimum of 120-minute blocks incorporating reading and writing instruction with a deliberate focus on integrating social studies.

Mathematics instruction receives a minimum of a 90-minute block, which also provides for deliberate cross-curricular integration. The science block is a minimum of 45 minutes daily, which allows students to engage in in-depth projects and explorations whose content is reinforced during daily ELA and math blocks.

Reading

A balanced literacy approach is used in kindergarten through sixth grade to teach reading and writing. The tier I instructional curriculum, Into Reading™ by Houghton Mifflin Harcourt is a comprehensive ELA program offering guided instruction in both reading and writing. Teachers develop lesson plans utilizing these materials as a guide. Individual lesson plans include the MAS and assessments.

For tier-II instruction, reading interventionists use Fountas Pinnell's Leveled Literacy Intervention System, as well as Fountas and Pinnell's guided reading library that will be utilized by teachers for small group guided reading instruction.

Writing

Kindergarten through sixth grade teachers implement the writing component of the Into Reading curriculum. Teachers develop lesson plans utilizing this material as a guide. Individual lesson plans include the MAS and assessments from the curriculum.

Math

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

Social Studies

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

Science

Kindergarten through sixth-grade instruction is guided by the Amplify Science curriculum. Students examine science concepts and theories guided by the Next Generation Science Standards (“NGSS”). Opportunities to conduct hands-on investigations assist students in applying concepts, problem-solving strategies, and making connections to the real world.

Health

The Michigan Model for Health™ curriculum provides staff the resources to teach health. The health curriculum is instructed utilizing a live event learning model in addition to a variety of hands-on lessons.

Specials

In addition to the core content areas, the Academy provides instruction in specials courses; these courses may include, but are not limited to: Spanish, music, physical education, robotics, art and technology. Specials classes are selected each year based on student preference and the availability of qualified staff. All specials courses are intended to provide enrichment opportunities and cross curricular support.

Educational Program Approaches--Researched-based Strategies

A crucial component for success integrated into the daily schedule is common plan time for all instructional staff. When developing the schedule, this is the first piece that goes into the plan. If schools are to develop as professional learning communities, collaboration must be embedded into the daily routine practices (Dufour, Dufour, & Eaker, 2006). Common planning time allows for shared leadership opportunities as well as establishing a mentoring program amongst staff. The Academy institutes grade level planning times and, when possible, plans the daily schedule to accommodate vertical planning.

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

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

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

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

The fourth goal is to make grades supportive of learning. This is accomplished by ensuring that the classroom focus is on learning. This begins at the Academy Board level and continues to the individual student level. The three big ideas, as presented by Richard Dufour of Solution Tree, are a core component of the Academy's structure (Dufour, Dufour, & Eaker, 2006). The Academy

believes the fundamental purpose is to ensure all students learn at high levels and are committed to becoming lifelong learners. In addition, collaborative teamwork and interdependence among teachers and administrators is a way to continuously improve the school. Evidence that students are learning and are ready to respond immediately when timely feedback reports otherwise is a clear indicator of a professional learning community.

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

The reader’s workshop and writer’s workshop models are built into the *Into Reading* units of instruction in all modules. All ELA teachers run workshops utilizing the four structures: mini-lesson, independent writing, conferring/conferencing, and sharing. No portion holds more value than another, and assessment does not only occur at the end of a unit or completion of a piece, but rather is continuous. Evidence has demonstrated that in order to provide more accurate information to parents, students, and staff, the assessments (formative and summative) must also occur within the creation of the writing piece.

Adaptations and Modifications

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

The Academy’s core curriculum:

Is available to all children.

Is preventative and proactive.

Includes, but is not limited to:

- differentiated instruction by adaptations.
- use of diagnostic assessments.
- small, flexible groups.
- curriculum that is scaffolded.
- data-driven decisions and progress monitoring.

Multi-Tiered Systems of Support

The Academy subscribes to a four “tiered” MTSS structure:

Tier I is subject area classroom instruction (general education students and special education students). Teachers use differentiated instruction, when possible, to meet student needs. Frequent

formative assessments determine the extent to which content is learned prior to a summative assessment. Summative assessments in the form of unit tests, papers, projects, presentations and demonstrations, indicate mastery of content. If students do not master the given content, teachers reteach and reassess as necessary.

Tier II encompasses the classroom instruction outlined above and additional “needs-based learning.” Students who are identified through standardized assessments and teacher observation as performing below grade level receive additional support in the classroom. This support could come from the classroom teacher or an interventionist assigned to the classroom. These students receive more frequent progress monitoring to determine academic growth. Tier II students are supported and monitored for 10 weeks. If students have an Individualized Educational Program (“IEP”) goal, the student is not supported by an interventionist, as the student is supported by special education staff.

Tier III encompasses Tier I and II instruction with the addition of “individualized learning.” Students who do not make accelerated progress after 10 weeks of receiving Tier II instruction are identified as Tier III students. An interventionist, services targeted students outside of the classroom (not during core instruction). A learning plan is formulated to the specific student’s needs, along with individualized assessments. If the student is not making accelerated progress after five weeks, a child study is initiated and a student study team meets to recommend and implement additional strategies to assist the student. After a subsequent five week timeframe, if the student is not making accelerated progress to grade level, the student is referred to special education for testing.

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

Even though the pyramid is designed with a timeframe, there are extenuating circumstances where a child needs to be moved from one tier to another prior to the end of the designated timeframe. If this occurs, a leadership meeting is scheduled with the Intervention Coordinator(s), the Director of Special Education, Curriculum Director, Assistant Principal, and Principal/Superintendent. Information is presented and a decision for the individual child is made.

The Academy has taken into consideration that the majority of students who attend the school are from an urban setting. In response to this demographic, the Academy has incorporated a specific block of time dedicated to intervention for all students. Highly qualified staff are utilized for instruction during the intervention block. Formative assessments are implemented and analyzed on a daily basis to determine placement of students in the different subject area workshops.

Balanced Calendar

The Academy adopted a balanced calendar with the intent of increasing class time and decreasing summer loss of skills due to the extended break. Students have a 6-week summer rather than the traditional 10-week summer as required by MDEs state waiver. In addition, students typically have

a 1-week intercession around the first marking period, a 2-week break in December, a 1-week intercession around the 3rd marking period, and a 2 week break in the spring. The intent of the decreased summer break and multiple breaks throughout the year is to lessen student stress as well as reduce the summer loss seen in schools adhering to the traditional school calendar. All breaks are confined to a two-week maximum.

Academic Day

The Academy's daily schedule affords students an intervention block as well as a morning meeting. The morning meeting is a way for teachers and students to share, communicate important messages, and establish the expectations for the day. The morning meeting not only builds a community within the classroom, but provides an opportunity for students to reflect on how to plan work. The intervention block provides additional time on task and allows students to receive small group instruction that is focused and intentional. Teachers and interventionists focus on a specific skill and provide additional practice and corrective feedback to increase student achievement.

Special Education Program

The Special Education Department works as a team consisting of special education teachers, speech pathologists, school social worker, occupational therapist, paraprofessionals, and a school psychologist to coordinate and provide services for students.

The full inclusion model is emphasized with students who have IEPs. Collaboration between general education staff and special education staff allows the inclusion model to be effective. Teachers work collaboratively by planning lessons, co-teaching, attending professional development opportunities and by researching and applying research-based teaching strategies. In addition to students having additional academic support to correspond with specific IEP goals, there are ancillary services available to enhance the learning potential such as speech therapy, occupational therapy and social work services.

It is the goal of the Special Education Department to act as a resource to the classroom teacher in the development and implementation of appropriate instructional and socialization strategies. Professional development opportunities, classroom presentations and school wide presentations are available to better educate all staff and students of the varied individual needs of specific disabilities.

The Academy is committed to offering creative and effective programming for students with special needs. The Special Education Department utilizes the resources available through the local Intermediate School District (Genesee ISD), Central Michigan University ("CMU") and the Michigan Department of Education.

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the IEP team, and together the team will make decisions that are subject to requirements regarding provision of the least restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the

existing IEP to the extent possible, or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

Accelerated Program

The Academy’s Accelerated Program is also a tiered model. Tier I utilizes a differentiated instruction approach and is designed to meet the unique learning styles, learning rates, interests, abilities and needs of the students within the general education classroom. Students in Tier II receive instruction from regular classroom teachers who provide advanced work and special activities. The instructors utilize differentiation, extended learning experiences, compacting of previously mastered information, consistent challenging curriculum, accelerated pace and discovery learning. Tier III consists of an individually designed program to meet the specific needs of the child. In this case, a student receives an individual schedule that allows the student to move to a higher grade for instruction. It may be that the student moves for one content area or does an entire grade skip.

Students are selected to be involved in this program as a result of high scores on the state assessment, Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® Growth™ (“MAP®”), and through teacher recommendation. Homeroom teachers and all specials teachers are aware of, and have the responsibility to, oversee the students’ core academics and challenge these students in the specific areas of strength.

Assessment Plan

Student assessment is viewed as an essential component in the monitoring of student achievement. Aligned standardized assessments and periodic benchmark assessments as well as a variety of formative and culminating assessments are incorporated into daily practice. Assessments are aligned with the curriculum and instruction and have been designed by matching the appropriate measurement method to the type of learning targets (knowledge, reasoning, skill, performance or disposition).

Assessment data informs all instruction at the Academy. Frequent formative assessments are given to determine student learning during a unit of study. These formative assessments consist of, but are not limited to: “thumbs-up/down,” individual whiteboards for checking for understanding, entrance/exit cards, homework check, visual representations of learning, verbal answering, content area games, and written spot checks. Teachers are required to indicate formative assessments in lesson plans and keep anecdotal notes. Quarterly data drop meetings are held with the curriculum director and the reading/math classroom teachers. Additional data drop meetings are conducted by the intervention and special education departments. Individualized goals and action plans are a result of the aforementioned meetings.

Summative assessments take the form of unit tests, papers, projects, presentations and demonstrations to indicate mastery of content. Teachers reteach and reassess when necessary if students do not master the given content. Teachers are required to indicate summative assessments in lesson plans.

Standardized and other norm/criterion referenced assessments are outlined in a yearly “assessment calendar.” The assessments are given periodically and drive classroom instruction. Assessment data (e.g. NWEA MAP) is the driving force behind the intervention program (previously outlined). Developmental Reading Assessment® (“DRA”), Moby Max, Word Analysis and Michigan Literacy Progress Profile (“MLPP”) tasks, along with formative assessments, are used to inform reading instruction. Students are placed in leveled or strategy groups determined by performance on the aforementioned reading assessments. The Reader’s Workshop method of instruction (mini-lesson, guided reading/ conferring, independent reading/literature study and sharing) guides the reading classes.

Moby Max Math and Diagnostic Readiness assessments, along with formative assessments, are used to drive math instruction. Students work in differentiated groups to attain mastery of content.

In the core content areas of writing, science and social studies, as well as in specials classes, formative and teacher-generated summative assessments drive instruction. Cumulative grade level assessments are written by content area committees to indicate student progress over time. After analyzing the data, core committees determine effectiveness of grade level instruction.

Program Evaluation

The Academy utilizes a systematic process of evaluation to determine the effectiveness of the implementation, delivery and support of the Educational Program.

Formative Evaluation of Educational Program

Daily lesson plans are built from the Academy’s adopted curriculum, *Into Reading* and *Eureka Math*. The units of instruction and pacing guides may incorporate the following:

- objectives with corresponding grade level content expectations
- theme/unit
- indication of cross-curricular activities
- indication of vocabulary
- rubrics/scoring guide
- formative assessment

- summative assessment
- indication of homework
- indication of writing
- indication of differentiated instruction

Teachers create daily lesson plans which focus intently on a daily learning objective, student misconceptions and assessment. The lesson plan is updated daily to include information on individual students' level of mastery on the daily lesson. This data is shared with MTSS staff and becomes an integral part of the Tier 2 process.

Content area curriculum chairs meet with the Director/Assistant Director/Curriculum Director on a monthly basis to ensure the staff is making progress in regards to the curriculum initiatives and school improvement goals. Curriculum chairs also meet with the instructional staff on a monthly basis. This time is dedicated to reviewing the school improvement plans as well as working on ensuring alignment of the curriculum to the MAS. Following the end of the second marking period, the curriculum chairs observe the staff implementing the lessons.

Summative Evaluation of Educational Program

In addition to the formative evaluation of programs, a summative process occurs as well. The Academy's performance appraisal is an integral part of the staff assessment, training and development process. Administration completes an evaluation for all teachers based on the Charlotte Danielson Framework for Teaching each year. The performance appraisal process measures teacher performance against an established framework based on best practices, achievement of Personal Development Objectives, and expected school improvement initiatives. The evaluation includes teacher performance-based assessment calculated on student achievement growth.

Each year, as part of continuing individual development, each teacher is asked to visit the classrooms of *at least* two other teachers to observe colleagues' teaching and operational methods. This is designed to be an opportunity for teachers to learn from one another by observing other teachers in action. Documentation of the classroom visits is verified through the completion of an *observation summary* that lists key learning for the observer.

Timeline of Classroom Observations

Classroom Observations

Teachers receive both formal evaluations and informal observations yearly. One evaluation observation must be scheduled between the teacher and administrator, the second formal evaluation is unannounced. The typical observational cycle consists of the following steps:

- Pre-observation meeting to establish a focus for the observation;
- Observation;
- Post observation meeting to reflect and set goals.

This observational cycle is recursive based on an improvement model; as such it is never intended to be punitive in nature.

Resources

- Beth Newingham's Third Grade. (n.d.). *Hill Elementary School Troy Michigan*. Retrieved from <http://hill.troy.k12.mi.us/staff/bnewingham/myweb3/>
- Calkins, L. (2003). *Units of study for primary writing: A yearlong curriculum*. Portsmouth, NH: FirstHand.
- DuFour, R. B., DuFour, R., & Eaker, R. E. (2006). *Professional learning communities at work: Plan book*. Bloomington, IN: Solution Tree.
- Fountas, I. C., & Pinnell, G. S. (2001). *Guiding readers and writers: Teaching comprehension, genre, and content literacy*. Portsmouth, NH: Heinemann.
- O'Connor, K. (2002). *How to grade for learning: Linking grades to standards*. Arlington Heights, IL: SkyLight Professional Development.
- Danielson, C. (2014). The Framework for Teaching Evaluation Instrument.
www.danielsongroup.org

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 Houghton Mifflin Harcourt™ Into Reading™, Great Minds® Eureka Math™, Oakland Schools K-12 Public Rubicon Atlas, Amplify science, Michigan Model for Health™, and Academy written curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- HMH Into Reading <https://www.hmhco.com/ui/login>
- Great Minds Eureka Math <https://greatminds.org/resources/login>
- Oakland K12 Public Atlas <https://oaklandk12-public.rubiconatlas.org/Atlas/Public/View/Default>
- Amplify Science <https://amplify.com/programs/amplify-science/>
- Michigan Model for Health <https://www.michiganmodelforhealth.org/>

Elementary

The following subjects/courses are offered at the Academy.

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

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.5, the Academy shall properly administer all state-mandated academic assessments identified in the Code, as applicable, and all academic assessments identified in the Public School Academy Chartering Policies adopted by the University Board, as applicable, in accordance with the requirements detailed in the Master Calendar annually issued by the Center.

The Academy shall authorize the Center to have access to the Academy's Student/School Data Applications through the Center for Educational Performance and Information and to the electronic reporting system administered by the Michigan Department of Education to access the Academy's state assessment results, as applicable. The Academy shall ensure that those involved with the administration of these assessments are properly trained and adhere to the ethical standards and testing procedures associated with these assessments.

Academic Assessments to Be Administered:

Assessments as identified in Schedule 7b 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 sixth grade. The maximum enrollment shall be 390 students. The Academy Board will annually adopt maximum enrollment figures prior to its application and enrollment period.

Requirements

Section 504 of the Code provides that public school academies shall not charge tuition and shall not discriminate in its pupil admissions policies or practices on the basis of intellectual or athletic ability, measures of achievement or aptitude, status as a student with a disability, or any other basis that would be illegal if used by a Michigan school district. However, a public school academy may limit admission to pupils who are within a particular range of age or grade level or on any other basis that would be legal if used by a Michigan school district and may give enrollment priority as provided below.

- Academy enrollment shall be open to all individuals who reside in Michigan. Except for a foreign exchange student who is not a United States citizen, a public school academy shall not enroll a pupil who is not a Michigan resident.
- Academy admissions may be limited to pupils within a particular age range/grade level or on any other basis that would be legal if used by a Michigan school district.
- The Academy shall allow any pupil who was enrolled in the Academy in the immediately preceding school year to enroll in the Academy unless the appropriate grade is not offered.
- No student may be denied participation in the application process due to lack of student records.
- If the Academy receives more applications for enrollment than there are spaces available, pupils shall be selected for enrollment through a random selection drawing.

The Academy may give enrollment priority to one (1) or more of the following:

- A sibling of a pupil enrolled in the Academy.
- A pupil who transfers to the Academy from another public school pursuant to a matriculation agreement between the Academy and other public school that provides for this enrollment priority, if all of the following requirements are met:
 1. Each public school that enters into the matriculation agreement remains a separate and independent public school.
 2. The Academy shall select at least 5% of its pupils for enrollment using a random selection process.
 3. The matriculation agreement allows any pupil who was enrolled at any time during elementary school in a public school that is party to the matriculation agreement and who was not expelled from the public school to enroll in the public school academy giving enrollment priority under the matriculation agreement.

- A child, including an adopted child or legal ward, of a person who is employed by or at the Academy or who is on the Academy Board.

Matriculation Agreement

- The Academy Board may enter into a matriculation agreement with another public school pursuant to section 504(4) of the Code.
- However, before the Academy Board approves a matriculation agreement, the Academy shall provide a draft copy of the agreement to the Center for review.
- Any matriculation agreement entered into by the Academy shall be added to this Schedule 7f through a contract amendment approved in accordance with Article IX in the Terms and Conditions of this Contract.

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 sixth grade. The Academy may add grades with the prior written approval of the authorizing body.

Students of the Academy will be children who have reached the age of 5 by the dates outlined in the Code.

CONTRACT SCHEDULE 8

**INFORMATION AVAILABLE TO
THE PUBLIC AND THE CENTER**

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.9, 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, 2023 Contract to Charter
A Public School Academy and Related Documents

Issued To

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

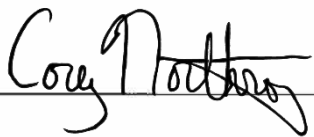
CONTRACT AMENDMENT NO. 1

GREATER HEIGHTS ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2023, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to GREATER HEIGHTS ACADEMY (the "Academy"), the parties agree to amend the Contract as follows:

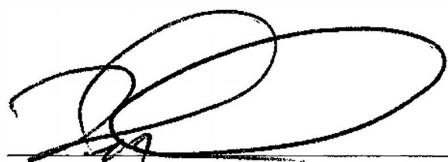
- 1.) Amend the Terms and Conditions of Contract by replacing the language contained within Article X, Section 10.4. Grounds and Procedures for Academy Termination of Contract and Section 10.5. Grounds and Procedures for University Termination of Contract, with the corresponding language attached as Tab 1.
- 2.) Amend Schedule 2: Amended Bylaws, by replacing the language contained within Article XIII, Section 6. Contracts Between Corporation and Related Persons, with the language attached as Tab 2.
- 3.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 3.

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, 2024.



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

Dated: 09/19/2024



By: Thomas A. Tucker
Greater Heights Academy
Designee of the Academy Board

Dated: 9/17/24

Greater Heights Academy
Contract Amendment No. 1

Tab 1

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. After receipt of the Academy Board's request for termination, the University Board shall consider the Academy's request no later than its next regularly scheduled meeting. The University Board shall make a final determination and vote on the proposed termination request within 90 days of receipt of the request from the Academy. 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; (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; or (iii) if exigent circumstances exist that the University Board determines, in its sole discretion, that termination of this Contract is required to protect the health, safety, or welfare of the Academy students, property, or funds that cannot be cured in a reasonable period as determined solely by the University Board, 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.

Greater Heights Academy
Contract Amendment No. 1

Tab 2

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.
- (e) Is a current Academy Board member.

