



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

RENAISSANCE PUBLIC SCHOOL ACADEMY
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2022

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REAUTHORIZING RESOLUTION

REAUTHORIZATION OF PUBLIC SCHOOL ACADEMY**Renaissance Public School 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 Renaissance Public School Academy. On July 1, 2018, the contract was effective.
2. The contract of this academy expires June 30, 2022.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of Renaissance Public School Academy.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to Renaissance Public School Academy. The term of the contract is recommended for a term not to exceed seven (7) years.

BE IT RESOLVED, That this board approves and authorizes the execution of a contract to charter as a public school academy to Renaissance Public School Academy for a term not to exceed seven (7) years and authorizes the chair of the board to execute a contract to charter as a public school academy and related documents between Renaissance Public School 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 Renaissance Public School Academy is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: 2/17/2022Signature: Mary Jane Hanagan



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, 2022

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

CONFIRMING THE STATUS OF

RENAISSANCE PUBLIC SCHOOL ACADEMY

AS A

PUBLIC SCHOOL ACADEMY

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

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

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

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

WHEREAS, the Central Michigan University Board of Trustees has considered and has approved the issuance of a contract to Renaissance Public School 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 Renaissance Public School 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 Renaissance Public School Academy which is established as a public school academy pursuant to this Charter Contract.
- (b) "Academy Board" means the Board of Directors of the Academy.
- (c) "Applicable Law" means all state and federal law applicable to public school academies, including all rules, regulations, and orders promulgated thereunder.
- (d) "Application" means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
- (e) "Code" means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- (f) "Community District" means a community school district created under part 5B of the Code, MCL 380.381 et seq.
- (g) "Conservator" means an individual appointed by the President of Central Michigan University in accordance with Section 10.8 of these Terms and Conditions of Contract.

- (h) "Contract" means, in addition to the definition set forth in the Code, these Terms and Conditions of Contract, the Reauthorizing Resolution, the Method of Selection, Appointment, and Removal Resolution, the Charter Contract Schedules 1-8, as defined below, the Educational Service Provider Policies, the Master Calendar of Reporting Requirements and the Application.
- (i) "Department" means the Michigan Department of Education.
- (j) "Director" means a person who is a member of the Academy Board.
- (k) "Educational Service Provider" or "ESP" means an educational management organization, or employee leasing company, as defined under section 503c of the Code, MCL 380.503c, that has entered into a contract or agreement with the Academy Board for operation or management of the Academy, and which agreement has been submitted to the Center for review, has not been disapproved by the director of The Governor John Engler Center for Charter Schools, is consistent with the Educational Service Provider Policies, as they may be amended from time to time, and with Applicable Law.
- (l) "Educational Service Provider Policies" or "ESP Policies" means the Educational Service Provider Policies, adopted by The Governor John Engler Center for Charter Schools at Central Michigan University that apply to an agreement that has been entered into between an ESP and the Academy Board. The Educational Service Provider Policies may be amended from time to time. Upon amendment, changes to the ESP Policies shall automatically be incorporated into this Contract and shall be exempt from the amendment procedures under Article IX of these Terms and Conditions of Contract.
- (m) "Fund Balance Deficit" means the Academy has more liabilities than assets at the end of any given school fiscal year, and includes any fiscal year where the Academy would have had a budget deficit but for a financial borrowing by the Academy or a monetary contribution by an Educational Service Provider or other person or entity to the Academy. If the Academy receives a gift or grant of money or financial support from an Educational Service Provider or other person or entity that does not require repayment by the Academy, and is not conditioned upon the action or inactions of the Academy or the Academy Board, then such gift or grant shall not constitute a borrowing or contribution for purposes of determining a Fund Balance Deficit.
- (n) "Management Agreement" or "ESP Agreement" means an agreement as defined under section 503c of the Code, MCL 380.503c, that has been entered into between an ESP and the Academy Board for the operation and/or management of the Academy and that has been submitted to The Governor John Engler Center for Charter Schools for review and has not been disapproved by the director of The Governor John Engler Center for Charter Schools.
- (o) "Master Calendar" means the Master Calendar of Reporting Requirements as annually issued by The Governor John Engler Center for Charter Schools setting forth reporting and document submission requirements for the Academy.
- (p) "Method of Selection, Appointment, and Removal Resolution" means the policy adopted by resolution of the University Board on September 18, 1998, and amended on February 15, 2018, establishing the standard method of selection and appointment, length of term, removal and suspension, number of directors and qualifications of Academy Board members for public school academies issued a Contract by the University Board.