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.

Greater Heights Academy
Contract Amendment No. 1

Tab 3

EDUCATIONAL PROGRAMS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver, and support the educational programs identified in this schedule.

Mission Statement

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

Vision Statement

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

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

Values

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

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

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

Further, the mission indicates all students have the capability to learn. The MTSS program ensures no child is left behind and students receive quality instruction to meet individual needs. The mission also addresses creating educational success through positive family, school and community partnerships. The staff and administration at the Academy realize that parents are a child’s first teacher. Parent input is crucial to the success of each student and the Academy communicates regularly with families regarding the progress and success of their students.

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

Educational Program Delivery

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

The Academy's core instruction:

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

Curriculum

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

The Academy is a K-6 school; if enrollment reaches the necessary counts, a Young 5's classroom will be included within the kindergarten classrooms. The Academy's Young 5's program focuses on a slower pace of learning using the current kindergarten curriculum. The slower pace allows for more instruction and practice, as needed, for individual needs to be met.

Teaching is focused on mastery of foundational skills for reading and concept development in math. Social skills are also a priority for instruction. Working and playing cooperatively and following classroom and school rules and procedures are the competencies of the young 5's program. By supporting and encouraging our youngest scholars; the success of the program positively impacts the future academic performance of our scholars giving them a solid foundation of skills necessary for grade level learning. Upon enrollment, students are academically screened and placed in Young 5's based on age and performance level. In the State of Michigan, children have the option of going to a Young 5s program if they turn 5 between June 1st and September 1st of that school year. Parents can sign a waiver to enroll children if they will be 5 before December 1st of that school year.

The Academy's kindergarten through sixth grade classrooms are self-contained, allowing for flexibility and ample time for differentiating instruction. In working as a collaborative team, daily schedules are planned to maximize student potential. The Academy has established the expectations regarding individual schedules. English language arts ("ELA") instruction is a minimum of 120-minute blocks incorporating reading and writing instruction with a deliberate focus on integrating social studies.

Mathematics instruction receives a minimum of a 90-minute block, which also provides for deliberate cross-curricular integration. The science block is a minimum of 45 minutes daily, which allows students to engage in in-depth projects and explorations whose content is reinforced during daily ELA and math blocks.

Reading

A balanced literacy approach is used in kindergarten through sixth grade to teach reading and writing. The tier I instructional curriculum, Into Reading™ by Houghton Mifflin Harcourt is a comprehensive ELA program offering guided instruction in both reading and writing. Teachers develop lesson plans utilizing these materials as a guide. Individual lesson plans include the MAS and assessments.

For tier-II instruction, reading interventionists use Fountas Pinnell’s Leveled Literacy Intervention System, as well as Fountas and Pinnell’s guided reading library that will be utilized by teachers for small group guided reading instruction.

Writing

Kindergarten through sixth grade teachers implement the writing component of the Into Reading curriculum. Teachers develop lesson plans utilizing this material as a guide. Individual lesson plans include the MAS and assessments from the curriculum.

Math

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

Social Studies

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

Science

Kindergarten through sixth-grade instruction is guided by the Amplify Science curriculum. Students examine science concepts and theories guided by the Next Generation Science Standards (“NGSS”). Opportunities to conduct hands-on investigations assist students in applying concepts, problem-solving strategies, and making connections to the real world.

Health

The Michigan Model for Health™ curriculum provides staff the resources to teach health. The health curriculum is instructed utilizing a live event learning model in addition to a variety of hands-on lessons.

Specials

In addition to the core content areas, the Academy provides instruction in specials courses; these courses may include, but are not limited to: Spanish, music, physical education, robotics, art and technology. Specials classes are selected each year based on student preference and the availability of qualified staff. All specials courses are intended to provide enrichment opportunities and cross curricular support.

Educational Program Approaches--Research-based Strategies

A crucial component for success integrated into the daily schedule is common plan time for all instructional staff. When developing the schedule, this is the first piece that goes into the plan. If schools are to develop as professional learning communities, collaboration must be embedded into the daily routine practices (Dufour, Dufour, & Eaker, 2006). Common planning time allows for shared leadership opportunities as well as establishing a mentoring program amongst staff. The Academy institutes grade level planning times and, when possible, plans the daily schedule to accommodate vertical planning.

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

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

Specific curriculum initiatives embedded in classroom instruction include, but are not limited to, standards-based reporting, differentiated instruction and reader and writer's workshop. The Academy's standards-based reporting is based upon the research of Ken O'Connor (2002). The goal, in regard to grading, is to create a system with accurate grades. In order to make grades

accurate, behaviors and attitudes must be separate from the academic portion of the reporting system. Content area teachers are provided a separate section for citizenship on the report card. This alleviates the need to embed citizenship grades into the academic portion. Students who are demonstrating positive choices in regards to responsibility are recognized. Consequences and remediation steps are taken to curb negative behaviors such as late and missing work.

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

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

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

The reader's workshop and writer's workshop models are built into the *Into Reading* units of instruction in all modules. All ELA teachers run workshops utilizing the four structures: mini-lesson, independent writing, conferring/conferencing, and sharing. No portion holds more value than another, and assessment does not only occur at the end of a unit or completion of a piece, but rather is continuous. Evidence has demonstrated that in order to provide more accurate information to parents, students, and staff, the assessments (formative and summative) must also occur within the creation of the writing piece.

Adaptations and Modifications

Instructional planning at the Academy is focused upon ensuring student success. The result is a curriculum that allows students to derive meaning from all educational experiences. Instructors

believe active student engagement is a key feature of student success and there is an expectation that all teachers design lessons and assessments that engage students.

The Academy's core curriculum:

Is available to all children.

Is preventative and proactive.

Includes, but is not limited to:

- differentiated instruction by adaptations.
- use of diagnostic assessments.
- small, flexible groups.
- curriculum that is scaffolded.
- data-driven decisions and progress monitoring.

Multi-Tiered Systems of Support

The Academy subscribes to a four “tiered” MTSS structure:

Tier I is subject area classroom instruction (general education students and special education students). Teachers use differentiated instruction, when possible, to meet student needs. Frequent formative assessments determine the extent to which content is learned prior to a summative assessment. Summative assessments in the form of unit tests, papers, projects, presentations and demonstrations, indicate mastery of content. If students do not master the given content, teachers reteach and reassess as necessary.

Tier II encompasses the classroom instruction outlined above and additional “needs-based learning.” Students who are identified through standardized assessments and teacher observation as performing below grade level receive additional support in the classroom. This support could come from the classroom teacher or an interventionist assigned to the classroom. These students receive more frequent progress monitoring to determine academic growth. Tier II students are supported and monitored for 10 weeks. If students have an Individualized Educational Program (“IEP”) goal, the student is not supported by an interventionist, as the student is supported by special education staff.

Tier III encompasses Tier I and II instruction with the addition of “individualized learning.” Students who do not make accelerated progress after 10 weeks of receiving Tier II instruction are identified as Tier III students. An interventionist, services targeted students outside of the classroom (not during core instruction). A learning plan is formulated to the specific student's needs, along with individualized assessments. If the student is not making accelerated progress after five weeks, a child study is initiated and a student study team meets to recommend and implement additional strategies to assist the student. After a subsequent five week timeframe, if the student is not making accelerated progress to grade level, the student is referred to special education for testing.

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

Even though the pyramid is designed with a timeframe, there are extenuating circumstances where a child needs to be moved from one tier to another prior to the end of the designated timeframe. If this occurs, a leadership meeting is scheduled with the Intervention Coordinator(s), the Director of Special Education, Curriculum Director, Assistant Principal, and Principal/Superintendent. Information is presented and a decision for the individual child is made.

The Academy has taken into consideration that the majority of students who attend the school are from an urban setting. In response to this demographic, the Academy has incorporated a specific block of time dedicated to intervention for all students. Highly qualified staff are utilized for instruction during the intervention block. Formative assessments are implemented and analyzed on a daily basis to determine placement of students in the different subject area workshops.

Balanced Calendar

The Academy adopted a balanced calendar with the intent of increasing class time and decreasing summer loss of skills due to the extended break. Students have a 6-week summer rather than the traditional 10-week summer as required by MDEs state waiver. In addition, students typically have a 1-week intercession around the first marking period, a 2-week break in December, a 1-week intercession around the 3rd marking period, and a 2 week break in the spring. The intent of the decreased summer break and multiple breaks throughout the year is to lessen student stress as well as reduce the summer loss seen in schools adhering to the traditional school calendar. All breaks are confined to a two-week maximum.

Academic Day

The Academy's daily schedule affords students an intervention block as well as a morning meeting. The morning meeting is a way for teachers and students to share, communicate important messages, and establish the expectations for the day. The morning meeting not only builds a community within the classroom, but provides an opportunity for students to reflect on how to plan work. The intervention block provides additional time on task and allows students to receive small group instruction that is focused and intentional. Teachers and interventionists focus on a specific skill and provide additional practice and corrective feedback to increase student achievement.

Special Education Program

The Special Education Department works as a team consisting of special education teachers, speech pathologists, school social worker, occupational therapist, paraprofessionals, and a school psychologist to coordinate and provide services for students.

The full inclusion model is emphasized with students who have IEPs. Collaboration between general education staff and special education staff allows the inclusion model to be effective. Teachers work collaboratively by planning lessons, co-teaching, attending professional development opportunities and by researching and applying research-based teaching strategies. In addition to students having additional academic support to correspond with specific IEP goals, there are ancillary services available to enhance the learning potential such as speech therapy, occupational therapy and social work services.

It is the goal of the Special Education Department to act as a resource to the classroom teacher in the development and implementation of appropriate instructional and socialization strategies. Professional development opportunities, classroom presentations and school wide presentations are available to better educate all staff and students of the varied individual needs of specific disabilities.

The Academy is committed to offering creative and effective programming for students with special needs. The Special Education Department utilizes the resources available through the local Intermediate School District (Genesee ISD), Central Michigan University ("CMU") and the Michigan Department of Education.

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the IEP team, and together the team will make decisions that are subject to requirements regarding provision of the least restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible, or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act ("IDEIA") and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

Accelerated Program

The Academy's Accelerated Program is also a tiered model. Tier I utilizes a differentiated instruction approach and is designed to meet the unique learning styles, learning rates, interests, abilities and needs of the students within the general education classroom. Students in Tier II receive instruction from regular classroom teachers who provide advanced work and special activities. The instructors utilize differentiation, extended learning experiences, compacting of previously mastered information, consistent challenging curriculum, accelerated pace and discovery learning. Tier III consists of an individually designed program to meet the specific needs of the child. In this case, a student receives an individual schedule that allows the student to move

to a higher grade for instruction. It may be that the student moves for one content area or does an entire grade skip.

Students are selected to be involved in this program as a result of high scores on the state assessment, Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® Growth™ (“MAP®”), and through teacher recommendation. Homeroom teachers and all specials teachers are aware of, and have the responsibility to, oversee the students’ core academics and challenge these students in the specific areas of strength.

Assessment Plan

Student assessment is viewed as an essential component in the monitoring of student achievement. Aligned standardized assessments and periodic benchmark assessments as well as a variety of formative and culminating assessments are incorporated into daily practice. Assessments are aligned with the curriculum and instruction and have been designed by matching the appropriate measurement method to the type of learning targets (knowledge, reasoning, skill, performance or disposition).

Assessment data informs all instruction at the Academy. Frequent formative assessments are given to determine student learning during a unit of study. These formative assessments consist of, but are not limited to: “thumbs-up/down,” individual whiteboards for checking for understanding, entrance/exit cards, homework check, visual representations of learning, verbal answering, content area games, and written spot checks. Teachers are required to indicate formative assessments in lesson plans and keep anecdotal notes. Quarterly data drop meetings are held with the curriculum director and the reading/math classroom teachers. Additional data drop meetings are conducted by the intervention and special education departments. Individualized goals and action plans are a result of the aforementioned meetings.

Summative assessments take the form of unit tests, papers, projects, presentations and demonstrations to indicate mastery of content. Teachers reteach and reassess when necessary if students do not master the given content. Teachers are required to indicate summative assessments in lesson plans.

Standardized and other norm/criterion referenced assessments are outlined in a yearly “assessment calendar.” The assessments are given periodically and drive classroom instruction. Assessment data (e.g. NWEA MAP) is the driving force behind the intervention program (previously outlined). Developmental Reading Assessment® (“DRA”), Moby Max, Word Analysis and Michigan Literacy Progress Profile (“MLPP”) tasks, along with formative assessments, are used to inform reading instruction. Students are placed in leveled or strategy groups determined by performance on the aforementioned reading assessments. The Reader’s Workshop method of instruction (mini-lesson, guided reading/ conferring, independent reading/literature study and sharing) guides the reading classes.

Moby Max Math and Diagnostic Readiness assessments, along with formative assessments, are used to drive math instruction. Students work in differentiated groups to attain mastery of content.

In the core content areas of writing, science and social studies, as well as in specials classes, formative and teacher-generated summative assessments drive instruction. Cumulative grade level assessments are written by content area committees to indicate student progress over time. After analyzing the data, core committees determine effectiveness of grade level instruction.

Program Evaluation

The Academy utilizes a systematic process of evaluation to determine the effectiveness of the implementation, delivery and support of the Educational Program.

Formative Evaluation of Educational Program

Daily lesson plans are built from the Academy's adopted curriculum, *Into Reading* and *Eureka Math*. The units of instruction and pacing guides may incorporate the following:

- objectives with corresponding grade level content expectations
- theme/unit
- indication of cross-curricular activities
- indication of vocabulary
- rubrics/scoring guide
- formative assessment
- summative assessment
- indication of homework
- indication of writing
- indication of differentiated instruction

Teachers create daily lesson plans which focus intently on a daily learning objective, student misconceptions and assessment. The lesson plan is updated daily to include information on individual students' level of mastery on the daily lesson. This data is shared with MTSS staff and becomes an integral part of the Tier 2 process.

Content area curriculum chairs meet with the Director/Assistant Director/Curriculum Director on a monthly basis to ensure the staff is making progress in regards to the curriculum initiatives and school improvement goals. Curriculum chairs also meet with the instructional staff on a monthly basis. This time is dedicated to reviewing the school improvement plans as well as working on ensuring alignment of the curriculum to the MAS. Following the end of the second marking period, the curriculum chairs observe the staff implementing the lessons.

Summative Evaluation of Educational Program

In addition to the formative evaluation of programs, a summative process occurs as well. The Academy's performance appraisal is an integral part of the staff assessment, training and development process. Administration completes an evaluation for all teachers based on the Charlotte Danielson Framework for Teaching each year. The performance appraisal process measures teacher performance against an established framework based on best practices, achievement of Personal Development Objectives, and expected school improvement initiatives. The evaluation includes teacher performance-based assessment calculated on student achievement growth.

Each year, as part of continuing individual development, each teacher is asked to visit the classrooms of *at least* two other teachers to observe colleagues' teaching and operational methods.

This is designed to be an opportunity for teachers to learn from one another by observing other teachers in action. Documentation of the classroom visits is verified through the completion of an *observation summary* that lists key learning for the observer.

Timeline of Classroom Observations

Classroom Observations

Teachers receive both formal evaluations and informal observations yearly. One evaluation observation must be scheduled between the teacher and administrator, the second formal evaluation is unannounced. The typical observational cycle consists of the following steps:

- Pre-observation meeting to establish a focus for the observation;
- Observation;
- Post observation meeting to reflect and set goals.

This observational cycle is recursive based on an improvement model; as such it is never intended to be punitive in nature.

Resources

- Beth Newingham's Third Grade. (n.d.). *Hill Elementary School Troy Michigan*. Retrieved from <http://hill.troy.k12.mi.us/staff/bnewingham/myweb3/>
- Calkins, L. (2003). *Units of study for primary writing: A yearlong curriculum*. Portsmouth, NH: FirstHand.
- DuFour, R. B., DuFour, R., & Eaker, R. E. (2006). *Professional learning communities at work: Plan book*. Bloomington, IN: Solution Tree.
- Fountas, I. C., & Pinnell, G. S. (2001). *Guiding readers and writers: Teaching comprehension, genre, and content literacy*. Portsmouth, NH: Heinemann.
- O'Connor, K. (2002). *How to grade for learning: Linking grades to standards*. Arlington Heights, IL: SkyLight Professional Development.
- Danielson, C. (2014). The Framework for Teaching Evaluation Instrument.
www.danielsongroup.org

AMENDMENT NO. 2

to the
July 1, 2023 Contract to Charter
A Public School Academy and Related Documents

Issued To

GREATER HEIGHTS ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 2

GREATER HEIGHTS ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the “Contract”), dated July 1, 2023, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the “University Board”) to GREATER HEIGHTS ACADEMY (the “Academy”), as amended, the parties agree to further amend the Contract as follows:

- 1.) Amend Schedule 6: Physical Plant Description, by replacing the Subordinate Revenue Bond contained therein with the materials attached as Tab 1.

The changes identified in Section 1 shall have an effective date of December 18, 2024.

- 2.) Further amend Schedule 6: Physical Plant Description, by replacing the Promissory Note and Mortgage Agreement with Chemical Bank contained therein with the materials attached as Tab 2.

The changes identified in Section 2 shall have an effective date of January 13, 2025.

- 3.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 3.

The changes identified in Section 3 shall have an effective date of February 20, 2024.

- 4.) Amend the Terms and Conditions of Contract by replacing the language contained within Article IV, Section 4.5. Prohibition of Identified Family Relationships, subsection (b), with the language attached as Tab 4.

- 5.) Further amend the Terms and Conditions of Contract by inserting at the end of Article XII: General Terms, the language attached as Tab 5.

- 6.) Amend Schedule 2: Amended Bylaws, by replacing the language contained within Article XIII, Section 6. Contracts Between Corporation and Related Persons and Article IX: Indemnification, with the corresponding language attached as Tab 6.

- 7.) Amend Schedule 4: Oversight, Compliance and Reporting Agreement, by inserting at the end of Article II, Section 2.2. Compliance and Reporting Duties, the language attached as Tab 7.

The changes identified in Sections 4 through 7 shall become effective upon execution by the Designee of the University Board.

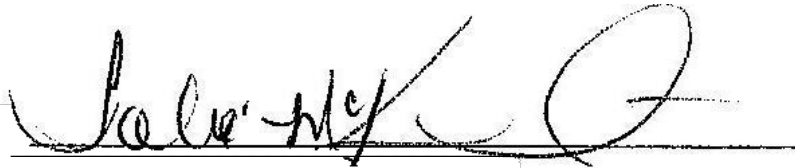
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This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees.



Dated: 05/05/2025

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



: 04/15/2025

By: J. McKnight
Greater Heights Academy
Designee of the Academy Board

Greater Heights Academy
Contract Amendment No. 2

Tab 1

EXECUTION VERSION

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE
GREATER HEIGHTS ACADEMY
PUBLIC SCHOOL ACADEMY SUBORDINATE REVENUE BOND, SERIES 2019
(GENERAL OBLIGATION)

Registered Owner: Charter Schools Development Corporation
Principal Amount: \$643,362.40
Interest Rate: 6.5%
Date of Issuance: December 18, 2024

FOR VALUE RECEIVED, Greater Heights Academy, County of Genesee, State of Michigan (the "Academy"), hereby acknowledges itself indebted and promises to pay, but only as provided in this Bond, to the Registered Owner specified above, or its registered assigns, the Principal Amount specified above in the principal installment amounts on the dates set forth on the attached Exhibit A, which is hereby incorporated and made part hereof, in lawful money of the United States of America together with interest thereon at the Interest Rate set forth above, commencing on December 18, 2024, and monthly thereafter on the last day of each month as set forth on the attached Exhibit A. Payments shall be made via ACH/auto debit from Academy's operating account. Interest on this Bond shall be computed on the basis of a 360-day year consisting of twelve months of thirty days each. The Academy agrees that it will deposit via ACH/auto debit with the Registered Owner payment of principal of and interest on this Bond in immediately available funds by 3:00 p.m. on the dates set forth on the attached Exhibit A.

Academy shall make payments of principal and interest based on a 15 year amortization schedule with a final payment due on the 60th month following the date of issuance.

This Bond is issued under and in pursuance of the provisions of Act 451, Public Acts of Michigan, 1976, as amended, a resolution adopted by the Board of Directors of the Academy on January 21, 2025 (the "Resolution"), and a loan agreement (the "Loan Agreement") dated December 18, 2019 between the Academy and the Registered Owner for the purpose of financing the Project as more fully described in the Resolution.

For the prompt payment of this Bond, both principal and interest, the subordinate full faith and credit of the Academy is hereby pledged. As further security for the repayment of the Bond, the Academy has granted to the Registered Owner a second lien mortgage (the "Mortgage") on the Academy's school facility as more fully described in the Resolution. This Bond is also subject to the terms and conditions of the Loan Agreement of even date herewith which is incorporated by reference.

Greater Heights Academy

The Bond is being issued on a subordinate basis to the Academy's full faith and credit pledge for the repayment of a certain Bond of even date herewith issued by the Academy to Chemical Bank and the first lien mortgage on the Project granted to Chemical Bank further securing the Chemical Bank Bond.

The Academy shall be precluded from incurring any additional indebtedness that is senior to the Mortgage and the subordinate full faith and credit pledge by the Academy under this Bond, except for that certain Bond of even date herewith issued by the Academy to Chemical Bank. With the written consent of the Registered Owner, the Academy may incur additional indebtedness secured by the Mortgage and on a parity basis with the subordinate full faith and credit pledge by the Academy under this Bond. Without the consent of the Registered Owner, the Academy may incur additional indebtedness subordinate to the Mortgage and the subordinate full faith and credit pledge by the Academy under this Bond.

THIS BOND IS A SUBORDINATE FULL FAITH AND CREDIT OBLIGATION OF THE ACADEMY PAYABLE SOLELY FROM THE ACADEMY'S FUNDS PLEDGED THEREFOR PURSUANT TO THE RESOLUTION. ALL STATE SCHOOL ACTS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE AND THE LEGISLATURE IS NOT REQUIRED TO APPROPRIATE MONIES FOR SUCH PURPOSE. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THE STATE OF MICHIGAN, CENTRAL MICHIGAN UNIVERSITY (THE "AUTHORIZING BODY" OF THE ACADEMY), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT NOR ANY TAXING POWERS OF THE STATE OF MICHIGAN, THE AUTHORIZING BODY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO THE PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THIS BOND. THE ACADEMY HAS NO TAXING POWER.

This Bond is transferable only upon the books of the Academy by the Registered Owner in person or the Registered Owner's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Academy, duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Resolution authorizing the Bond.

This Bond may be repaid in full at any time without penalty. Partial payoffs may be made no more than once per year and only upon 60 days written notice to the Registered Owner.

Any one of the following shall constitute an Event of Default hereunder:

Each of the following shall constitute an "**Event of Default**" under *this* Bond and the Loan Agreement:

1. **Payment Default.** Failure of the Academy to pay (i) on or before the due date thereof (subject to any applicable grace, notice or cure period provided in the Bond), any principal, interest or other sum owing on this Bond, or (ii) within ten (10) days after the giving of written notice, any sum otherwise owing to the Registered Owner.

2. **Performance Defaults.** Failure of the Academy to comply with or perform when due any other term, obligation, covenant or condition contained in the Loan Agreement, the Bond, the Mortgage or in any of the other Loan Documents (as defined in the Loan Agreement), or failure of Academy to comply with or to perform any other term, obligation, covenant or condition contained in any other agreement between Registered Owner and Academy.

Greater Heights Academy

3. **Receiver: Bankruptcy.** Should Academy (a) apply for or consent to the appointment of a receiver, trustee or liquidator of itself or any of its property, (b) admit in writing its inability to pay its debts as they mature, (c) make a general assignment for the benefit of creditors, (d) be adjudicated a bankrupt or insolvent, (e) file a voluntary petition in bankruptcy or a petition or an answer seeking reorganization or an arrangement with creditors or to take advantage of any bankruptcy, reorganization, insolvency, readjustment of debt, dissolution or liquidation law or statute, or an answer admitting the material allegations of a petition filed against it in any proceeding under any such law or if corporate action shall be taken by Academy for the purposes of effecting any of the foregoing, or (f) by any act indicate its consent to, approval of or acquiescence in any such proceeding or the appointment of any receiver of or trustee for any of its property, or permit any such, receivership, trusteeship or proceeding to continue undischarged for a period of sixty (60) days.

4. **Default in Favor of Third Parties.** Should a default beyond the expiration of any stated grace or cure period occur under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Academy's property or Academy's ability to repay this Bond or perform Academy's Obligations under the Loan Agreement or any of the other Loan Documents or any Guarantor's ability to perform any of his or its obligations under the Guaranty as set forth in the Loan Agreement.

5. **False Statements.** Any warranty, representation or statement made or furnished to Registered Owner by or on behalf of Academy or any Guarantor as set forth in the Loan Agreement is false or misleading in any material respect at the time made or furnished, or becomes false or misleading at any time thereafter.

6. **Defective Collateralization.** This Bond or any of the other Loan Documents ceases to be in full force and effect (including failure of any provision purporting to grant perfected security interest to create a valid and perfected security interest) at any time and for any reason.

7. **Insolvency.** The dissolution or termination of Academy's existence as a going business, or a trustee or receiver is appointed for Academy or for all or a substantial portion of the assets of Academy, or Academy makes a general assignment for the benefit of Academy's creditors.

8. **Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Academy, any creditor of any collateral securing this Bond, or by any governmental agency. This includes a garnishment, attachment, or levy on or of any of Academy's deposit accounts with Registered Owner. However, this Event of Default shall not apply if there is a good faith dispute by Academy as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding, and if Academy gives Registered Owner written notice of the creditor or forfeiture proceeding and furnishes reserves or a surety bond for the creditor or forfeiture proceeding satisfactory to Registered Owner.

9. **Material Adverse Effect.** Registered Owner determines that a Material Adverse Effect (as defined in the Loan Agreement) has occurred, or Registered Owner believes the prospect of payment or performance of this Bond is impaired.

10. **Insecurity.** Registered Owner, in good faith, deems itself insecure.

Greater Heights Academy

11. **Change in Ownership; Alienation of Title.** Any change in the ownership or control of Academy or any change in the legal or equitable title to the Property (as defined in the Loan Agreement).

12. **Judgment.** Unless adequately insured in the opinion of Registered Owner, the entry of a final judgment for the payment of money involving more than \$10,000.00 against Academy and the failure by Academy to discharge the same, or cause it to be discharged, within thirty (30) days from the date of the order, decree or process under which or pursuant to which such judgment was entered, or to secure a stay of execution pending appeal of such judgment.

13. **Execution; Attachment.** Any execution or attachment shall be levied against the Collateral (as defined in the Loan Agreement), or any part thereof, and such execution or attachment shall not be set aside, discharged or stayed within thirty (30) days after the same shall have been levied.

14. **Right to Cure.** If any default, other than a default under Sections 1, 3, 6, 7, 8, 11, 12 or 13 above (for which no additional notice or cure period shall be provided), is curable and if Academy has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Academy, after receiving written notice from Registered Owner demanding cure of such default: (a) cures the default within ten (10) days or such other time frame as otherwise specifically provided for herein; or (b) if the cure requires more than ten (10) days, immediately initiates steps that Registered Owner deems in Registered Owner's sole discretion to be sufficient to cure the default and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical. Nothing in this Section 14 shall require Registered Owner to provide Academy with an additional ten (10) days to cure any event of default occurring hereunder or under any of the other Loan Documents, which event of default was not cured within any applicable grace period provided therein.

Upon the occurrence and continuation of any Event of Default hereunder, the Registered Owner has all rights and remedies as set forth in Article IX of the Loan Agreement.

No remedy by the terms of this Bond is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Registered Owner now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default, or acquiescence therein; and every such right and power may be exercised from time to time and as often as may be deemed expedient. No waiver of any default or Event of Default hereunder, whether by the Registered Owner, shall extend to or shall affect any subsequent default or Event of Default or shall impair any rights or remedies consequent thereon.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the issuance of this Bond, existed, have happened and have been performed in due time, folio and manner, as required by the Constitution and statutes of the State of Michigan, and that the amount of this Bond together with all other indebtedness of the Academy does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the Greater Heights Academy, Genesee County, Michigan, by its

Greater Heights Academy

a Michigan nonprofit corporation

By: 

Name: Matt Stracy

Title: Board President

Greater Heights Academy

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____
_____ Tax Identification or Social Security No. _____
the within Bond and all rights thereunder, and hereby constitutes and appoints attorney, to transfer the
within Bond on the books kept for registration thereof, with full] power of substitution in the premises.

Dated : _____

Notice: The signature to this assignment must
correspond with the name as it appears on the
registration books every particular without alteration
or enlargement or any change whatsoever.

EXHIBIT A

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS

[See Amortization Schedule Attached]

Greater Heights NR# 162410.0001

Computation Interval: Monthly

Nominal Annual Rate: 6.500%

Cash Flow Data - Loans and Payments

Event	Date	Amount	Number	Period	End Date
1 Loan	12/18/2024	643,362.40	1		
2 Payment	01/01/2025	6,982.17	59	Monthly	11/01/2029
3 Payment	12/01/2029	400,620.97	1		

TValue Amortization Schedule - U.S. Rule, 360 Day Year

Date	Payment	Interest	Principal	Balance
Loan 12/18/2024				643,362.40
1 01/01/2025	6,982.17	1,626.28	5,355.89	638,006.51
2 02/01/2025	6,982.17	3,455.87	3,526.30	634,480.21
3 03/01/2025	6,982.17	3,436.77	3,545.40	630,934.81
4 04/01/2025	6,982.17	3,417.56	3,564.61	627,370.20
5 05/01/2025	6,982.17	3,398.26	3,583.91	623,786.29
6 06/01/2025	6,982.17	3,378.84	3,603.33	620,182.96
7 07/01/2025	6,982.17	3,359.32	3,622.85	616,560.11
8 08/01/2025	6,982.17	3,339.70	3,642.47	612,917.64
9 09/01/2025	6,982.17	3,319.97	3,662.20	609,255.44
10 10/01/2025	6,982.17	3,300.13	3,682.04	605,573.40
11 11/01/2025	6,982.17	3,280.19	3,701.98	601,871.42
12 12/01/2025	6,982.17	3,260.14	3,722.03	598,149.39
13 01/01/2026	6,982.17	3,239.98	3,742.19	594,407.20
14 02/01/2026	6,982.17	3,219.71	3,762.46	590,644.74
15 03/01/2026	6,982.17	3,199.33	3,782.84	586,861.90
16 04/01/2026	6,982.17	3,178.84	3,803.33	583,058.57
17 05/01/2026	6,982.17	3,158.23	3,823.94	579,234.63
18 06/01/2026	6,982.17	3,137.52	3,844.65	575,389.98
19 07/01/2026	6,982.17	3,116.70	3,865.47	571,524.51
20 08/01/2026	6,982.17	3,095.76	3,886.41	567,638.10
21 09/01/2026	6,982.17	3,074.71	3,907.46	563,730.64
22 10/01/2026	6,982.17	3,053.54	3,928.63	559,802.01
23 11/01/2026	6,982.17	3,032.26	3,949.91	555,852.10
24 12/01/2026	6,982.17	3,010.87	3,971.30	551,880.80
25 01/01/2027	6,982.17	2,989.35	3,992.82	547,887.98
26 02/01/2027	6,982.17	2,967.73	4,014.44	543,873.54
27 03/01/2027	6,982.17	2,945.98	4,036.19	539,837.35
28 04/01/2027	6,982.17	2,924.12	4,058.05	535,779.30
29 05/01/2027	6,982.17	2,902.14	4,080.03	531,699.27
30 06/01/2027	6,982.17	2,880.04	4,102.13	527,597.14
31 07/01/2027	6,982.17	2,857.82	4,124.35	523,472.79
32 08/01/2027	6,982.17	2,835.48	4,146.69	519,326.10
33 09/01/2027	6,982.17	2,813.02	4,169.15	515,156.95
34 10/01/2027	6,982.17	2,790.43	4,191.74	510,965.21
35 11/01/2027	6,982.17	2,767.73	4,214.44	506,750.77
36 12/01/2027	6,982.17	2,744.90	4,237.27	502,513.50
37 01/01/2028	6,982.17	2,721.95	4,260.22	498,253.28
38 02/01/2028	6,982.17	2,698.87	4,283.30	493,969.98
39 03/01/2028	6,982.17	2,675.67	4,306.50	489,663.48
40 04/01/2028	6,982.17	2,652.34	4,329.83	485,333.65
41 05/01/2028	6,982.17	2,628.89	4,353.28	480,980.37
42 06/01/2028	6,982.17	2,605.31	4,376.86	476,603.51
43 07/01/2028	6,982.17	2,581.60	4,400.57	472,202.94
44 08/01/2028	6,982.17	2,557.77	4,424.40	467,778.54
45 09/01/2028	6,982.17	2,533.80	4,448.37	463,330.17
46 10/01/2028	6,982.17	2,509.71	4,472.46	458,857.71
47 11/01/2028	6,982.17	2,485.48	4,496.69	454,361.02
48 12/01/2028	6,982.17	2,461.12	4,521.05	449,839.97
49 01/01/2029	6,982.17	2,436.63	4,545.54	445,294.43
50 02/01/2029	6,982.17	2,412.01	4,570.16	440,724.27
51 03/01/2029	6,982.17	2,387.26	4,594.91	436,129.36
52 04/01/2029	6,982.17	2,362.37	4,619.80	431,509.56
53 05/01/2029	6,982.17	2,337.34	4,644.83	426,864.73
54 06/01/2029	6,982.17	2,312.18	4,669.99	422,194.74
55 07/01/2029	6,982.17	2,286.89	4,695.28	417,499.46
56 08/01/2029	6,982.17	2,261.46	4,720.71	412,778.75
57 09/01/2029	6,982.17	2,235.88	4,746.29	408,032.46
58 10/01/2029	6,982.17	2,210.18	4,771.99	403,260.47
59 11/01/2029	6,982.17	2,184.33	4,797.84	398,462.63
60 12/01/2029	400,620.97	2,158.34	398,462.63	0
Grand Totals	812,569.00	169,206.60	643,362.40	

ANNUAL PERCENTAGE RATE	FINANCE CHARGE	Amount Financed	Total of Payments
The cost of your credit as a yearly rate.	The dollar amount the credit will cost you.	The amount of credit provided to you or on your behalf.	The amount you will have paid after you have made all payments as scheduled.
6.500%	\$169,206.60	\$643,362.40	\$812,569.00

Greater Heights Academy
Contract Amendment No. 2

Tab 2

**UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF GENESEE**

**GREATER HEIGHTS ACADEMY
PUBLIC SCHOOL ACADEMY REFUNDING BOND, SERIES 2025
(GENERAL OBLIGATION)**

Registered Owner: The Huntington National Bank

Principal Amount: \$808,083

Date of Issuance: January 13, 2025

FOR VALUE RECEIVED, Greater Heights Academy, County of Genesee, State of Michigan (the “Academy”), hereby acknowledges itself indebted and promises to pay, but only as provided in this Bond, to the Registered Owner specified above, or its registered assigns, the Principal Amount specified above in the principal installment amounts as set forth herein commencing on January 24, 2025 and monthly thereafter (each a “Bond Payment Date”) with a final maturity of December 24, 2029 (the “Maturity Date”), in lawful money of the United States of America, together with interest thereon at the interest rate set forth herein payable on each Bond Payment Date. The Bond shall bear interest at the rate of 5.67% per annual with interest calculated based on a 365/360-day year for the actual number of days outstanding. The principal and interest due on each Bond Payment Date through the Maturity Date are set forth in Exhibit A, which is incorporated and made a part hereof. The Academy agrees that it will deposit with the Registered Owner payment of principal of and interest on this Bond in immediately available funds by 3:00 p.m. on each Bond Payment Date. Capitalized terms not otherwise defined herein shall have the meaning ascribed such terms in the Bond Purchase Agreement, dated January 13, 2025, between the Registered Owner and the Academy (the “Bond Purchase Agreement”).

This Bond is issued under and in pursuance of the provisions of Act 451, Public Acts of Michigan, 1976, as amended, for the purpose of refunding the Academy’s outstanding Promissory Note, dated December 19, 2019, as more fully described in the Resolution adopted by the Board of Directors of the Academy on December 17, 2024, approving the issuance of this Bond (the “Resolution”). For the prompt payment of this Bond, both principal and interest, the full faith and credit of the Academy is hereby pledged. As further security for the repayment of this Bond, the

Greater Heights Academy

Academy has granted to the Registered Owner a first lien mortgage (the “Mortgage”) and Assignment of Rents on the Academy’s Facility as more fully described in the Resolution.

THIS BOND IS A FULL FAITH AND CREDIT OBLIGATION OF THE ACADEMY PAYABLE SOLELY FROM THE ACADEMY’S FUNDS PLEDGED THEREFOR PURSUANT TO THE RESOLUTION. ALL STATE SCHOOL AID IS SUBJECT TO ANNUAL APPROPRIATION BY THE STATE LEGISLATURE AND THE LEGISLATURE IS NOT REQUIRED TO APPROPRIATE MONIES FOR SUCH PURPOSE. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THE STATE OF MICHIGAN, THE CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (THE “AUTHORIZING BODY” OF THE ACADEMY), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT NOR ANY TAXING POWERS OF THE STATE OF MICHIGAN, THE AUTHORIZING BODY OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO THE PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THIS BOND. THE ACADEMY HAS NO TAXING POWER.

The obligations of the Academy under this Bond shall be absolute, unconditional and shall remain in full force and effect until the entire principal of, premium, if any, and interest on this Bond shall have been paid or duly provided for, and such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not with notice to, or the consent of, the Academy:

- (a) The amendment, waiver, compromise, settlement, release or termination of any or all of the obligations, covenants or agreements of the Academy contained in this Bond, or of the payment, performance or observance thereof;
- (b) The failure to give notice to the Academy of the occurrence of an Event of Default or a default under the terms and provisions of the Bond Purchase Agreement, this Bond, or any Related Document;
- (c) The invalidity, unenforceability or termination of any of the Related Documents;
- (d) The waiver, compromise, settlement, release or termination of the Academy's obligations, covenants or agreements under the Related Documents or of the payment, performance or observance thereof;
- (e) The existence of any claim, set off, defense or other right which the Academy may have at any time against the Registered Owner, or any other person or entity, whether in connection with any of the Related Documents, the transactions contemplated herein or therein or any unrelated transactions;

Greater Heights Academy

(f) The extension of the time for payment of any principal of, premium, if any, or interest, and all other amounts owing or payable on this Bond, or of the time for performance of any obligations, covenants or agreements under or arising out of the Related Documents, or the extension or the renewal of any thereof;

(g) The modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in the Related Documents;

(h) The taking or the omission of any of the actions referred to in any of the Related Documents;

(i) Any failure, omission, delay or lack on the part of the Academy or the Registered Owner to enforce, assert or exercise any right, power or remedy conferred on the Academy or the Registered Owner in any of the Related Documents, or any other act or acts on the part of the Academy, the Registered Owner, or any of the holders from time to time of this Bond;

(j) The voluntary or involuntary liquidation, dissolution, sale or other disposition (other than by way of mortgage or granting of security interest to secure borrowing of the Academy) of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting the Academy, or any lessee of the Facility financed or refinanced with the proceeds of this Bond, or any of the assets of any of them, or any allegation or contest of the validity of the Related Documents, or the disaffirmance of any of the foregoing;

(k) To the extent permitted by law, any event or action that would, in the absence of this clause, result in the release or discharge by operation of law of the Academy from the performance or observance of any obligation, covenant or agreement contained in this Bond; or

(l) The default or failure of the Academy fully to perform any of its obligations set forth in this Bond.