- (q) "Reauthorizing Resolution" means the resolution adopted by the Central Michigan University Board of Trustees on February 17, 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, 2022, Issued by the Central Michigan University Board of Trustees Confirming the Status of Renaissance Public School 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 Renaissance Public School Academy 2797 South Isabella Road Mt. Pleasant, MI 48858

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 seven (7) academic years and shall terminate on June 30, 2029, unless sooner revoked, terminated, or suspended pursuant to Article X of these Terms and Conditions. Pursuant to University Board policy, the standards by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:

Is the Academy's academic program successful?

Is the Academy's organization viable?

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

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

Section 12.10. Indemnification of University. As a condition to receiving a grant of authority from the University Board to operate a public school pursuant to the Terms and Conditions of this Contract, the Academy agrees to indemnify, defend and hold harmless the University Board, the University and its officers, employees, agents or representatives from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees) settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's approval of the public school academy application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for or operation of a public school, or which are incurred as a result of the reliance by the University Board, the University and its officers, employees, agents or representatives upon information supplied by the Academy, or which arise out of the

Academy's failure to comply with this Contract or Applicable Law. The foregoing provision shall not be deemed a relinquishment or waiver of any kind of Section 7 of the Governmental Liability for Negligence Act, being Act No. 170, Public Acts of Michigan, 1964.

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

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

Section 12.13. No Third Party Rights. This Contract is made for the sole benefit of the Academy and the University Board. Except as otherwise expressly provided, nothing in this Contract shall create or be deemed to create a relationship between the parties hereto, or either of them, and any third person, including a relationship in the nature of a third party beneficiary or fiduciary.

Section 12.14. Non-agency. It is understood that the Academy is not the agent of the University.

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

Section 12.16. Survival of Provisions. The terms, provisions, and representations contained in Section 11.2, Section 11.3, Section 11.9, Section 12.10, Section 12.13 and any other provisions of this Contract that by their sense and context are intended to survive termination of this Contract shall survive.

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

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

Section 12.19. Student Privacy. In order to protect the privacy of students enrolled at the Academy, the Academy Board, subject to Section 12.22, shall not:

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

- (i) for students enrolled in the Academy, providing such information to an ESP that has a contract with the Academy and whose contract has not been disapproved by the University;
 - (ii) providing the information as necessary for standardized testing that measures a student's academic progress and achievement; or
 - (iii) providing the information as necessary to a person that is providing educational or educational support services to the student under a contract with either the Academy or an educational management organization that has a contract with the Academy and whose contract has not been disapproved by the University.
- (b) The terms "education records" and "personally identifiable information" shall have the same meaning as defined in MCL 380.1136.

Section 12.20. Disclosure of Information to Parents and Legal Guardians, subject to Section 12.22.

- (a) Within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose without charge to the student's parent or legal guardian any personally identifiable information concerning the student that is collected or created by the Academy as part of the student's education records.
- (b) Except as otherwise provided in this subsection (b) and within thirty (30) days after receiving a written request from a student's parent or legal guardian, the Academy shall disclose to a student's parent or legal guardian without charge any personally identifiable information provided to any person, agency or organization. The Academy's disclosure shall include the specific information that was disclosed, the name and contact information of each person, agency, or organization to which the information has been disclosed; and the legitimate reason that the person, agency, or organization had in obtaining the information. The parental disclosure requirement does not apply to information that is provided:
 - (i) to the Department or CEPI;
 - (ii) to the student's parent or legal guardian;
 - (iii) by the Academy to the University Board, University, Center or to the ESP with which the Academy has a Management Agreement that has not been disapproved by the Center Director;
 - (iv) by the Academy to the Academy's intermediate school district or another intermediate school district providing services to Academy or the Academy's students pursuant to a written agreement;
 - (v) to the Academy by the Academy's intermediate school district or another immediate school district providing services to pupils enrolled in the Academy pursuant to a written agreement;
 - (vi) to the Academy by the University Board, University, Center;
 - (vii) to a person, agency, or organization with written consent from the student's parent or legal guardian, or from the student if the student is 18 years of age;
 - (viii) to a person, agency, or organization seeking or receiving records in accordance with an order, subpoena, or ex parte order issued by a court of competent jurisdiction;
 - (ix) to a person, agency, or organization as necessary for standardized testing that measures a student's academic progress and achievement; or
 - (x) in the absence of, or in compliance with, a properly executed opt-out form, as adopted by the Academy in compliance with section 1136(6) of the Code, pertaining to uses for which the Academy commonly would disclose a pupil's "directory information."