If any regularly scheduled, monthly payment of principal or interest on this Bond is not paid within 7 days after it is due, then the Academy must immediately pay to Registered Owner, at Registered Owner's option, a late charge in an amount equal to five percent (5%) of the amount past due as of the date the payment was due. This late charge is in addition to Registered Owner's other rights and remedies for default in payment of an installment of principal or interest when due. Registered Owner may impose a non-sufficient funds fee for any check that is presented for payment that is returned for any reason. This Bond may be prepaid in whole or in part prior to maturity at the option of the Academy at any time upon fifteen (15) days prior written notice to the Registered Owner, at par plus accrued interest to the prepayment date. The Academy

Greater Heights Academy

acknowledges and agrees that the Registered Owner has agreed to purchase and hold this Bond only until the Maturity Date.

If interest on this Bond is determined to be taxable for any reason, in addition to the amounts required to be paid with respect to this Bond, the Academy shall be obligated to pay to the Registered Owner the positive difference, if any, between the amount of interest that would have been paid during the period of taxability if this Bond had borne interest at a taxable rate as determined by the Bank and the interest actually received by the Bank with respect to this Bond.

Continuing Covenants

So long as this Bond remains outstanding or any amount is due or owing to the Registered Owner hereunder, unless the Registered Owner shall otherwise consent in writing, the Academy hereby agrees that it shall:

(a) *Subordination of CSDC Loan.* The outstanding Public School Academy Revenue Bond, Series 2019, in the original principal amount of \$857,000, issued by the Academy to the Charter School Development Corporation ("CSDC Loan"), shall be subordinate in all respects to this Bond and the collateral pledged by the Academy for the repayment of this Bond, including but not limited to the pledge of State School Aid and the first lien mortgage granted by the Academy on its Facility, until this Bond is repaid in full. The Academy shall cause CSDC to execute such documents of subordination that may be required by the Registered Owner.

(b) *Reporting Requirements.* The Academy shall keep proper books of record and account in accordance with generally accepted principles of accounting applicable to governmental entities such as the Academy. For so long as this Bond remains outstanding, the Academy shall provide to the Registered Owner the following information disclosures: (i) a copy of the Academy's adopted annual budget for the present fiscal year and future fiscal years, as applicable; (ii) a copy of revisions, if any, to the Academy's annual budget as approved by its governing board; (iii) a copy of the Academy's audited financial statements for such fiscal year reflecting in reasonable detail the financial position and results of operation of the Academy, together with the audit report by a certified public accountant or firm of independent certified public accountants of suitable experience and responsibility, together with a copy of any management letter delivered by the auditors in connection with such financial statements, to be delivered no later than 120 days after the end of each fiscal year of the Academy; and (iv) copies of all communications with the Authorizing Body and promptly upon receipt by the Academy from the Authorizing Body, a copy of any report or notification required under the charter contract with the Authorizing Body regarding non-renewal, termination, violations or possible violations of the terms of the charter contract or any concerns or potential concerns the Authorizing Body may have regarding the Academy, including without limitation, such reports or notifications, including notifications via telephonic communications, which would give grounds for the Authorizing Body to begin the revocation process, as well as any

Greater Heights Academy

response by the Academy required under the terms of the charter contract with the Authorizing Body; and (v) such additional information as the Registered Owner may request from time to time.

(c) *No Additional Senior or Parity Debt.* The Academy shall not create, incur, guaranty or otherwise become directly or indirectly liable with respect to any obligation or indebtedness for borrowed money on a senior or parity basis with this Bond, except for State Aid notes for cash flow borrowings of the Academy that are secured on a parity basis with this Bond.

(d) *Compliance with Laws.* The Academy shall comply with all federal, state and local laws, regulations and orders that apply to the Academy or its assets that are material to the Academy's business or assets. The Academy shall obtain and maintain any and all licenses, permits, franchises, governmental authorizations or other rights that are necessary for the conduct of the Academy's business and ownership of its assets or that are required by applicable law from time to time.

(e) *Certification of Beneficial Owners and Other Additional Information.* Provide: (i) such information and documentation as may reasonably be requested by the Registered Owner from time to time for purposes of compliance by the Registered Owner with applicable laws (including without limitation the USA PATRIOT Act and other "know your customer" and anti-money laundering rules and regulations), and any policy or procedure implemented by the Registered Owner to comply therewith; and (ii) if the Academy is or was required to deliver a Certification of Beneficial Owners to the Registered Owner, (a) confirmation of the accuracy of the information set forth in the most recent Certification of Beneficial Owners provided to the Registered Owner, as and when requested by the Registered Owner; and (b) a new Certification of Beneficial Owners in form and substance acceptable to the Registered Owner when the individual(s) identified as a controlling party and/or a direct or indirect individual owner on the most recent Certification of Beneficial Owners provided to the Registered Owner have changed.

(f) *Inspection of Records.* Upon reasonable request of the Registered Owner and during normal business hours, the Academy will give the Registered Owner or any agent or counsel therefor, access to and permission to examine, copy or make excerpts from, any and all books, records and documents under control of the Academy relating to the financial condition of the Academy.

(f) *Enrollment.* The Academy shall have on the Closing Date and maintain throughout the term of this Bond an enrollment at a level to generate sufficient State Aid to support the payment of the principal of and interest on this Bond. The Academy shall provide evidence of such enrollment as required by the Registered Owner.

(g) *Maintain Existence; Permits and Licenses; Transfer of Assets.* The Academy covenants and agrees that for so long as this Bond remains outstanding:

Greater Heights Academy

(i) it shall maintain its existence as a public school academy under Michigan law, including without limitation, maintain, renew and/or extend its charter contract with the Authorizing Body or another authorizing body and shall operate its Facility as a public school academy which will produce sufficient available revenues to pay the debt service and all other amounts due and owing under this Bond; the Academy, to the extent applicable, shall maintain, renew and/or extend its management contract with a management company; and the Academy shall provide Registered Owner with written evidence of the renewal/extension of its charter contract and management contract within 30 days of such renewal/extension.

(ii) it will do, or cause to be done, all things necessary to obtain, renew and secure all permits, licenses and other governmental approvals and to comply, or cause its lessees, if any, to comply, with such permits, licenses and other governmental approvals necessary for operation of the Academy as a public school academy; and

(iii) it may not transfer or sell any of its assets without the prior written consent of the Registered Owner, except that the Academy may: (A) transfer assets having a fair value of less than \$25,000 in a given school year without adequate consideration and (B) sell assets for fair market value as determined by a qualified appraiser.

(h) *Maintain Insurance.* The Academy shall maintain insurance against fire, theft, and other casualty on its insurable real and personal property at full replacement cost with policy terms and conditions and companies acceptable to the Registered Owner and maintain insurance against liability on account of damage to persons or property as required under all workers' compensation laws. Also, the Academy shall maintain any other insurance as may from time to time be reasonably requested by the Registered Owner and, upon request, shall deliver certified copies of all such insurance policies to the Registered Owner. All policies are subject to Registered Owner's approval of amounts, deductibles, co-insurance and other policy provisions and carriers.

(i) *Banking Services.* The Academy shall establish and maintain its primary depository account with the Registered Owner at all times while this Bond is outstanding.

(j) *Financial Covenants.* The Academy shall maintain, as of June 30 of each year, a minimum Debt Service Coverage Ratio of not less than 1.20 to 1.00 commencing on June 30, 2025. "***Debt Service Coverage Ratio***" means the ratio of the Academy's Cash Flow Available for Debt Service divided by the Academy's required annual Debt Service for the most recently completed fiscal year. As used herein, "***Cash Flow Available for Debt Service***" means the change in unrestricted net assets plus/minus unrealized gains or losses on investments plus depreciation expense plus interest expense plus/minus other non-cash gains or losses plus/minus one-time gains or losses, and "***Debt Service***" means all required principal and interest payments due during the Academy's fiscal year. The Academy shall furnish the Registered Owner with a certificate of an authorized officer of the Academy stating that the Academy is in compliance with the Debt Service

Greater Heights Academy

Coverage Ratio covenant set forth above, containing detailed calculations of such covenant for the period then ended. Such certificate shall be provided annually, not later than 120 days after the end of each fiscal year of the Academy, commencing with the fiscal year ending on June 30, 2025.

Any one of the following shall constitute an Event of Default hereunder:

(a) *Payment.* If the Academy defaults in the payment of the amounts due under this Bond or if the Academy defaults in the payment of principal or interest of any other Registered Owner Indebtedness, and the payment default is not cured (i) within ten (10) days after payment was due, or (ii) within then (10) days after a demand for payment in full during the existence of an Event of Default.

(b) *Performance.* If the Academy fails to perform any of the Academy's other obligations under, or to comply with any of the terms, conditions and covenants that are contained in, the Bond Purchase Agreement, this Bond or any other Related Documents or other agreement, document or instrument that the Academy has given or in the future gives to Registered Owner, and such performance default continues uncured for a period of thirty (30) days after notice from the Registered Owner, except that such notice will not be required in respect of any default that is not capable of being cured or after the maturity date of this Bond.

(c) *Other Indebtedness.* If the Academy defaults in the payment of any Indebtedness that the Academy at any time owes to any other Person within applicable grace periods or periods to cure resulting in a demand for such Indebtedness to be paid in full, except to the extent that the Academy is in good faith disputing the payment.

(d) *Warranties and Representations.* If any warranty or representation that the Academy makes in the Bond Purchase Agreement or in this Bond or any statement, warranty or representation that the Academy has made or in the future makes in any other Related Documents, certificate, report or other document, instrument or agreement that is delivered under the Bond Purchase Agreement or in this Bond is false or inaccurate in any material respect when made.

(e) *Voluntary Proceedings.* If the Academy (i) applies for or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of the Academy or of all or a substantial part of the Academy's property, (ii) is generally unable to pay its debts as they become due, (iii) makes a general assignment for the benefit of its creditors, (iv) starts a voluntary case under the federal Bankruptcy Code (as now or in the future in effect), (v) files a petition that seeks to take advantage of any other law that provides for the relief of debtors, (vi) fails to controvert in a timely or appropriate manner, or acquiesces in writing to, any petition that is filed against the Academy in any involuntary case under the Bankruptcy Code or (vii) takes any action for the purpose of effecting any of the foregoing.

Greater Heights Academy

(f) *Involuntary Proceedings.* If a proceeding or case is started in any court of competent jurisdiction and is not dismissed within sixty (60) days seeking (i) the liquidation, reorganization, dissolution, winding up or composition or readjustment of the Academy or the Academy's assets or the appointment of a trustee, receiver, custodian, liquidator or the like of the Academy or of all or any substantial part of the assets of the Academy or (ii) similar relief in respect of the Academy under any law that provides for the relief of debtors; or if an order for relief against the Academy is entered in an involuntary case under the Bankruptcy Code.

Upon the occurrence of any such Event of Default (taking into account any applicable notice or cure period), this Bond shall bear interest at the Default Rate. For purposes of this Bond, "***Default Rate***" shall be an interest rate equal to the interest rate which would otherwise be in effect plus an interest rate spread of 500 basis points (5.00%). In addition, all or any part of the indebtedness evidenced by this Bond and all or any part of all other indebtedness and obligations that the Academy then owes to Registered Owner will, at the option of the Registered Owner, become immediately due and payable without notice or demand. If any levy, writ of attachment, garnishment, execution or similar process is issued against or placed upon any material property of the Academy, which is not released or discharged within sixty (60) days, then all such indebtedness will automatically become immediately due and payable. All or any part of the indebtedness evidenced by this Bond also may become, or may be declared to be, immediately due and payable under the terms and conditions contained in any Related Documents or other agreement that has been or in the future is entered into between the Academy and Registered Owner.

After an Event of Default, Registered Owner has and will have the right to set off any indebtedness that Registered Owner from time to time owes to the Academy, including, without limitation, any indebtedness that is represented by any deposit account that the Academy maintains with Registered Owner, against any indebtedness that is at any time due and payable by the Academy to Registered Owner.

Registered Owner has and will have all rights and remedies that the law and any agreement of the Academy provide. Any requirement of reasonable notice with respect to any sale or other disposition of Collateral will be met if Registered Owner sends the notice at least ten (10) days before the date of sale or other disposition. The Academy must reimburse Registered Owner for any and all expenses, including reasonable attorney fees and legal expenses that Registered Owner pays or incurs in protecting and enforcing the rights of and obligations to Registered Owner under any provision of this Bond or any Related Document.

Each right and remedy granted to Registered Owner in this Bond or in any other Related Documents or allowed to Registered Owner by law will be cumulative and may be exercised from time to time. No failure on the part of Registered Owner to exercise, and no delay in exercising, any right or remedy will be a waiver of that right or remedy or a waiver of any other

Greater Heights Academy

right or remedy. This Bond may not be amended and no provision of it may be waived except by a writing signed by Registered Owner.

A delay by Registered Owner in the exercise of any right or remedy will not be considered a waiver of it. A single or partial exercise by Registered Owner of any right or remedy will not preclude any other or future exercise of it or the exercise of any other right or remedy. A waiver by Registered Owner of any default or of any provision of this Bond will not be effective unless it is in writing and signed by Registered Owner. A waiver of any right or remedy on one occasion will not be a waiver of that right or remedy on any future occasion.

The Academy waives demand for payment, presentment, notice of dishonor and protest of this Bond and waives all defenses based on suretyship or impairment of collateral. The Academy also consents to any extension or postponement of time of payment of this Bond to any substitution, exchange or release of all or any part of any security given to secure it, to the addition of any party to it and to the release, discharge, waiver, modification or suspension of any rights or remedies against any person liable for the indebtedness that this Bond evidences.

The Registered Owner hereby notifies the Academy that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "Act"), and the Registered Owner's policies and practices, the Registered Owner is required to obtain, verify and record certain information and documentation that identifies the Academy, which information includes the name and address of the Academy and such other information that will allow the Registered Owner to identify the Academy in accordance with the Act. In addition, the Academy shall: (a) ensure that no person who owns any direct or indirect equity interest in or otherwise controls the Academy or any subsidiary of the Academy is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders; (b) not use or permit the use of the proceeds of this Bond to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto; and (c) comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act laws and regulations, as amended.

The Registered Owner shall have the right to discuss the affairs of the Academy with third parties, to discuss the financial condition of the Academy with third parties, and to disclose any non-confidential information received by the Registered Owner regarding the Academy, with any third parties, as the Registered Owner may choose in its sole and absolute discretion. Notwithstanding any other term of this Bond or any other agreement the Registered Owner has with the Academy, the Academy agrees that the Registered Owner may share financial and other information about the Academy, with affiliates of the Registered Owner for purposes related to the Academy's accounts or possible accounts with the Registered Owner or its affiliates.

Greater Heights Academy

THE ACADEMY HEREBY ACKNOWLEDGES THAT THE TIME AND EXPENSE REQUIRED FOR TRIAL BY JURY OF ANY CONTROVERSY RELATED IN ANY WAY TO THIS BOND OR ANY GUARANTY FOR THIS BOND, WOULD EXCEED THE TIME AND EXPENSE REQUIRED FOR A BENCH TRIAL AND HEREBY WAIVES, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY, AND WAIVES ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF THE REGISTERED OWNER.

This Bond, and all matters arising from this Bond including, but not limited to, provisions related to loan charges, are governed by federal law and, to the extent not preempted by federal law, by the substantive law of the state of Michigan.

This Bond is transferable only upon the books of the Academy by the Registered Owner in person or the Registered Owner's attorney duly authorized in writing, upon the surrender of this Bond together with a written instrument of transfer satisfactory to the Academy, duly executed by the Registered Owner or the Registered Owner's attorney duly authorized in writing, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange therefor as provided in the Resolution authorizing this Bond.

It is hereby certified, recited, and declared that all acts, conditions and things required to exist, happen and be performed precedent to and in connection with the issuance of this Bond, existed, have happened and have been performed in due time, folio and manner, as required by the Constitution and statutes of the State of Michigan, and that the amount of this Bond together with all other indebtedness of the Academy does not exceed any constitutional or statutory limitation.

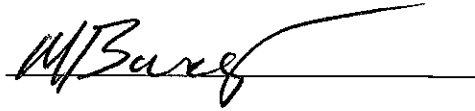
[Remainder of page intentionally left blank.]

Greater Heights Academy

IN WITNESS WHEREOF, Greater Heights Academy, Genesee County, Michigan, by its Board of Directors, has caused this Bond to be executed in its name by its Authorized Officer as of the Date of Issuance.

GREATER HEIGHTS ACADEMY

By:

A handwritten signature in black ink, appearing to read "M. B. Bare", is written over a horizontal line.

Its: President

Greater Heights Academy

TRANSFER

For value received, the undersigned hereby sells, assigns and transfers unto _____ Tax Identification or Social Security No. _____) the within Bond and all rights thereunder, and hereby constitutes and appoints _____ attorney, to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Notice: The signature to this assignment must correspond with the name as it appears on the registration books every particular without alteration or enlargement or any change whatsoever.

EXHIBIT A

SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS

[See Amortization Schedule Attached]

43054829.2/106311.00268

Loan Amount	\$	808,083.00	Closing Date	1/13/2025
All-in Rate		5.67%		
Amortization (months)		120		
Monthly P&I payment	\$	8,838		

Payment #	Date	Principal	Principal	Interest	Monthly Payment	Balance
						\$ 808,083.00
1	1/24/2025	\$ 7,438.05		\$ 1,400.00	\$ 8,838.05	\$ 800,644.95
2	2/24/2025	\$ 4,928.90		\$ 3,909.15	\$ 8,838.05	\$ 795,716.05
3	3/24/2025	\$ 5,328.94		\$ 3,509.11	\$ 8,838.05	\$ 790,387.11
4	4/24/2025	\$ 4,978.98		\$ 3,859.07	\$ 8,838.05	\$ 785,408.13
5	5/24/2025	\$ 5,127.00		\$ 3,711.05	\$ 8,838.05	\$ 780,281.13
6	6/24/2025	\$ 5,028.33		\$ 3,809.72	\$ 8,838.05	\$ 775,252.80
7	7/24/2025	\$ 5,174.98		\$ 3,663.07	\$ 8,838.05	\$ 770,077.82
8	8/24/2025	\$ 5,078.14		\$ 3,759.90	\$ 8,838.05	\$ 764,999.68
9	9/24/2025	\$ 5,102.94		\$ 3,735.11	\$ 8,838.05	\$ 759,896.74
10	10/24/2025	\$ 5,247.54		\$ 3,590.51	\$ 8,838.05	\$ 754,649.20
11	11/24/2025	\$ 5,153.48		\$ 3,684.57	\$ 8,838.05	\$ 749,495.73
12	12/24/2025	\$ 5,296.68		\$ 3,541.37	\$ 8,838.05	\$ 744,199.04
13	1/24/2026	\$ 5,204.50		\$ 3,633.55	\$ 8,838.05	\$ 738,994.55
14	2/24/2026	\$ 5,229.91		\$ 3,608.14	\$ 8,838.05	\$ 733,764.64
15	3/24/2026	\$ 5,602.15		\$ 3,235.90	\$ 8,838.05	\$ 728,162.49
16	4/24/2026	\$ 5,282.80		\$ 3,555.25	\$ 8,838.05	\$ 722,879.69
17	5/24/2026	\$ 5,422.44		\$ 3,415.61	\$ 8,838.05	\$ 717,457.25
18	6/24/2026	\$ 5,335.06		\$ 3,502.99	\$ 8,838.05	\$ 712,122.18
19	7/24/2026	\$ 5,473.27		\$ 3,364.78	\$ 8,838.05	\$ 706,648.91
20	8/24/2026	\$ 5,387.84		\$ 3,450.21	\$ 8,838.05	\$ 701,261.07
21	9/24/2026	\$ 5,414.14		\$ 3,423.91	\$ 8,838.05	\$ 695,846.93
22	10/24/2026	\$ 5,550.17		\$ 3,287.88	\$ 8,838.05	\$ 690,296.76
23	11/24/2026	\$ 5,467.68		\$ 3,370.37	\$ 8,838.05	\$ 684,829.08
24	12/24/2026	\$ 5,602.23		\$ 3,235.82	\$ 8,838.05	\$ 679,226.85
25	1/24/2027	\$ 5,521.72		\$ 3,316.33	\$ 8,838.05	\$ 673,705.13
26	2/24/2027	\$ 5,548.68		\$ 3,289.37	\$ 8,838.05	\$ 668,156.44
27	3/24/2027	\$ 5,891.48		\$ 2,946.57	\$ 8,838.05	\$ 662,264.96
28	4/24/2027	\$ 5,604.54		\$ 3,233.51	\$ 8,838.05	\$ 656,660.42
29	5/24/2027	\$ 5,735.33		\$ 3,102.72	\$ 8,838.05	\$ 650,925.09
30	6/24/2027	\$ 5,659.91		\$ 3,178.14	\$ 8,838.05	\$ 645,265.18
31	7/24/2027	\$ 5,789.17		\$ 3,048.88	\$ 8,838.05	\$ 639,476.01
32	8/24/2027	\$ 5,715.81		\$ 3,122.24	\$ 8,838.05	\$ 633,760.20
33	9/24/2027	\$ 5,743.72		\$ 3,094.33	\$ 8,838.05	\$ 628,016.49
34	10/24/2027	\$ 5,870.67		\$ 2,967.38	\$ 8,838.05	\$ 622,145.82
35	11/24/2027	\$ 5,800.42		\$ 3,037.63	\$ 8,838.05	\$ 616,345.39
36	12/24/2027	\$ 5,925.82		\$ 2,912.23	\$ 8,838.05	\$ 610,419.57
37	1/24/2028	\$ 5,857.68		\$ 2,980.37	\$ 8,838.05	\$ 604,561.90
38	2/24/2028	\$ 5,886.28		\$ 2,951.77	\$ 8,838.05	\$ 598,675.62
39	3/24/2028	\$ 6,103.60		\$ 2,734.45	\$ 8,838.05	\$ 592,572.02
40	4/24/2028	\$ 5,944.82		\$ 2,893.23	\$ 8,838.05	\$ 586,627.21
41	5/24/2028	\$ 6,066.24		\$ 2,771.81	\$ 8,838.05	\$ 580,560.97
42	6/24/2028	\$ 6,003.46		\$ 2,834.59	\$ 8,838.05	\$ 574,557.51
43	7/24/2028	\$ 6,123.27		\$ 2,714.78	\$ 8,838.05	\$ 568,434.24
44	8/24/2028	\$ 6,062.67		\$ 2,775.38	\$ 8,838.05	\$ 562,371.57
45	9/24/2028	\$ 6,092.27		\$ 2,745.78	\$ 8,838.05	\$ 556,279.30
46	10/24/2028	\$ 6,209.63		\$ 2,628.42	\$ 8,838.05	\$ 550,069.67
47	11/24/2028	\$ 6,152.33		\$ 2,685.72	\$ 8,838.05	\$ 543,917.34
48	12/24/2028	\$ 6,268.04		\$ 2,570.01	\$ 8,838.05	\$ 537,649.30
49	1/24/2029	\$ 6,212.98		\$ 2,625.07	\$ 8,838.05	\$ 531,436.32
50	2/24/2029	\$ 6,243.31		\$ 2,594.74	\$ 8,838.05	\$ 525,193.01
51	3/24/2029	\$ 6,521.95		\$ 2,316.10	\$ 8,838.05	\$ 518,671.06
52	4/24/2029	\$ 6,305.64		\$ 2,532.41	\$ 8,838.05	\$ 512,365.42
53	5/24/2029	\$ 6,417.12		\$ 2,420.93	\$ 8,838.05	\$ 505,948.30
54	6/24/2029	\$ 6,367.76		\$ 2,470.29	\$ 8,838.05	\$ 499,580.54
55	7/24/2029	\$ 6,477.53		\$ 2,360.52	\$ 8,838.05	\$ 493,103.01
56	8/24/2029	\$ 6,430.47		\$ 2,407.58	\$ 8,838.05	\$ 486,672.54
57	9/24/2029	\$ 6,461.87		\$ 2,376.18	\$ 8,838.05	\$ 480,210.66
58	10/24/2029	\$ 6,569.05		\$ 2,269.00	\$ 8,838.05	\$ 473,641.61
59	11/24/2029	\$ 6,525.49		\$ 2,312.56	\$ 8,838.05	\$ 467,116.11
60	12/24/2029	\$ 467,116.11		\$ 2,207.12	\$ 469,323.24	\$ -
TOTALS:		\$ 808,083.00		\$ 182,685.18	\$ 990,768.18	

Year 1	
Principal	Interest
\$ 63,883.96	\$ 42,172.64
\$ 106,056.60	

Year 2	
Principal	Interest
\$ 64,972.19	\$ 41,084.41
\$ 106,056.60	

AMENDED AND RESTATED MORTGAGE

GREATER HEIGHTS ACADEMY
as Mortgagor

to

**THE HUNTINGTON NATIONAL BANK, as successor in interest to CHEMICAL BANK,
a division of TCF National Bank**
as Mortgagee

RELATING TO:

\$808,083
GREATER HEIGHTS ACADEMY
Public School Academy Refunding Bond, Series 2025

Dated as of January 13, 2025

Prepared by and when recorded,
return to:
James M. Crowley, Esq.
Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, MI 48226

TABLE OF CONTENTS

Page

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

Section 1.01.	Payment of Secured Obligations.....	4
Section 1.02.	Title of Mortgagor.....	4
Section 1.03.	[Reserved]	4
Section 1.04.	Maintenance; Repair; Alterations	4
Section 1.05.	Required Insurance	5
Section 1.06.	Delivery of Insurance Policies; Payment of Premiums	5
Section 1.07.	Insurance Proceeds.....	5
Section 1.08.	Assignment of Policies Upon Foreclosure.....	5
Section 1.09.	Expenses; Indemnification; Waiver of Offset.....	6
Section 1.10.	Taxes and Impositions	7
Section 1.11.	Utilities.....	8
Section 1.12.	Actions Affecting Mortgaged Estate	8
Section 1.13.	Actions by Mortgagee and/or Trustee To Preserve Mortgaged Estate	8
Section 1.14.	Survival of Warranties	9
Section 1.15.	Eminent Domain	9
Section 1.16.	Additional Security	9
Section 1.17.	Additional Indebtedness.....	9
Section 1.18.	Successors and Assigns.....	9
Section 1.19.	Inspections	10
Section 1.20.	Liens.....	10
Section 1.21.	Restrictions Affecting Title.....	10
Section 1.22.	Further Assurances.....	10
Section 1.23.	Performance of Covenants; Incorporation of Representations and Warranties	11
Section 1.24.	Notification of Event of Default Under Mortgage.....	11
Section 1.25.	[Reserved]	11
Section 1.26.	Organization; Due Authorization.....	11

Section 1.27.	Liabilities; Compliance With Other Instruments	11
Section 1.28.	Enforceability.....	11
Section 1.29.	Pending Litigation.....	12
Section 1.30.	Compliance With Law	12
Section 1.31.	After-Acquired Property	12
Section 1.32.	Transfer of Interests in Mortgagor or Mortgaged Estate	12
Section 1.33.	Lease Provisions	12
Section 1.34.	Defeasance Terminates Lien.....	12

ARTICLE II

ENVIRONMENTAL MATTERS

Section 2.01.	Environmental Matters.....	13
---------------	----------------------------	----

ARTICLE III

ASSIGNMENT OF RENTS AND LEASES

Section 3.01.	Assignment of Revenues.....	13
Section 3.02.	Collection Upon Default	13

ARTICLE IV

SECURITY AGREEMENT

Section 4.01.	Creation of Security Interest	14
Section 4.02.	Warranties; Representations and Covenants of Mortgagor	15

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT

Section 5.01.	Events of Default	15
Section 5.02.	Acceleration Upon Default; Additional Remedies	17
Section 5.03.	[Reserved]	19
Section 5.04.	Appointment of Receiver	19
Section 5.05.	Remedies Not Exclusive	19
Section 5.06.	Possession of Mortgaged Estate.....	20
Section 5.07.	Relief from Stay	20
Section 5.08.	Cash Collateral.....	20

ARTICLE VI
MISCELLANEOUS

Section 6.01.	Governing Law	21
Section 6.02.	Waiver of Rights	21
Section 6.03.	Limitation of Interest	22
Section 6.04.	[Reserved]	22
Section 6.05.	Notices	22
Section 6.06.	Captions	23
Section 6.07.	Invalidity of Certain Provisions; Conflicting Provisions.....	23
Section 6.08.	Subrogation	23
Section 6.09.	Change in Ownership.....	23
Section 6.10.	Assignment of Mortgagee’s Interest	23
Section 6.11.	Time Is of the Essence	23
Section 6.12.	Obligations of Mortgagor	23
Section 6.13.	Immunity of Individuals	24
Section 6.14	Supplements; Amendments	24

EXHIBIT A LEGAL DESCRIPTION

EXHIBIT B PERMITTED ENCUMBRANCES

MORTGAGE

THIS AMENDED AND RESTATED MORTGAGE ("Mortgage") is made as of January 13, 2025, by and between GREATER HEIGHTS ACADEMY, as Mortgagor ("Mortgagor") and THE HUNTINGTON NATIONAL BANK, as successor in interest to CHEMICAL BANK, a division of TCF National Bank, as Mortgagee ("Mortgagee").

PRELIMINARY STATEMENTS

A. The Mortgagor previously entered into that certain Mortgage, dated as of December 19, 2019, in favor of Chemical Bank, a division of TCF National Bank, predecessor of Mortgagee, as recorded in Instrument _____ of Genesee County Records (the "2019 Mortgage") relating to the Mortgagor's Promissory Note, dated December 19, 2019 in the aggregate principal amount of \$1,092,000 (the "2019 Promissory Note"), which was issued by the Academy to Chemical Bank, a division of TCF National Bank, predecessor of Mortgagee.

B. Mortgagor is issuing its Public School Academy Refunding Bond, Series 2025 in the aggregate principal amount of \$808,083 (the "Bonds") for the purposes of refunding the 2019 Promissory Note.

C. Pursuant to the Bonds, certain state school aid payments have been pledged and assigned by Mortgagor to Mortgagee for the payment of the principal of and interest on the Bonds.

D. The Series 2025 Bonds are secured by a lien on and security interest in the Mortgaged Estate (defined below) pursuant to this Mortgage, granted by Mortgagor.

E. This Mortgage amends and restates the 2019 Mortgage and retains all priority of the 2019 Mortgage as it relates to the Mortgaged Estate.

GRANTING CLAUSES

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness herein recited and the trust herein created, the receipt of which is hereby acknowledged, Mortgagor hereby irrevocably grants a security interest in, mortgages, warrants, grants, bargains, sells, transfers, conveys and assigns to Trustee and to its assigns forever, IN TRUST, WITH POWER OF SALE AND RIGHT OF ENTRY, for the benefit and security of Mortgagee, under and subject to the terms and conditions hereinafter set forth, all of Mortgagor's estate, right, title and interests in, to and under any and all of the following property now owned, together with all cash and noncash proceeds thereof, which may be referred to herein as the "Mortgaged Estate:"

LAND

The real property located in the County of Genesee , State of Michigan (the "State"), described in Exhibit A attached hereto and by this reference incorporated herein (the "Land");

IMPROVEMENTS

Any and all buildings, structures, fixtures and improvements existing or to be constructed on the Land, including, but not limited to, the fixtures, attachments, appliances, equipment, machinery, and other articles attached to such buildings and improvements (collectively, the “Improvements” and, together with the Land, the “Real Property”);

RENTS, REVENUES AND DERIVATIVE INTERESTS

All rents, issues, profits and royalties derived from the Real Property and the operation thereof (collectively the “Revenues”); all estate, right, title and interest of Mortgagor in and to all leases or subleases covering the Real Property or any portion thereof now or hereafter existing or entered into, including, without limitation, all cash or security deposits, advance rentals and deposits or payments of similar nature; all right, title and interest of Mortgagor in and to all options to purchase or lease the Real Property or any portion thereof or interest therein, and any greater estate therein now owned; all interests, estate or other claims, both in law and in equity, which Mortgagor now has in the Real Property or any portion thereof or interest therein; all easements, rights-of-way and rights used in connection therewith or as a means of access thereto, and all tenements, hereditaments and appurtenances thereof and thereto, all right, title and interest of Mortgagor, now owned, in and to any land lying within the right-of-way of any street, open or proposed, adjoining the Real Property and any and all sidewalks, alleys and strips and gores of land adjacent to or used in connection with the Real Property (all of the foregoing in this paragraph being, collectively, the “Derivative Interests” and, together with the Real Property, the “Project”);

INTANGIBLES

All of Mortgagor’s interest in all existing and future accounts, contract rights, general intangibles, files, books of account, plans, specifications, agreements, permits, licenses and certificates necessary or desirable in connection with the acquisition, ownership, leasing, construction, operation, servicing or management of the Project, whether now existing or entered into or obtained after the date hereof, all existing and future names under or by which the Project or any portion thereof may at any time be operated or known (the “Intangibles”);

CLAIMS AND AWARDS

All the estate, interest, right, title, other claim or demand, including claims or demands with respect to the proceeds of insurance in effect with respect thereto, which Mortgagor now has or may hereafter acquire in the Project or Intangibles and any and all awards made for the taking by eminent domain, or by any proceeding or purchase in lieu thereof, of the whole or any part of the Project or Intangibles including, without limitation, any awards resulting from a change of grade of streets and awards for severance damages; and

PROCEEDS

All of the rents, revenues, issues, profits, products and proceeds of any and all of the foregoing.

A security interest is granted by this Mortgage in that portion of the Mortgaged Estate which constitutes personalty pursuant to and as set forth in Article IV hereof.

TO HAVE AND TO HOLD the Mortgaged Estate hereby granted or mortgaged or intended to be granted or mortgaged, unto Trustee, and its successors in trust, heirs and assigns, upon the terms, provisions and conditions set forth herein in fee simple forever.

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Secured Obligations (as hereinafter defined) hereby shall be paid when due, and if Mortgagor shall keep, perform and observe all and singular the obligations, covenants, agreements and provisions in this Mortgage expressed to be kept, performed by and observed by or on the part of Mortgagor, then this Mortgage and the estate and rights hereby granted shall cease, determine and be void, but otherwise shall be and remain in full force and effect.

THIS MORTGAGE SHALL SECURE THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS:

(i) Payment of indebtedness evidenced by the Bonds and all replacements, renewals, amendments, extensions, substitutions and modifications thereof bearing interest and being payable as provided therein;

(ii) Payment of all indebtedness and performance of all obligations and covenants of Mortgagor under the Trust Indenture and each agreement of Mortgagor incorporated by reference therein or herein, or contained therein or herein;

(iii) Payment of all of the principal of and interest on any future advances under the Trust Indenture, this Mortgage, and any other instrument or other document given to evidence or further secure the payment and performance of any of the obligations thereunder; and

(iv) Payment of all other indebtedness and performance of all other obligations and covenants of Mortgagor contained in any other instrument given to evidence or further secure the payment and performance of any obligation secured hereby or thereby;

The indebtedness and the obligations secured by this Mortgage which are described in (i) through (iv) above may be referred to herein as the "Secured Obligations."

It is the intention of the parties hereto that the Mortgaged Estate shall secure all of the Secured Obligations presently or hereafter owed, and that the priority of the security interest created by this Mortgage for all such Secured Obligations shall be controlled by the time of proper recording of this Mortgage. In addition, this Mortgage shall also secure unpaid balances of advances made with respect to the Mortgaged Estate for the payment of taxes, assessments, insurance premiums, costs or any other advances incurred for the protection of the Mortgaged Estate, together with interest thereon until paid, all as contemplated in this Mortgage, all of which shall constitute a part of the Secured Obligations. This paragraph shall serve as notice to all persons who may seek or obtain a lien on the Mortgaged Estate subsequent to the date of recording of this Mortgage, that until this Mortgage is released, any debt owed by Mortgagor under the Trust Indenture, including advances made subsequent to the recording of this Mortgage, shall be secured with the priority afforded this Mortgage as recorded.

IT IS HEREBY COVENANTED, DECLARED AND AGREED that the Mortgaged Estate is to be held and disposed of by Trustee, upon and subject to the provisions of this Mortgage.

ARTICLE I

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

Mortgagor hereby represents, warrants, covenants and agrees:

Section 1.01. Payment of Secured Obligations. Mortgagor hereby grants this Mortgage to secure the payment and performance when due of the Secured Obligations. The consideration received by Mortgagor to execute and deliver this Mortgage and the liens and security interests created herein is sufficient and will provide a direct economic benefit to Mortgagor.

Section 1.02. Title of Mortgagor. Mortgagor has, subject to the matters set forth as exceptions in the loan policy of title insurance to be provided to Mortgagee in connection with this Mortgage as well as those exceptions provided in the attached Exhibit B (the "Permitted Encumbrances"), in its own right, good, marketable and indefeasible title in fee simple to the Mortgaged Estate, which is free from encumbrance superior to the encumbrance of this Mortgage, and has full right, power and authority to execute and deliver this Mortgage and to make the conveyances and grant the interests and security contemplated hereby. This Mortgage constitutes a valid first lien upon and security interest in the Mortgaged Estate, subject only to the Permitted Encumbrances.

Section 1.03. [Reserved]

Section 1.04. Maintenance; Repair; Alterations. Mortgagor shall: (i) keep the Mortgaged Estate in good condition and repair, subject to reasonable and ordinary wear and tear; not remove, demolish or substantially alter (except such alterations as may be required by applicable laws, ordinances or regulations or as permitted under the Trust Indenture) any of the Improvements; (ii) complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Land and promptly restore in like manner any Improvement which may be damaged or destroyed thereon, subject to the provisions of Section 1.07 hereof, and pay when due all claims for labor performed and materials furnished therefor; (iii) comply with all applicable laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Mortgaged Estate or any part thereof or requiring any alterations or improvements; (iv) not commit or permit any waste or deterioration of the Mortgaged Estate; (v) keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; (vi) comply with the provisions of any lease, if this Mortgage is on a leasehold; (vii) use the Mortgaged Estate and continue to cause the Mortgaged Estate to be used as permitted under applicable law; and (viii) not commit, suffer or permit any act to be done in or upon the Mortgaged Estate in violation of any applicable law, ordinance or regulation.

Section 1.05. Required Insurance. Mortgagor shall provide, maintain and keep at all times in force those policies of insurance required in the Trust Indenture.

Section 1.06. Delivery of Insurance Policies; Payment of Premiums.

(a) All policies of insurance shall be issued by companies and in amounts as required by the provisions of the Trust Indenture.

(b) In the event Mortgagor fails to provide, maintain, keep in force or deliver and furnish to Mortgagee evidence of the policies of insurance required by the Trust Indenture, Mortgagee may procure such insurance or single-interest insurance for such risks covering Mortgagee's interest, and Mortgagor will pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums, together with interest thereon, shall be secured by this Mortgage.

(c) Upon occurrence of an Event of Default, Mortgagee shall apply any sums or amounts received pursuant hereto, or as Revenues or income of the Mortgaged Estate or otherwise, as required under the Trust Indenture. The receipt, use or application of any such sums by Mortgagee hereunder shall not be construed to affect the maturity of any Secured Obligation or any of the rights or powers of Mortgagee under the terms of the Trust Indenture or any of the obligations of Mortgagor under the Trust Indenture. Notwithstanding the application of such sums to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and Mortgagor shall not be excused in the remaining payment thereof.

Section 1.07. Insurance Proceeds. After the occurrence of any casualty to the Mortgaged Estate or any part thereof, Mortgagor shall give prompt written notice thereof to Mortgagee and each insurer and promptly submit a claim to such insurer(s) for payment of insurance proceeds. Proceeds of all insurance awards ("Insurance Proceeds") shall be held and disbursed as provided in the Trust Indenture. Notwithstanding the application of Insurance Proceeds to the payment of a portion of the Secured Obligations, any unpaid portion of the Secured Obligations shall remain in full force and effect, and Mortgagor shall not be excused in the payment thereof.