- (c) If the Academy considers it necessary to make redacted copies of all or part of a student's education records in order to protect personally identifiable information of another student, the Academy shall not charge the parent or legal guardian for the cost of those redacted copies.
- (d) The terms "education records," "personally identifiable information," and "directory information" shall have the same meaning as defined in MCL 380.1136.

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

- (a) Subject to Section 12.22, the Academy shall do all of the following:
 - (i) Develop a list of uses (the "Uses") for which the Academy commonly would disclose a student's directory information;
 - (ii) Develop an opt-out form that lists all of the Uses and allows a student's parent or guardian to elect not to have the student's directory information disclosed for one (1) or more Uses;
 - (iii) Present the opt-out form to each student's parents or guardian within the first thirty (30) days of the school year and at other times upon request; and
 - (iv) If an opt-out form is signed and submitted to the Academy by a student's parent or guardian, then the Academy shall not include the student's directory information in any of the Uses that have been opted out of in the opt-out form.
- (b) The term "directory information" shall have the same meaning as defined in MCL 380.1136.

Section 12.22. Confidential Address Restrictions.

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

Section 12.23. Partnership Agreement. If the Department and State School Reform/Redesign Office impose a partnership agreement on the Academy, the Academy shall work collaboratively with the Department, the State School Reform/Redesign Office and other partners to implement the partnership agreement. In the event that a provision in the partnership agreement is inconsistent with a provision in this Contract, this Contract shall control.

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
Richard K. Studley, Chair

Date: _____

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

RENAISSANCE PUBLIC SCHOOL ACADEMY

By:  _____
Board President

Date: 5-16-22

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

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

Date: 05/11/2022

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.

RENAISSANCE PUBLIC SCHOOL ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

Restated Articles of Incorporation	1
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CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
FILING ENDORSEMENT

This is to Certify that the RESTATED ARTICLES OF INCORPORATION - NONPROFIT

for

RENAISSANCE PUBLIC SCHOOL ACADEMY

ID NUMBER: 729340

received by facsimile transmission on October 6, 2017 is hereby endorsed.

Filed on October 9, 2017 by the Administrator.

This document is effective on the date filed, unless a subsequent effective date within 90 days after received date is stated in the document.



Sent by Facsimile Transmission

In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 9th day of October, 2017.

Julia Dale

***Julia Dale, Director
Corporations, Securities & Commercial Licensing Bureau***

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS CORPORATIONS, SECURITIES & COMMERCIAL LICENSING BUREAU																				
Date Received																				
	This document is effective on the date filed, unless a subsequent effective date within 90-days after received date is stated in the document.																			
<table border="1"> <tr> <td colspan="3">Name</td> </tr> <tr> <td colspan="3">Mark Smith</td> </tr> <tr> <td colspan="3">Address</td> </tr> <tr> <td colspan="3">2797 South Isabella Road</td> </tr> <tr> <td>City</td> <td>State</td> <td>Zip</td> </tr> <tr> <td>Mt. Pleasant</td> <td>MI</td> <td>48858</td> </tr> </table>		Name			Mark Smith			Address			2797 South Isabella Road			City	State	Zip	Mt. Pleasant	MI	48858	EFFECTIVE DATE:
Name																				
Mark Smith																				
Address																				
2797 South Isabella Road																				
City	State	Zip																		
Mt. Pleasant	MI	48858																		
		729340																		

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

OF

RENAISSANCE PUBLIC SCHOOL ACADEMY

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

The present name of the corporation is: Renaissance Public School Academy.

The corporation identification number ("CID") assigned by the Bureau is: 729340.

The corporation has used no other names.

The date of filing the original Articles of Incorporation was: October 27, 1994.

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: Renaissance Public School 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 Mark Smith.

The address of its registered office in Michigan is: 2797 South Isabella Road, Mt. Pleasant, MI 48858.

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 2nd day of October 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 2nd day of October, 2017.

By 
Mr. Mark Smith, President

CONTRACT SCHEDULE 2

AMENDED BYLAWS

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AMENDED BYLAWS
OF
RENAISSANCE PUBLIC SCHOOL ACADEMY

ARTICLE I
NAME

This organization shall be called Renaissance Public School 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.

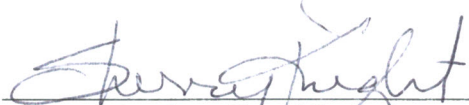
Upon termination or revocation of the Contract, the corporation may amend its Amended Bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the 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 16th day of May, 2022.


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 Renaissance Public School 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 Renaissance Public School Academy.