Except as provided below, nothing contained in this Mortgage shall be deemed to excuse Mortgagor from repairing or maintaining the Mortgaged Estate as provided in Section 1.04 hereof. The application or release by Mortgagee of any Insurance Proceeds shall not cure or waive any Event of Default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

Section 1.08. Assignment of Policies Upon Foreclosure. In the event of the foreclosure of this Mortgage, or other transfer of title to the Mortgaged Estate, or any part thereof, by nonjudicial foreclosure sale or deed in lieu of foreclosure, the purchaser of the Mortgaged Estate, or such part thereof, shall succeed to all of Mortgagor's rights, including any rights to unexpired insurance and unearned or returnable premiums, in and to all insurance policies required by Section 1.05 hereof, subject to limitations on assignment of blanket policies,

and limited to such rights as relate to the Mortgaged Estate or such part thereof. If Mortgagee acquires title to the Mortgaged Estate, or any part thereof, in any manner, it shall thereupon (as between Mortgagor and Mortgagee) become the sole and absolute owner of the insurance policies, and all proceeds payable thereunder with respect to the Mortgaged Estate, or such part thereof, required by Section 1.05 hereof, with the sole right to collect and retain all unearned or returnable premiums thereon with respect to the Mortgaged Estate, or such part thereof, if any.

Section 1.09. Expenses; Indemnification; Waiver of Offset.

(a) Mortgagor shall pay or reimburse Mortgagee for all reasonable expenses incurred by Mortgagee before and after the date of this Mortgage with respect to any and all transactions contemplated by this Mortgage including without limitation, the preparation of any document reasonably required hereunder or any amendment, modification, restatement or supplement to this Mortgage, the delivery of any consent, non-disturbance agreement or similar document in connection with this Mortgage or the enforcement of any of Mortgagee's rights. Such expenses shall include, without limitation, all reasonable title and conveyancing charges, recording and filing fees and taxes, mortgage taxes, intangible personal property taxes, escrow fees, revenue and tax stamp expenses, privilege taxes, use taxes, insurance premiums (including title insurance premiums), title search and title rundown charges, brokerage commissions, finders' fees, placement fees, court costs, surveyors', photographers', appraisers', architects', engineers', consulting professionals', accountants', and attorneys' fees and disbursements.

(b) If (i) any sale (or prerequisite to a sale), action or proceeding shall be commenced by Mortgagee (including but not limited to any sale of the Mortgaged Estate, or any action to foreclose this Mortgage or to collect the Secured Obligations), or any action or proceeding is commenced to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Mortgage (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of Mortgagor or any other person or entity obligated hereunder), or in which Mortgagee is served with any legal process, discovery notice or subpoena, and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Mortgage or issuance of the Bonds or acceptance of a guaranty from a guarantor of the Secured Obligations or any of the transactions contemplated by this Mortgage and such action or proceeding does not relate to or arise out of the gross negligence, breach of trust or willful misconduct of Mortgagee as applicable, then Mortgagor will immediately reimburse or pay to Mortgagee all of the expenses which have been or may be incurred by Mortgagee with respect to the foregoing (including reasonable counsel fees and disbursements), together with interest thereon, and any such sum and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Mortgage, prior to any right, or title to, interest in or claim upon the Mortgaged Estate attaching or accruing to this Mortgage, and shall be deemed to be secured by this Mortgage. In any action or proceeding to sell the Mortgaged Estate, to foreclose this Mortgage, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

(c) To the extent permitted by law, Mortgagor shall indemnify and hold harmless Mortgagee and affiliates, and directors, officers, agents and employees and affiliates for, from and against all claims, damages, losses and liabilities (including, without limitation, reasonable attorneys' fees and expenses) arising out of or based upon any matter related to this Mortgage, the Mortgaged Estate or the occupancy, ownership, maintenance or management of the Mortgaged Estate by Mortgagor, including, without limitation, any claims based on the alleged acts or omissions of any employee or agent of Mortgagor except for such damages incurred due to the gross negligence, breach of trust or willful misconduct of Mortgagee or its affiliates, directors, officers, agents or employees. This indemnification shall be in addition to any other liability which Mortgagor may otherwise have to Mortgagee.

(d) Mortgagor waives any and all right to claim or recover against Mortgagee, its officers, employees, agents and representatives, for loss of or damage to Mortgagor, the Mortgaged Estate, Mortgagor's property or the property of others under Mortgagor's control from any cause insured against or required to be insured against by the provisions of this Mortgage except for such damages incurred due to the gross negligence, breach of trust or willful misconduct of Mortgagee.

(e) All sums payable by Mortgagor under this Mortgage shall be paid without notice, demand, counterclaim, setoff, deduction or defense and without abatement, suspension, deferment, diminution or reduction, and the Secured Obligations of Mortgagor hereunder shall in no way be released, discharged or otherwise affected by reason of: (i) any damage to or destruction of or any condemnation or similar taking of the Mortgaged Estate or any part thereof; (ii) any restriction or prevention of or interference with any use of the Mortgaged Estate or any part thereof; (iii) any title defect or encumbrance or any eviction from the Mortgaged Estate or any part thereof by title paramount or otherwise; (iv) any bankruptcy, insolvency, reorganization, composition, adjustment, dissolution, liquidation or other like proceeding relating to Mortgagor, or any action taken with respect to this Mortgage by any trustee or receiver of Mortgagor, or by any court, in any such proceeding; or (v) any other occurrence whatsoever, whether similar or dissimilar to the foregoing; whether or not Mortgagor shall have notice or knowledge of any of the foregoing. To the extent permitted by law, Mortgagor waives all rights now or hereafter conferred by statute or otherwise to any abatement, suspension, deferment, diminution or reduction of any Secured Obligation. Notwithstanding the above, Mortgagor may maintain a separate suit regarding such matters.

Section 1.10. Taxes and Impositions.

(a) In accordance with the terms of the Trust Indenture, Mortgagor agrees to pay, prior to delinquency, all real and personal property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever, which are assessed or imposed upon the Mortgaged Estate or any part thereof, or become due and payable, and which create, may create or appear to create a lien upon the Mortgaged Estate, or any part thereof, or upon any personal property, equipment or other facility used in the operation or maintenance thereof (all of which taxes, assessments and other

governmental and nongovernmental charges of like nature are hereinafter referred to as "Impositions").

(b) Subject to the applicable State law provisions, Mortgagor shall have the right before any delinquency occurs to contest or object to the amount or validity of any Imposition by appropriate legal proceedings in accordance with the terms of the Trust Indenture.

(c) Mortgagor covenants and agrees not to suffer, permit or initiate the joint assessment of the real and personal property, or any other procedure whereby the lien of the real property taxes and the lien of the personal property taxes shall be assessed, levied or charged to the Mortgaged Estate as a single lien.

Section 1.11. Utilities. Mortgagor shall pay when due all utility charges which are incurred for the benefit of the Mortgaged Estate or any part thereof or which may become a charge or lien against the Mortgaged Estate for gas, electricity, water or sewer services furnished to the Mortgaged Estate and all other taxes, assessments or charges of a similar nature, whether public or private, affecting the Mortgaged Estate or any portion thereof, whether or not such taxes, assessments or charges are liens thereon.

Section 1.12. Actions Affecting Mortgaged Estate. Mortgagor shall appear in and contest any action or proceeding purporting to affect the title of Mortgagor in the Mortgaged Estate or any part thereof or security hereof or the rights or powers of Mortgagee; and Mortgagor shall pay all costs and expenses, including cost of evidence of title and reasonable attorneys' fees, in any such action or proceeding in which Mortgagee may appear.

Section 1.13. Actions by Mortgagee To Preserve Mortgaged Estate. Should Mortgagor fail to make any payment or to do any act as and in the manner provided in this Mortgage, Mortgagee, in its sole discretion, and without notice to, or demand upon, Mortgagor and without releasing Mortgagor from any Secured Obligation, may make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), Mortgagee shall have, and is hereby given the right, but not the obligation: (i) to enter upon and take possession of the Mortgaged Estate; (ii) to make additions, alterations, repairs and improvements to the Mortgaged Estate which it may consider necessary or proper to keep the Mortgaged Estate in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee may affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Any such costs and expenses incurred by Mortgagee and any such amounts paid by Mortgagee shall be secured hereby with the same priority afforded this Mortgage as recorded. Mortgagor shall immediately upon demand therefor by Mortgagee pay all of the foregoing costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and reasonable attorneys' fees provided, however, that Mortgagor shall not be liable to pay for any such costs or expenses incurred by Mortgagee due to

the gross negligence, willful misconduct or breach of trust of Mortgagee or its affiliates, directors, officers, agents or employees.

Section 1.14. Survival of Warranties. Mortgagor shall fully and faithfully satisfy and perform the Secured Obligations. All representations, warranties and covenants of Mortgagor contained herein shall remain continuing obligations, warranties and representations of Mortgagor during any time when any portion of the obligations secured by this Mortgage remain outstanding.

Section 1.15. Eminent Domain. Should the Mortgaged Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner (“Condemnation”), or should Mortgagor receive any notice or other information regarding such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee. Mortgagee may participate in any such Condemnation proceedings, and Mortgagor shall from time to time deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. Mortgagor shall, at its sole cost and expense, diligently prosecute any such proceedings and shall consult with Mortgagee and its attorneys and experts, and cooperate with it in the carrying on or defense of any such proceedings. All proceeds of Condemnation awards or proceeds of sale in lieu of Condemnation with respect to the Mortgaged Estate and all judgments, decrees and awards for injury or damage to the Mortgaged Estate or any part thereof or interest therein shall be paid to Mortgagor or Mortgagee as provided in Section 7.04 of the Trust Indenture, and if to Mortgagee, shall be applied first to all reasonable costs and expenses incurred by Mortgagee in obtaining the proceeds. The balance of proceeds (referred to in the Trust Indenture as “Net Proceeds”), if any, shall be applied as directed by Mortgagor in accordance with the provisions of the Trust Indenture.

Mortgagor hereby assigns and transfers to Mortgagee, and agrees to execute such further assignments of, all such proceeds, judgments, decrees and awards as Mortgagee may request. Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances for, and to appeal from, any such judgment, decree or award. Mortgagor hereby authorizes, directs and empowers Mortgagee, at its option and with notice to Mortgagor, on Mortgagor’s behalf, or on behalf of the successors or assigns of Mortgagor, to adjust, compromise, claim, collect and receive such proceeds and to give proper receipts and acquittances therefor. Mortgagee shall not be, in any event or circumstance, liable or responsible for failure to collect or exercise diligence in the collection of any proceeds, judgments, decrees or awards unless such failure is due to Mortgagee’s negligence, willful misconduct or breach of trust.

Section 1.16. Additional Security. In the event Mortgagee at any time holds additional security for any of the Secured Obligations, it may enforce the sale thereof or otherwise realize upon the same, at its option, either before, concurrently with or after any sale is made hereunder.

Section 1.17. Additional Indebtedness. Except as provided in the Trust Indenture and except for the Permitted Encumbrances, Mortgagor shall not further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the Uniform Commercial Code in effect in the State, the “UCC”).

Section 1.18. Successors and Assigns. This Mortgage applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. The covenants and agreements of Mortgagor contained herein shall apply to and be binding upon any successor owner of the Mortgaged Estate or any part thereof.

Section 1.19. Inspections. Mortgagee, or its agents, representatives or workmen, are authorized to enter upon notice of two Business Days to Mortgagor at any reasonable time upon or in any part of the Mortgaged Estate for the purpose of inspecting the same and all books, records and documents relating thereto, and for the purpose of performing any of the acts it is authorized to perform under the terms of the Trust Indenture.

Section 1.20. Liens. Mortgagor shall pay and promptly discharge, at Mortgagor's sole cost and expense, all liens, encumbrances and charges upon the Mortgaged Estate, or any part thereof or interest therein other than the Permitted Encumbrances. Mortgagor shall have the right to contest in good faith the validity of any such lien, encumbrance or charge, provided Mortgagor shall thereafter diligently and in good faith proceed to cause such lien, encumbrance or charge to be removed and discharged. If Mortgagor shall fail to discharge any such lien, encumbrance or charge, then, in addition to any other right or remedy of Mortgagee, Mortgagee may, but shall not be obligated to, discharge the same, either, by paying the amount claimed to be due, or by procuring the discharge of such lien, either, by depositing in court a bond in the amount claimed or otherwise giving security for such claim, or in such manner as is or may be prescribed by law. Any cost incurred by Mortgagee in connection with any such payment or discharge shall be secured hereby and shall be immediately due and payable without notice or demand.

Section 1.21. Restrictions Affecting Title. Mortgagor shall perform when due all obligations required to be performed by Mortgagor by the provisions of any agreement affecting title to the Mortgaged Estate or any part thereof.

Section 1.22. Further Assurances. Mortgagor shall, upon the execution and delivery hereof and thereafter from time to time, take such actions as Mortgagee may request to cause this Mortgage, each supplement and amendment to such instrument and financing statements with respect thereto and each instrument of further assurance (collectively, the "Recordable Documents") to be filed, registered and recorded as may be required by law and maintain the first lien or security interest, as applicable, hereof upon the Trust Estate and protect the validity of the Recordable Documents. Mortgagor shall take all action and do all things which it is authorized by law to take and do, and cooperate with Mortgagee as Mortgagee deems necessary or desirable, to insure the release of all encumbrances against the Mortgaged Estate, except the Permitted Encumbrances, existing prior to the date hereof.

So long as any Secured Obligations shall remain unpaid, Mortgagor shall execute, acknowledge, where appropriate, and deliver from time to time promptly at the request of Mortgagee all such instruments and documents as in the opinion of Mortgagee are necessary or desirable to preserve the first priority lien created by this Mortgage. If Mortgagor shall fail or refuse to execute, acknowledge, where appropriate, and deliver such instruments and documents to preserve the first priority lien created by this Mortgage within 10 Business Days following a written request by Mortgagee, Mortgagor irrevocably constitutes and appoints Mortgagee as its

attorney-in-fact to execute and deliver such instruments, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

Section 1.23. Performance of Covenants; Incorporation of Representations and Warranties. Mortgagor shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Trust Indenture and in all of its proceedings pertaining to this Mortgage. The covenants, representations and warranties of Mortgagor set forth in the Trust Indenture are incorporated by reference into this Mortgage as if stated in full in this Mortgage and such representations and warranties as incorporated herein shall be deemed to have been made as of the date of this Mortgage and shall survive the execution and delivery of this Mortgage.

Section 1.24. Notification of Event of Default Under Mortgage. Mortgagor agrees to notify Mortgagee immediately in writing of any default by Mortgagor in the performance or observance of any covenant, agreement, representation, warranty or obligation of Mortgagor set forth in this Mortgage. Mortgagor shall also notify Mortgagee in writing of any event or condition which with the lapse of time or the giving of notice would constitute an Event of Default.

Section 1.25. [Reserved].

Section 1.26. Organization; Due Authorization. Mortgagor is a public school academy duly organized, validly existing and in good standing under the laws of the State and has the requisite power, authority and legal right to carry on the business conducted by it and to engage in the transactions contemplated by the Trust Indenture. The execution and delivery of the Trust Indenture and this Mortgage and the performance and observance of the respective provisions thereof have all been authorized by all necessary actions of Mortgagor.

Section 1.27. Liabilities; Compliance With Other Instruments. Mortgagor has no liabilities regarding the Mortgaged Estate except those hereunder and those otherwise contemplated or permitted by this Mortgage and the Trust Indenture, none of which are delinquent. Mortgagor is not in default (i) in the payment of any taxes levied or assessed against it or its assets, (ii) under any applicable statute, rule, order or regulation of any governmental authority, (iii) under this Mortgage or the Trust Indenture, or (iv) under any other agreement to which it is a party or by which it or any of its properties are bound.

Neither the execution and delivery of this Mortgage or the Trust Indenture, nor the consummation of the transactions herein or therein contemplated nor compliance with the terms and provisions hereof or thereof, conflicts with or results or will result in a breach of any of the terms, conditions or provisions of the articles of incorporation of Mortgagor, any law, order, rule, regulation, writ, injunction or decree of any court or governmental authority, or any agreement or instrument to which Mortgagor is a party or by which it or any of its properties are bound, or constitutes or will constitute a default thereunder, or result or will result in the creation or imposition of any lien of any nature whatsoever upon any of its property or assets pursuant to the terms of any such agreement or instrument except the liens created or permitted by the Trust Indenture.

Section 1.28. Enforceability. This Mortgage and the Trust Indenture have been duly executed and delivered by Mortgagor and constitute valid and binding obligations of Mortgagor enforceable in accordance with their respective terms, except as the enforceability (but not the validity thereof) may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting the enforcement of creditors' rights generally.

Section 1.29. Pending Litigation. There are no proceedings pending or, to the knowledge of Mortgagor, threatened, against or affecting Mortgagor or any part of the Mortgaged Estate in any court or before any governmental authority or arbitration board or tribunal which if adversely determined would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor or the right or ability of Mortgagor to enter into this Mortgage or the Trust Indenture, and if any such proceedings are subsequently initiated or threatened then Mortgagor will promptly provide written notice to Mortgagee. Mortgagor is not in default with respect to any order of any court or governmental authority or arbitration board or tribunal.

Section 1.30. Compliance With Law. Mortgagor is in substantial compliance with all laws, ordinances, governmental rules or regulations to which it is subject, including, without limitation, the Occupational Safety and Health Act of 1970, the Employee Retirement Income Security Act of 1974 and all laws, ordinances, governmental rules or regulations relating to environmental protection the violation of which would materially and adversely affect the properties, business, prospects, profits or condition (financial or otherwise) of Mortgagor.

Section 1.31. After-Acquired Property. The Mortgage Estate shall include the right, title and interest of Mortgagor in and to all improvements, additions and appurtenances to, the Mortgaged Estate, hereafter acquired by or released to Mortgagor. As required, the Mortgagor shall execute and deliver to Mortgagee any further assurances, mortgages, grants, conveyances or assignments as Mortgagee may reasonably require to subject such property to the lien of this Mortgage.

Section 1.32. Transfer of Interests in Mortgagor or Mortgaged Estate. Except in accordance with the terms and restrictions of the Trust Indenture, and except for the Permitted Encumbrances, Mortgagor shall not, by operation of law or otherwise, sell, convey, alienate, transfer, grant, bargain, mortgage, encumber or assign ownership or control of all or any interest in Mortgagor or any part of the Mortgaged Estate or any interest therein, without the prior written consent of Mortgagee.

Section 1.33. Lease Provisions. Any lease of all or any part of the Mortgaged Estate by Mortgagor permitted under this Mortgage and the Trust Indenture shall contain a provision obligating such lessee to enter into a subordination, attornment and non-disturbance agreement with Mortgagee, in form and substance satisfactory to Mortgagee.

Section 1.34. Defeasance Terminates Lien. Upon defeasance of all Outstanding Bonds in accordance with the Trust Indenture, the lien of this Mortgage upon the Mortgaged Estate shall cease, and Mortgagee and Trustee shall execute and deliver to Mortgagor at Mortgagor's sole cost and expense all documents necessary to effect such a release.

ARTICLE II

ENVIRONMENTAL MATTERS

Section 2.01. Environmental Matters. Mortgagor hereby incorporates and reaffirms those covenants and representations contained in Sections 7.06, 7.07 and 7.08 of the Trust Indenture (including its covenant to provide certain environmental indemnifications) as an integral part of this Mortgage; provided, however, it is the intent of the parties that the environmental indemnifications contained herein are separate and independent obligations of Mortgagor which shall survive any release, foreclosure or other satisfaction of this Mortgage, and such indemnifications shall not be subject to any anti-deficiency defense.

ARTICLE III

ASSIGNMENT OF RENTS AND LEASES

Section 3.01. Assignment of Revenues. Mortgagor hereby absolutely assigns and transfers to Mortgagee all the Revenues of the Mortgaged Estate and hereby gives to and confers upon Mortgagee the right, power and authority to collect such Revenues. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee, at any time and from time to time, to take possession and control of the Mortgaged Estate and to demand, receive and enforce payment, to give receipts, releases and satisfaction, and to sue, in the name of Mortgagor or Mortgagee, for all such Revenues and apply the same to the Secured Obligations; provided, however, that Mortgagor shall have a license to possess and control the Mortgaged Estate and to collect such Revenues (but not more than one month in advance) which is revocable at any time upon an Event of Default by Mortgagor under the Trust Indenture. The assignment of the Revenues of the Mortgaged Estate in this Article III is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest.

While the assignment made in this Mortgage is present, direct and continuing, the execution and delivery hereof shall not in any way impair or diminish the obligations of Mortgagor under the provisions of any lease nor shall any of the obligations contained in any lease be imposed upon Mortgagee.