BY: _____

David Boyne
Director, State Finance Division
Bureau of State and Authority Finance
Michigan Department of Treasury

Date: February 4, 2022

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 Renaissance Public School Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

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

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

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

- a. Adopt and properly maintain governing board policies in accordance with Applicable Law.
- b. Comply with the reporting and document submission requirements set forth in the Master Calendar of Reporting Requirements issued annually by the Center.
- c. Comply with any Academy-specific reporting and document submission requirements established by the Center.
- d. Comply with the insurance requirements set forth in Article XI, Section 11.2 of the Terms and Conditions of Contract.

- e. Comply with the Center’s Educational Service Provider Policies, as may be amended.
- f. Report any litigation or formal proceedings to the Center including, but not limited to, litigation initiated by or against the Academy alleging violation of any Applicable Law. If the University is a named party, notify the general counsel for the University Board as set forth in Article XII, Section 12.1 of the Terms and Conditions.
- g. The Academy shall not occupy or use any school facility set forth in Schedule 6 of the Contract until such facility has received all fire, health and safety approvals required by Applicable Law and has been approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs’ Bureau of Construction Codes.
- h. Permit the Center to inspect the records, internal controls, operations or premises of the Academy at any reasonable time.
- i. Authorize the Center to perform audit and evaluation studies using Academy data including, but not limited to, personally identifiable information about the Academy’s students and staff submitted by the Academy to agencies including, but not limited to, Center for Educational Performance and Information (“CEPI”), Office of Educational Assessment and Accountability (“OEAA”) and the Michigan Department of Education (“MDE”). Pursuant to this authorization, the Center shall abide by the regulations that govern the use of student data within the Family Educational Rights and Privacy Act (FERPA - 34 CFR Part 99), the Michigan Identity Theft Protection Act of 2004, and the Privacy Act of 1974.
- j. Upon request, the Academy Board shall provide the Center with a written report, along with supporting data, assessing the Academy’s progress toward achieving the educational goal and related measures outlined in Contract Schedule 7b.
- k. Upon request, provide the Center with copies or view access to data, documents or information submitted to MDE, the Superintendent of Public Instruction, the State Board of Education, CEPI or any other state or federal agency.
- l. If the Academy operates an online or other distance learning program, it shall submit a monthly report to the MDE, in the form and manner prescribed by the MDE, that reports the number of pupils enrolled in the online or other distance learning program, during the immediately preceding month.

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

ARTICLE III

RECORDS AND REPORTS

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

ARTICLE IV

MISCELLANEOUS

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

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

Section 4.3. Audit and Evaluation. The Academy:

- a. Hereby authorizes the Center to perform audit and evaluation studies using Academy data including, but not limited to, personally identifiable information about the Academy's students and staff submitted by the Academy to agencies including, but not limited to, CEPI, OEAA and the MDE. Pursuant to this authorization, the Center shall abide by regulations that govern the use of student data within the FERPA, the Michigan Identity Theft Protection Act of 2004 and the Privacy Act of 1974.
- b. Shall upon request, provide the Center with copies or view access to data, documents or information submitted to the MDE, the Superintendent of Public Instruction, the State Board of Education, CEPI, the Michigan DataHub or any other state or federal agency.

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

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

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

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Position Responsibilities	5-1
School Administrator(s)	5-1
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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 CSP Management, Inc., a Michigan corporation d/b/a Partner Solutions for Schools 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.

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the "Agreement") is made and entered into as of July 1, 2022 by and among Partner Solutions, a Michigan corporation ("PS") and its wholly owned subsidiary, CSP MANAGEMENT, INC., a Michigan corporation d/b/a **PARTNER SOLUTIONS FOR SCHOOLS** ("Partner Solutions for Schools"), collectively "Partner Solutions," and **RENAISSANCE PUBLIC SCHOOL ACADEMY**, a Michigan public school academy (the "Academy") formed under Part 6A of the Revised School Code (the "Code"), as amended, being MCL §380.501 to §380.507. The Academy is a charter school organized as a public school academy under the Code. The Academy has been issued a contract (the "Contract") by the **CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES** (the "Authorizer") to organize and operate as a public school academy. The Authorizer is the statutory authorizing body. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

Partner Solutions represents and warrants that it (and all subsidiaries) is a duly organized Michigan for-profit corporation, in good standing, and that Partner Solutions (its officers, employees and agents) has the educational background, managerial experience, expertise, training, capacity, qualifications, and financial resources, and personnel to provide the Services contemplated under this Agreement.