Section 3.02. Collection Upon Default. Upon any Event of Default under this Mortgage or the Trust Indenture, Mortgagee may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations (i) enter upon and take possession of the Mortgaged Estate, or any part thereof, and in its own name sue for or otherwise collect such Revenues, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any Secured Obligations, and in such order as Mortgagee may determine, and (ii) prepare and submit any applications or other documentation as necessary in order to permit Mortgagee to collect the Revenues of the Mortgaged Estate. The collection of such Revenues, or the entering upon and taking possession of the Mortgaged Estate shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Estate by reason of anything done or left undone by Mortgagee hereunder, except to the extent of Mortgagee's gross negligence or willful misconduct.

ARTICLE IV

SECURITY AGREEMENT

Section 4.01. Creation of Security Interest. With respect to any portion of the Mortgaged Estate which now constitutes fixtures governed by the UCC, this Mortgage shall constitute a security agreement between Mortgagor as the debtor and Mortgagee as the secured party, and Mortgagor hereby grants to Mortgagee a security interest in such portion of the Mortgaged Estate (such portion being the "Fixtures"). Cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the UCC. Mortgagor will execute and deliver to Mortgagee all financing statements that may from time to time be required by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any searches required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such property, and it is expressly agreed that if upon an Event of Default Mortgagee should proceed to dispose of such property in accordance with the provisions of the UCC, 10 days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may at its option dispose of such property in accordance with Mortgagee's rights and remedies with respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the UCC.

Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity, or business form or structure and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may reasonably require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Mortgaged Estate described or referred to herein.

Some of the items of the Mortgaged Estate described herein are goods that are or are to become fixtures related to the Real Property, and it is intended that as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Estate is situated. Information concerning the security interest created by this instrument may be obtained from Mortgagee, as secured party, at the address of Mortgagee stated in Section 6.05 of this Mortgage. The mailing address of Mortgagor, as debtor, is as stated in Section 6.05 of this Mortgage.

Section 4.02. Warranties; Representations and Covenants of Mortgagor. Mortgagor hereby warrants, represents and covenants, with respect to the Fixtures, as follows:

(a) except for the security interest granted hereby, Mortgagor is, and as to any of the Fixtures to be acquired after the date hereof will be, the sole owner of the Fixtures,

free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for purchase money liens and Permitted Encumbrances. Mortgagor will notify Mortgagee of, and will defend the Fixtures against, all prohibited claims and demands of all persons at any time claiming the same or any interest therein;

(b) Mortgagor will not lease, sell, convey or in any manner transfer the Fixtures (except Fixtures transferred in the ordinary course of business and replaced by Fixtures of a similar nature and having at least the same value as the Fixtures replaced, and except for Permitted Encumbrances as defined in the Trust Indenture) without the prior written consent of Mortgagee;

(c) the Fixtures are not used or bought for personal, family or household purposes;

(d) the Fixtures will be kept on or at the Project and Mortgagor will not remove the Fixtures from the Project without the prior written consent of Mortgagee, except such portions or items of personal property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with new items of equal or greater quality; and

(e) all covenants and obligations of Mortgagor contained herein relating to the Mortgaged Estate shall be deemed to apply to the Fixtures whether or not expressly referred to herein.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT

Section 5.01. Events of Default. Any one or more of the following events shall be deemed an event of default hereunder (each, an “Event of Default”):

(a) the occurrence of a default or an Event of Default by Mortgagor under the Trust Indenture (other than this Mortgage) subject to any applicable notice or cure periods provided therein;

(b) failure by Mortgagor to punctually perform or observe any covenant or agreement contained in this Mortgage (other than the monetary obligations described in paragraph (a) above) and such failure shall not have been cured within 30 days (or such longer period as permitted under the Trust Indenture) after written notice from Mortgagee of such failure;

(c) if Mortgagor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent within the meaning of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the “Bankruptcy Code”), or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future federal, state or other statute, law or regulation relating to bankruptcy,

insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

(d) if a court of competent jurisdiction shall enter an order, judgment or decree approving a petition filed against Mortgagor seeking any reorganization, dissolution or similar relief under any present or future federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, and such order, judgment or decree shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive) from the first date of entry thereof; or any trustee, receiver or liquidator of Mortgagor or of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, shall be appointed without the consent or acquiescence of Mortgagor and such appointment shall remain unvacated and unstayed for an aggregate of 60 days (whether or not consecutive);

(e) if a writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Mortgaged Estate, or any judgment involving monetary damages shall be entered against Mortgagor which shall become a lien on the Mortgaged Estate or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 60 days after its entry or levy;

(f) if, during the term of the Bonds secured by this Mortgage, Mortgagor shall without the prior written approval of Mortgagee (unless permitted as provided herein) sell, convey, alienate, mortgage or encumber the Mortgaged Estate or any part thereof or any interest therein, or shall be divested of its title or any interest therein, in any manner, whether voluntarily or involuntarily, or if there is any merger, consolidation or dissolution affecting Mortgagor, or if there is a transfer of a majority interest in Mortgagor in a series of transactions or as a single transaction, unless any of the foregoing are permitted by the Trust Indenture;

(g) any assignment by Mortgagor of the whole or any part of the Revenues, issues or profits arising from the Mortgaged Estate (including, without limitation, the Revenues) to any person without the consent of Mortgagee (unless permitted as provided herein) or if, without such consent, Mortgagor shall otherwise further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the UCC) unless permitted by the Trust Indenture; or

(h) if at any time any representation, warranty or statement made by Mortgagor in the Trust Indenture or any certificate delivered by Mortgagor shall be incorrect or misleading in any material respect, or any material misrepresentation shall at any time be made to Mortgagee by Mortgagor.

Section 5.02. Acceleration Upon Default; Additional Remedies. Subject to the cure provisions of this Section 5.02, upon the occurrence of an Event of Default (which default is not

cured within any applicable cure period) Mortgagee may, at Mortgagee's sole option exercised in Mortgagee's sole discretion, pursue any one or more of the following remedies:

(a) Declare all or any portion of the Secured Obligations to be due and payable, and the same shall thereupon become due and payable without any presentment, demand, protest or notice of any kind except as otherwise provided herein;

(b) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Estate or any part thereof and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Estate, take any action described in Article II, III or IV hereof, sue for or otherwise collect the Revenues thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon any Secured Obligations, all in such order as Mortgagee may determine. The entering upon and taking possession of the Mortgaged Estate, the taking of any action described in Article II, III or IV hereof, the collection of such Revenues and the application thereof as aforesaid, shall not cure or waive any default or notice of default or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Estate or the collection, receipt and application of Revenues, issues or profits, Mortgagee shall be entitled to exercise every right provided for the Trust Indenture or by law upon occurrence of any Event of Default, including the right to exercise the power of sale herein conferred;

(c) Commence an action to foreclose this Mortgage (either judicially or non-judicially), appoint a receiver, specifically enforce any of the covenants hereof, or sell the Mortgaged Estate pursuant to the power of sale herein conferred and in a manner provided under Michigan law;

(d) Exercise any or all of the remedies available to a secured party under the UCC, including, but not limited to:

(i) Either personally or by means of a court appointed receiver, commissioner or other officer, take possession of all or any of the Fixtures and exclude therefrom Mortgagor and all others claiming under Mortgagor, and thereafter hold, store, use, operate, manage, maintain and control, make repairs, replacements, alterations, additions and improvements to and exercise all rights and powers of Mortgagor in respect of the Fixtures or any part thereof. In the event Mortgagee demands or attempts to take possession of the Fixtures in the exercise of any rights under the Trust Indenture, Mortgagor promises and agrees to promptly turn over and deliver complete possession thereof to Mortgagee;

(ii) Without notice to or demand upon Mortgagor, make such payments and do such acts as Mortgagee may deem necessary to protect its

security interest in the Fixtures, including, without limitation, paying, purchasing, contesting or compromising any encumbrance, charge or lien which is prior to or superior to the security interest granted hereunder and, in exercising any such powers or authority, to pay all expenses incurred in connection therewith;

(iii) Require Mortgagor to assemble the Fixtures or any portion thereof, at a place designated by Mortgagee and reasonably convenient to both parties, and promptly to deliver such Fixtures to Mortgagee, or an agent or representative designated by it. Mortgagee, and its agents and representatives, shall have the right to enter upon any or all of Mortgagor's premises and property to exercise Mortgagee's rights hereunder;

(iv) Sell, lease or otherwise dispose of the Fixtures at public sale, with or without having the Fixtures at the place of sale, and upon such terms and in such manner as Mortgagee may determine. Mortgagee may be a purchaser at any such sale; and

(v) Unless the Fixtures are perishable or threaten to decline speedily in value or are of a type customarily sold on a recognized market, Mortgagee shall give Mortgagor at least 10 days' prior written notice of the time and place of any public sale of the Fixtures or other intended disposition thereof. Such notice may be mailed to Mortgagor at the address set forth in Section 6.05 of herein and shall be deemed to be given on the date of mailing thereof; and

(vi) Any sale made pursuant to the provisions of this subsection shall be deemed to have been a public sale conducted in a commercially reasonable manner if held contemporaneously with the sale of all or a portion of the remainder of the Mortgaged Estate under power of sale as provided herein upon giving the same notice with respect to the sale of the Personal Property hereunder as is required for such sale of the remainder of the Mortgaged Estate under power of sale, and such sale shall be deemed to be pursuant to a security agreement covering both real and personal property under the UCC.

(e) Exercise any other rights or remedies which may now or hereafter be available to Mortgagee under this Mortgage or the Trust Indenture or pursuant to applicable law or in equity; or

(f) If held by Mortgagee, surrender the insurance policies maintained pursuant to Section 1.05, collect the unearned insurance premiums and apply such sums as a credit on the Secured Obligations in such priority and proportion as Mortgagee in its sole discretion shall deem proper, and in connection therewith, Mortgagor hereby appoints Mortgagee as agent and attorney-in-fact (which is coupled with an interest and is therefore irrevocable) for Mortgagee to collect such insurance premiums.

THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON THE OCCURRENCE OF AN EVENT OF DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT AND THE SALE OF THE

MORTGAGED ESTATE IN CONNECTION THEREWITH, NO HEARING IS REQUIRED AND THE ONLY NOTICE REQUIRED IS THE PUBLICATION OF NOTICE IN A LOCAL NEWSPAPER AND THE POSTING OF A COPY OF THE NOTICE ON THE PREMISES. THE MORTGAGOR HERBY WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE UNITED STATES AND THE STATE TO A HEARING PRIOR TO SALE IN CONNECTION WITH FORECLOSURE OF THIS MORTGAGE BY ADVERTISEMENT AND ALL NOTICE REQUIREMENTS EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

Section 5.03. [Reserved].

Section 5.04. Appointment of Receiver. If an Event of Default (which is not cured within any applicable cure period) shall have occurred, Mortgagee, as a matter of right and without notice to Mortgagor or anyone claiming under Mortgagor, and without regard to the value of the Mortgaged Estate or the interest of Mortgagor therein, shall have the right to apply to any court having jurisdiction to appoint a receiver or receivers of the Mortgaged Estate and Mortgagor hereby irrevocably consents to such appointment and waives notice of any application therefor. Any such receiver or receivers shall have all the usual powers and duties of receivers in like or similar cases in accordance with Michigan law and all the powers and duties of Mortgagee in case of entry as provided in Section 5.02(b) and shall continue as such and exercise all such powers until the date of confirmation of sale of the Mortgaged Estate unless such receivership is sooner terminated. Mortgagee shall, in addition to and not in limitation of any of the foregoing or any other remedies provided in this Mortgage or otherwise available under applicable law, have all of the rights provided under the laws of the State.

Section 5.05. Remedies Not Exclusive. Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation hereby and to exercise all rights and powers under this Mortgage or under the Trust Indenture or other agreement or any laws now or hereafter in force. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by the Trust Indenture to Mortgagee, or to which Mortgagee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee. Mortgagee may pursue inconsistent remedies.

The acceptance by Mortgagee of any sum after the same is due shall not constitute a waiver of the right either to require prompt payment, when due, of all other sums hereby secured or to declare a default as herein provided. The acceptance by Mortgagee of any sum in an amount less than the sum then due shall be deemed an acceptance on account only and upon condition that it shall not constitute a waiver of the obligation of Mortgagor to pay the entire sum then due, and failure of Mortgagor to pay such entire sum then due shall be and continue to be an Event of Default notwithstanding such acceptance of such amount on account, as aforesaid.

Mortgagee or Trustee shall be, at all times thereafter and until the entire sum then due shall have been paid, and notwithstanding the acceptance by Mortgagee thereafter of further sums on account, or otherwise, entitled to exercise all rights in this instrument conferred upon it, and the right to proceed with a sale under any notice of default, or an election to sell, or the right to exercise any other rights or remedies hereunder, shall in no way be impaired, whether any of such amounts are received prior or subsequent to such proceeding, election or exercise. Consent by Mortgagee to any action or inaction of Mortgagor which is subject to consent or approval of Mortgagee hereunder shall not be deemed a waiver of the right to require such consent or approval to future or successive actions or inactions.

Section 5.06. Possession of Mortgaged Estate. In the event of a trustee's sale or foreclosure sale hereunder and after the time of such sale, and Mortgagor occupies the portion of the Mortgaged Estate so sold, or any part thereof, Mortgagor shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Estate so occupied, such rental to be due and payable daily to the purchaser. An action of unlawful detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Estate and premises; and this agreement and a trustee's deed shall constitute a lease and agreement under which the tenant's possession arose and continued. Nothing contained in this Mortgage shall be construed to constitute Mortgagee as a "mortgagee in possession" in the absence of its taking actual possession of the Mortgaged Estate pursuant to the powers granted herein.

Section 5.07. Relief from Stay. In the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, subject to court approval, Mortgagee shall thereupon be entitled and Mortgagor irrevocably consents to relief from any stay imposed by Section 362 of the Bankruptcy Code on or against the exercise of the rights and remedies otherwise available to Mortgagee as provided in the Trust Indenture and Mortgagor hereby irrevocably waives its rights to object to such relief. In the event Mortgagor shall commence a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code, Mortgagor hereby agrees that no injunctive relief against Mortgagee shall be sought under Section 105 or other provisions of the Bankruptcy Code by Mortgagor or other person or entity claiming through Mortgagor, nor shall any extension be sought of the stay provided by Section 362 of the Bankruptcy Code.

Section 5.08. Cash Collateral. To the fullest extent allowed by applicable law, Mortgagor hereby acknowledges and agrees that in the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (i) that all of the Revenues are, and shall for purposes be deemed to be, "proceeds, product, offspring, rents, or profits" of the Project covered by the lien of the Mortgage, as such quoted terms are used in Section 552(b) of the Bankruptcy Code; (ii) that in no event shall Mortgagor assert, claim or contend that any portion of the Revenues are, or should be deemed to be, "accounts" or "accounts receivable" within the meaning of the Bankruptcy Code and/or applicable state law; (iii) that the Revenues are and shall be deemed to be in any such bankruptcy proceeding "cash collateral" of Mortgagee as that term is defined in Section 363 of the Bankruptcy Code; and (iv) that Mortgagee has valid, effective, perfected,

enforceable and matured rights in and to the Revenues without any further action required on the part of Mortgagee to enforce or perfect its rights in and to such cash collateral, including, without limitation, providing notice to Mortgagor under Section 546(b) of the Bankruptcy Code.

ARTICLE VI

MISCELLANEOUS

Section 6.01. Governing Law. This Mortgage shall be governed by the internal laws of the State without giving effect to its conflicts of law principles. In the event that any provision or clause of this Mortgage conflicts with applicable laws, such conflicts shall not affect other provisions of this Mortgage which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage are declared to be severable. This instrument cannot be waived, changed, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of any waiver, change, discharge or termination is sought and in accordance with the applicable provisions of the Trust Indenture. If any conflict shall arise between the terms of this Mortgage and the Trust Indenture, the terms of the Trust Indenture shall govern.

Section 6.02. Waiver of Rights. To the extent permitted by law, Mortgagor waives the benefit of all laws now existing or that hereafter may be enacted (i) providing for any appraisement before sale of any portion of the Mortgaged Estate, or (ii) in any way extending the time for the enforcement of the collection of the Secured Obligations or creating or extending a period of redemption from any sale made in collecting the Secured Obligations. To the full extent Mortgagor may do so under the laws of the State, Mortgagor agrees that Mortgagor will not at any time insist upon, plea, claim or take the benefit or advantage of any law now or hereafter in force providing for any appraisement, valuation, stay, extension, redemption or homestead exemption, and Mortgagor, for Mortgagor, Mortgagor's representatives, successors and assigns, and for any and all persons ever claiming any interest in the Mortgaged Estate, to the extent permitted by law, hereby waives and releases all rights of redemption, valuation, appraisement, stay of execution, homestead exemption, notice of election to mature or declare due the whole of the Secured Obligations and marshaling in the event of foreclosure of the liens hereby created. If any law referred to in this Section and now in force, of which Mortgagor, Mortgagor's heirs, devisees, representatives, successors and assigns or other person might take advantage despite this Section, shall hereafter be repealed or cease to be in force, such law shall not thereafter be deemed to preclude the application of this Section. Mortgagor expressly waives and relinquishes any and all rights, remedies and defenses that Mortgagor may have or be able to assert by reason of the laws of the State pertaining to the rights, remedies and defenses of sureties. The waivers and agreements contained in this section and elsewhere in this Mortgage are given by Mortgagor knowingly and voluntarily and upon advice of counsel.

Section 6.03. Limitation of Interest. All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no contingency or event whatsoever shall the amount paid, or agreed to be paid, to Mortgagee for the use, forbearance, or detention of the money to be held pursuant to the Trust Indenture or otherwise, or for the performance or payment of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable law. If from any

circumstance whatsoever fulfillment of any provision hereof at the time performance of such provision shall be due shall involve transcending the limit of validity prescribed by law, then, *ipso facto*, the obligation to be fulfilled shall be reduced to the limit of such validity, and if from any such circumstance Mortgagee or holders of the Bonds shall ever receive as interest under the Bonds or this Mortgage or otherwise anything of value which would exceed interest at the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Bonds or on account of other Secured Obligations and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Bonds and such other Secured Obligations, such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance, or detention of the Secured Obligations shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such obligations until payment in full so that the rate of interest on account of Secured Obligations is uniform throughout the term thereof. The terms and provisions of this paragraph shall control all agreements between Mortgagor and Mortgagee.

Section 6.04. [Reserved]

Section 6.05. Notices. Unless otherwise required by law, whenever Mortgagee or Mortgagor shall desire to give or serve any notice, demand, request or other communication with respect to this Mortgage, each such notice, demand, request or other communication shall be in writing and shall be deemed to have been given: (a) upon receipt if sent by hand delivery; (b) one day after deposit with overnight courier; or (c) two days after deposit in the case of certified mail, postage prepaid, addressed to the following mailing addresses:

If to Mortgagor:	Greater Heights Academy 9758 E. Highland Road Howell, MI 48843 Attention: President of the Board of Directors Telephone: (810) 632-2200 Facsimile: (810) 632-2201
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If to Mortgagee:	The Huntington National Bank 41 South High Street Columbus, OH 43287 Attention: Laura DiFilippo Tel: (614) 480-3147 Fax: (614) _____
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Any party may at any time change its address for such notices by delivering to the other parties hereto, as aforesaid, a notice of such change.

Section 6.06. Captions. The captions or headings at the beginning of each Section hereof are for the convenience of the parties and are not a part of this Mortgage.

Section 6.07. Invalidity of Certain Provisions; Conflicting Provisions. If the lien of this Mortgage is invalid or unenforceable as to any part of the Secured Obligations, or if the lien

is invalid or unenforceable as to any part of the Mortgaged Estate, the unsecured or partially secured portion of the Secured Obligations shall be completely paid prior to the payment of the remaining and secured portion of the Secured Obligations, and all payments made on such obligations, whether voluntary or under foreclosure or other enforcement action or procedure, shall be considered to have been first paid on and applied to the full payment of that portion of the Secured Obligations which is not secured or fully secured by the lien of this Mortgage.

Section 6.08. Subrogation. To the extent that proceeds of the Bonds or advances under this Mortgage are used to pay any outstanding lien, charge or prior encumbrance against the Mortgaged Estate, such proceeds or advances have been or will be advanced by Mortgagee at Mortgagor's request, and Mortgagee shall be subrogated to any and all rights and liens held by any owner or holder of such outstanding liens, charges and prior encumbrances, irrespective of whether said liens, charges or encumbrances are released of record.

Section 6.09. Change in Ownership. If the ownership of the Mortgaged Estate or any part thereof or interest therein becomes vested in a person other than Mortgagor owning the same on the date hereof, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest with reference to this Mortgage and the Secured Obligations in the same manner as with Mortgagor without in any way vitiating or discharging Mortgagor's liability hereunder or upon the Secured Obligations. No sale of the Mortgaged Estate, and no forbearance on the part of Mortgagee, and no extension of the time for the payment of the Secured Obligations, given by Mortgagee, shall operate to release, discharge, modify, change or affect the original liability, if any, of Mortgagor or the liability of any guarantors or sureties of Mortgagor, either in whole or in part; provided that Mortgagor may be released from its original liability under this Mortgage upon transfer of the entire Mortgaged Estate with the written consent of Mortgagee and as permitted under the Trust Indenture.

Section 6.10. Assignment of Mortgagee's Interest. It is expressly agreed that any and all terms of this Mortgage, the Trust Indenture and all other agreements made or executed by Mortgagor or others in favor of Mortgagee, and all rights, powers, privileges, options and remedies conferred upon Mortgagee herein and therein, shall inure to and be for the benefit of, and may be exercised by, Mortgagee and its successors and assigns, and the words "Mortgagee" shall also mean and include the successor or successors and the assign or assigns of Mortgagee and its successors and assigns. Mortgagor hereby specifically grants unto Mortgagee the right and privilege, at Mortgagee's option, but subject nevertheless to the provisions of the Trust Indenture, to transfer and assign to any third person all or any part of Mortgagee's rights to receive funds or payments hereunder.

Section 6.11. Time Is of the Essence. Time is of the essence under this Mortgage and the Trust Indenture.

Section 6.12. Obligations of Mortgagor. The obligations of Mortgagor to make payments hereunder and under the Trust Indenture and to perform and observe all agreements on its part contained herein and therein shall be absolute and unconditional. Until this Mortgage is terminated or payment in full of all Bonds is made or is provided for in accordance with the Trust Indenture, Mortgagor (i) will not suspend or discontinue any payments under the Trust Indenture or neglect to perform any of its duties required thereunder or hereunder; (ii) will

perform and observe all of its obligations set forth in the Trust Indenture, this Mortgage and the Bonds; and (iii) except as provided herein will not terminate the Trust Indenture or this Mortgage for any cause.

Section 6.13. Immunity of Individuals. No recourse shall be had for the payment of the principal of, premium, if any, or interest on the Bonds or for any claim based thereon or under the Trust Indenture, this Mortgage or the Bonds or upon any obligation, covenant or agreement herein against any past, present or future officer, director, trustee, member, employee or agent of Mortgagor, whether directly or indirectly and all such liability of any such individual as such is hereby expressly waived and released as a condition of and in consideration for the execution hereof and the issuance of the Bonds.

Section 6.14. Supplements; Amendments. This Mortgage may be supplemented or amended by written agreement between Mortgagor and Mortgagee in accordance with the applicable provisions of the Trust Indenture.

Section 6.15 Power of Attorney. Mortgagee may act as attorney-in-fact or otherwise on behalf of Mortgagor pursuant to Sections 1.22, 3.01 and 5.02(f) of this Mortgage. This power of attorney is coupled with an interest, is durable and is not affected by subsequent disability or incapacity of the principal or lapse of time.

[Remainder of page intentionally left blank.]

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be duly executed on the day and year set forth in the acknowledgment attached hereto and effective on the date first written above.


GREATER HEIGHTS ACADEMY

By: 

Its: President

STATE OF MICHIGAN)
) ss:
COUNTY OF Genesee)

Personally came before me on January 10th, 2025, the above named Matthew Barcey, President of Greater Heights Academy, to me known to be the person who executed the foregoing instrument and acknowledged the same on behalf of Greater Heights Academy.


Name: _____
Notary Public, State of Michigan
My commission expires: May 22, 2029
Acting in County of: Genesee

Angela Kulza
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF GENESEE
My Commission Expires May 22, 2029
Acting in the County of Genesee

EXHIBIT A

LEGAL DESCRIPTION

The land referred to in this Mortgage is located in the City of Flint, County of Genesee, State of Michigan, and described as follows:

EXHIBIT B

PERMITTED EXCEPTIONS
AS DISCLOSED IN TITLE INSURANCE POLICY

43082340.2/106311.00268

Greater Heights Academy
Contract Amendment No. 2

Tab 3

EDUCATIONAL PROGRAMS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.3, the Academy shall implement, deliver, and support the educational programs identified in this schedule.

Mission Statement

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

Vision Statement

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

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

Values

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

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

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

Further, the mission indicates all students have the capability to learn. The MTSS program ensures no child is left behind and students receive quality instruction to meet individual needs. The mission also addresses creating educational success through positive family, school and community partnerships. The staff and administration at the Academy realize that parents are a child’s first teacher. Parent input is crucial to the success of each student and the Academy communicates regularly with families regarding the progress and success of their students.

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

Educational Program Delivery

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

The Academy's core instruction:

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

Curriculum

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

The Academy's kindergarten through fourth grade classrooms are self-contained, allowing for flexibility and ample time for differentiating instruction. Grades five through six are split by content. In working as a collaborative team, daily schedules are planned to maximize student potential. The Academy has established the expectations regarding individual schedules. English language arts ("ELA") instruction is a minimum of 120-minute blocks incorporating reading and writing instruction with a deliberate focus on integrating social studies.

Mathematics instruction receives a minimum of a 90-minute block, which also provides for deliberate cross-curricular integration. The science block is a minimum of 45 minutes daily, which allows students to engage in in-depth projects and explorations whose content is reinforced during daily ELA and math blocks.

Reading

A balanced literacy approach is used in kindergarten through sixth grade to teach reading and writing. The tier I instructional curriculum, Into Reading™ by Houghton Mifflin Harcourt is a comprehensive ELA program offering guided instruction in both reading and writing. Teachers develop lesson plans utilizing these materials as a guide. Individual lesson plans include the MAS and assessments.

For tier-II instruction, reading interventionists use Amplify mCLASS® Intervention System, which includes DIBELS® progress benchmark assessments.

Writing

Kindergarten through sixth grade teachers implement the writing component of the Into Reading curriculum. Teachers develop lesson plans utilizing this material as a guide. Individual lesson plans include the MAS and assessments from the curriculum.

Math

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

Social Studies

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

Science

Kindergarten through sixth-grade instruction is guided by the Amplify Science curriculum. Students examine science concepts and theories guided by the Next Generation Science Standards (“NGSS”). Opportunities to conduct hands-on investigations assist students in applying concepts, problem-solving strategies, and making connections to the real world.

Health

The Michigan Model for Health™ curriculum provides staff the resources to teach health. The health curriculum is instructed utilizing a live event learning model in addition to a variety of hands-on lessons.

Specials

In addition to the core content areas, the Academy provides instruction in specials courses; these courses may include, but are not limited to: Spanish, music, physical education, robotics, art and technology. Specials classes are selected each year based on student preference and the availability of qualified staff. All specials courses are intended to provide enrichment opportunities and cross curricular support.

Educational Program Approaches--Researched-based Strategies

A crucial component for success integrated into the daily schedule is common planning time for all instructional staff. When developing the schedule, this is the first piece that goes into the plan. If schools are to develop as professional learning communities, collaboration must be embedded into the daily routine practices (Dufour, Dufour, & Eaker, 2006). Common planning time allows for shared leadership opportunities as well as establishing a mentoring program amongst staff. The Academy institutes grade level planning times and, when possible, plans the daily schedule to accommodate vertical planning.

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

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

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

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

The fourth goal is to make grades supportive of learning. This is accomplished by ensuring that the classroom focus is on learning. This begins at the Academy Board level and continues to the individual student level. The three big ideas, as presented by Richard Dufour of Solution Tree, are a core component of the Academy's structure (Dufour, Dufour, & Eaker, 2006). The Academy

believes the fundamental purpose is to ensure all students learn at high levels and are committed to becoming lifelong learners. In addition, collaborative teamwork and interdependence among teachers and administrators is a way to continuously improve the school. Evidence that students are learning and are ready to respond immediately when timely feedback reports otherwise is a clear indicator of a professional learning community.

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

The reader’s workshop and writer’s workshop models are built into the *Into Reading* units of instruction in all modules. All ELA teachers run workshops utilizing the four structures: mini-lesson, independent writing, conferring/conferencing, and sharing. No portion holds more value than another, and assessment does not only occur at the end of a unit or completion of a piece, but rather is continuous. Evidence has demonstrated that in order to provide more accurate information to parents, students, and staff, the assessments i.e., formative and summative must also occur within the creation of the writing piece.

Adaptations and Modifications

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

The Academy’s core curriculum:

- Is available to all children.
- Is preventative and proactive.
- Includes, but is not limited to:
 - differentiated instruction by adaptations.
 - use of diagnostic assessments.
 - small, flexible groups.
 - curriculum that is scaffolded.
 - data-driven decisions and progress monitoring.

Multi-Tiered Systems of Support

The Academy subscribes to a four-tiered MTSS structure:

Tier I is subject area classroom instruction (general education students and special education students). Teachers use differentiated instruction, when possible, to meet student needs. Frequent

formative assessments determine the extent to which content is learned prior to a summative assessment. Summative assessments in the form of unit tests, papers, projects, presentations and demonstrations, indicate mastery of content. If students do not master the given content, teachers reteach and reassess as necessary.

Tier II encompasses the classroom instruction outlined above and additional “needs-based learning.” Students who are identified through standardized assessments and teacher observation as performing below grade level receive additional support in the classroom. This support could come from the classroom teacher or an interventionist assigned to the classroom. These students receive more frequent progress monitoring to determine academic growth. Tier II students are supported and monitored for 10 weeks. If students have an Individualized Educational Program (“IEP”) goal, the student is not supported by an interventionist, as the student is supported by special education staff.

Tier III encompasses Tier I and II instruction with the addition of “individualized learning.” Students who do not make accelerated progress after 10 weeks of receiving Tier II instruction are identified as Tier III students. An interventionist, services targeted students outside of the classroom (not during core instruction). A learning plan is formulated to the specific student’s needs, along with individualized assessments. If the student is not making accelerated progress after five weeks, a child study is initiated and a student study team meets to recommend and implement additional strategies to assist the student. After a subsequent five week timeframe, if the student is not making accelerated progress to grade level, the student is referred to special education for testing.

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

Even though the pyramid is designed with a timeframe, there are extenuating circumstances where a child needs to be moved from one tier to another prior to the end of the designated timeframe. If this occurs, a leadership meeting is scheduled with the Intervention Coordinator(s), the Director of Special Education, Curriculum Director, Assistant Principal, and Principal/Superintendent. Information is presented and a decision for the individual child is made.

The Academy has taken into consideration that the majority of students who attend the school are from an urban setting. In response to this demographic, the Academy has incorporated a specific block of time dedicated to intervention for all students. Highly qualified staff are utilized for instruction during the intervention block. Formative assessments are implemented and analyzed on a daily basis to determine placement of students in the different subject area workshops.

Academic Day

The Academy’s daily schedule affords students intervention blocks embedded in the daily schedule for tier II and tier III instruction. Teachers and interventionists focus on a specific skill and provide additional practice and corrective feedback to increase student achievement.

Special Education Program

The Special Education Department works as a team consisting of special education teachers, speech pathologists, school social worker, occupational therapist, paraprofessionals, and a school psychologist to coordinate and provide services for students.

The full inclusion model is emphasized with students who have IEPs. Collaboration between general education staff and special education staff allows the inclusion model to be effective. Teachers work collaboratively by planning lessons, co-teaching, attending professional development opportunities and by researching and applying research-based teaching strategies. In addition to students having additional academic support to correspond with specific IEP goals, there are ancillary services available to enhance the learning potential such as speech therapy, occupational therapy and social work services.

It is the goal of the Special Education Department to act as a resource to the classroom teacher in the development and implementation of appropriate instructional and socialization strategies. Professional development opportunities, classroom presentations and school wide presentations are available to better educate all staff and students of the varied individual needs of specific disabilities.

The Academy is committed to offering creative and effective programming for students with special needs. The Special Education Department utilizes the resources available through the local Intermediate School District (Genesee ISD), Central Michigan University ("CMU") and the Michigan Department of Education.

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the IEP team, and together the team will make decisions that are subject to requirements regarding provision of the least restrictive environment. When determining how services will be delivered to students with disabilities, the Academy will follow all Special Education Rules as issued by the Michigan Department of Education. If a child with a current IEP enrolls in the Academy, the Academy will implement the existing IEP to the extent possible, or will provide an interim IEP agreed upon by parents until a new IEP can be developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act ("IDEIA") and state law and regulations.

The Academy will fully comply with federal laws and regulations governing children with disabilities as follows:

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.
2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.

3. When a multidisciplinary team determines that a special education student requires Special Education programs and services, the Academy will ensure that the IEP is fully implemented in accordance with IDEIA and reviewed on an annual basis or more frequently as determined by the IEP team.

Assessment Plan

Student assessment is viewed as an essential component in the monitoring of student achievement. Aligned standardized assessments and periodic benchmark assessments as well as a variety of formative and culminating assessments are incorporated into daily practice. Assessments are aligned with the curriculum and instruction and have been designed by matching the appropriate measurement method to the type of learning targets (knowledge, reasoning, skill, performance or disposition).

Assessment data informs all instruction at the Academy. Frequent formative assessments are given to determine student learning during a unit of study. These formative assessments consist of, but are not limited to: “thumbs-up/down,” individual whiteboards for checking for understanding, entrance/exit cards, homework check, visual representations of learning, verbal answering, content area games, and written spot checks. Teachers are required to indicate formative assessments in lesson plans and keep anecdotal notes. Quarterly data drop meetings are held with the curriculum director and the reading/math classroom teachers. Additional data drop meetings are conducted by the intervention and special education departments. Individualized goals and action plans are a result of the aforementioned meetings.

Summative assessments take the form of unit tests, papers, projects, presentations and demonstrations to indicate mastery of content. Teachers reteach and reassess when necessary if students do not master the given content. Teachers are required to indicate summative assessments in lesson plans.

Standardized and other norm/criterion referenced assessments are outlined in a yearly “assessment calendar.” The assessments are given periodically and drive classroom instruction. Assessment data (e.g. NWEA® MAP® Growth™) is the driving force behind the intervention program (previously outlined). The mCLASS DIBELS Assessment, Moby Max, Word Analysis and Michigan Literacy Progress Profile (“MLPP”), Eureka Math topic assessments and CLOSE reading assessments that function as the common formative assessments. These are taken in the Pear Assessment platform, where teachers have other standards-based assessment questions to utilize. These formative assessments are used to inform reading and math instruction.

In the core content areas of writing, science and social studies, as well as in specials classes, formative and teacher-generated summative assessments drive instruction.

Program Evaluation

The Academy utilizes a systematic process of evaluation to determine the effectiveness of the implementation, delivery and support of the Educational Program.

Formative Evaluation of Educational Program

Weekly lesson plans are built from the Academy's adopted curriculum, *Into Reading* and *Eureka Math*. The units of instruction and pacing guides may incorporate the following:

- objectives with corresponding grade level content expectations
- theme/unit
- indication of cross-curricular activities
- indication of vocabulary
- rubrics/scoring guide
- formative assessment
- summative assessment
- indication of homework
- indication of writing
- indication of differentiated instruction

Teachers create daily lesson plans which focus intently on a daily learning objective, student misconceptions and assessment. The lesson plan is updated daily to include information on individual students' level of mastery on the daily lesson. This data is shared with MTSS staff and becomes an integral part of the tier II process.

Content area curriculum chairs meet with the Director/Assistant Director/Curriculum Director on a monthly basis to ensure the staff is making progress in regards to the curriculum initiatives and school improvement goals. Curriculum chairs also meet with the instructional staff on a monthly basis. This time is dedicated to reviewing the school improvement plans as well as working on ensuring alignment of the curriculum to the MAS. Following the end of the second marking period, the curriculum chairs observe the staff implementing the lessons.

Summative Evaluation of Educational Program

In addition to the formative evaluation of programs, a summative process occurs as well. The Academy's performance appraisal is an integral part of the staff assessment, training and development process. Administration completes an evaluation for all teachers based on the Charlotte Danielson Framework for Teaching each year. The performance appraisal process measures teacher performance against an established framework based on best practices, achievement of Personal Development Objectives, and expected school improvement initiatives. The evaluation includes teacher performance-based assessment calculated on student achievement growth.

Each year, as part of continuing individual development, each teacher is asked to visit the classrooms of *at least* two other teachers to observe colleagues' teaching and operational methods. This is designed to be an opportunity for teachers to learn from one another by observing other teachers in action. Documentation of the classroom visits is verified through the completion of an *observation summary* that lists key learning for the observer.

Timeline of Classroom Observations

Classroom Observations

Teachers receive both formal evaluations and informal observations yearly. One evaluation observation must be scheduled between the teacher and administrator, the second formal evaluation is unannounced. The typical observational cycle consists of the following steps:

- Pre-observation meeting to establish a focus for the observation;
- Observation;
- Post observation meeting to reflect and set goals.

This observational cycle is recursive based on an improvement model; as such it is never intended to be punitive in nature.

Resources

- Beth Newingham's Third Grade. (n.d.). *Hill Elementary School Troy Michigan*. Retrieved from <http://hill.troy.k12.mi.us/staff/bnewingham/myweb3/>
- Calkins, L. (2003). *Units of study for primary writing: A yearlong curriculum*. Portsmouth, NH: FirstHand.
- DuFour, R. B., DuFour, R., & Eaker, R. E. (2006). *Professional learning communities at work: Plan book*. Bloomington, IN: Solution Tree.
- Fountas, I. C., & Pinnell, G. S. (2001). *Guiding readers and writers: Teaching comprehension, genre, and content literacy*. Portsmouth, NH: Heinemann.
- O'Connor, K. (2002). *How to grade for learning: Linking grades to standards*. Arlington Heights, IL: SkyLight Professional Development.
- Danielson, C. (2014). *The framework for teaching evaluation instrument*. www.danielsongroup.org

Greater Heights Academy
Contract Amendment No. 2

Tab 4

Terms and Conditions: Article IV, Section 4.5(b)

- (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. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or Schedule 2: Amended Bylaws. 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.

Greater Heights Academy
Contract Amendment No. 2

Tab 5

Terms and Conditions: Article XII, Section 12.24

Section 12.24. Required Statutory Disclosures. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:

- (a) Unless prohibited by a local ordinance or local zoning authority, signage that is on the Academy's property and is erected, repaired, or installed on or after April 2, 2025;
- (b) Promotional material that is created, modified, or distributed on or after April 2, 2025;
- (c) The footer of the Academy's website pages; and
- (d) The student application that is required to be enrolled in the Academy.

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.503.

Greater Heights Academy
Contract Amendment No. 2

Tab 6

Amended Bylaws: Article VIII, Section 6

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.
- (e) Is a current Academy Board member.

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. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or these Amended Bylaws. 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.

Amended Bylaws: Article IX

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. The indemnification shall not include any circumstances in which a 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 is grossly negligent or criminally liable for the indemnified act.

Greater Heights Academy
Contract Amendment No. 2

Tab 7

Oversight, Compliance and Reporting Agreement: Section 2.2(m)

- m. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:
 - i. Unless prohibited by a local ordinance or local zoning authority, signage that is on the Academy's property and is erected, repaired, or installed on or after April 2, 2025;
 - ii. Promotional material that is created, modified, or distributed on or after April 2, 2025;
 - iii. The footer of the Academy's website pages; and
 - iv. The school application that a student must submit to enroll in the Academy.

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.503.