The Academy and Partner Solutions desire to enter into an independent contracting relationship whereby Partner Solutions will be engaged to provide the personnel and financial services as set forth in this Agreement and for the School Leader to administer the Academy's Educational Program (the "Services"). This Agreement between the Academy and Partner Solutions sets forth the understandings with respect to the relationship between them, the scope of their relationship and the limitations on the relationship between the parties.

The Academy and Partner Solutions further state that Partner Solutions shall have full and unfettered authority to hire and fire people to fulfill the contractual terms and conditions as set forth herein, without any involvement, control or direction of the Academy.

THEREFORE, in consideration of the mutual promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties agree as follows:

ARTICLE I

Relationship of the Parties and Other Matters

- A. Authority. The Academy represents that (a) it is authorized by law to contract with a private entity for the provision of educational, personnel and financial services (the "Services") to the Academy, (b) it has been issued a Contract from the Authorizer to organize and operate as a public school academy, (c) the Academy is organized under the direction of the Academy Board of Directors ("Board") in accordance with Part 6A of the Code and the Board Bylaws, and (d) it is vested with all powers necessary or desirable for carrying out the duties contemplated in this Agreement.

To the extent permitted by law, the Academy hereby authorizes and grants to Partner Solutions the necessary authority and power to perform under this Agreement. No provision of this Agreement shall interfere with the Board's statutory, contractual, and fiduciary responsibilities, nor shall any provisions of this Agreement be construed so as to prohibit the Academy from acting as an independent, self-governing public body.

- B. Relationship of the Parties. Partner Solutions is not a division, subsidiary or any part of the Academy. The Academy is a governmental entity authorized under the Code. The Academy is not a division or any part of Partner Solutions. The relationship between the parties hereto was developed and entered into through arms-length negotiation and is based solely on the terms of this Agreement.
- C. Educational Program. Partner Solutions shall administer the Educational Program of the Academy. The Board retains the responsibility for determining the fiscal and academic policies that will govern the operation of the Academy. The School Leader is responsible for the development and implementation of all curriculum and educational programming for the Academy (the "Educational Program"). The Board is responsible for monitoring academic outcomes and shall notify Partner Solutions of any dissatisfaction with these outcomes.
- D. Operations. The Academy Board shall retain policy-level control and responsibility over operations of the Academy, including but not limited to, instructional equipment and supplies, student achievement, student discipline, special education, parent and community engagement, food service, transportation, athletics, extracurricular activities, building and property management, policy and procedure oversight.
- E. Compliance with Section 503c. On an annual basis, Partner Solutions shall provide the Board all of the same information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receiving the information under section 18(2), the Board shall make this information publicly available on its website, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this Agreement.
- F. Partner Solutions as Independent Contractor: The Board is the governing body with authority and responsibility over the Academy. In performing Services under this Agreement, Partner Solutions (its officers, directors, employees, and designated agents) shall be regarded at all times as performing services as independent contractors for the Academy.
 - 1. Consistent with that status, Partner Solutions reserves to itself the right to designate (to the extent consistent with the Contract and controlling law) the means and methods of accomplishing the objectives and purposes of this Agreement and the Academy shall

not exercise (or have the right to exercise) control or direction over the means and methods utilized by Partner Solutions in providing Services under this Agreement.

2. Partner Solutions shall be regarded, designated and considered to be the employer with respect to all individuals whom Partner Solutions may select, employ and assign to provide Services under this Agreement. Partner Solutions shall be solely and exclusively responsible for selecting, compensating, hiring, retaining, evaluating, disciplining, dismissing and otherwise regulating the employment conditions, employment rights, compensation and other similar matters relative to all individuals whom Partner Solutions employs in connection with providing Services under this Agreement. Evaluation and compensation systems administered by Partner Solutions shall comply with all applicable laws, including section 1249, 1249b, and 1250 of the Code, MCL 380.1249, 1249b, 1250, and the Contract.
3. Partner Solutions acknowledges and agrees that it is the sole and exclusive responsibility of Partner Solutions to make the requisite employer tax filings, deductions and payments to the appropriate federal, state and local tax authorities for and on behalf of all persons employed by Partner Solutions to provide Services under this Agreement. No part of Partner Solutions' invoiced fee shall be subject to withholding by the Academy for payment of social security, unemployment or disability insurance or any other similar local, state, or federal tax obligations. Partner Solutions shall be solely and exclusively responsible for all taxation consequences to it or its agents or employees as a result of Partner Solutions' engagement under this Agreement.

Partner Solutions shall be responsible for answering, defending and/or resolving any and all employment-related claims arising from the assignment and performance of its employees or agents to carry out the services under this Agreement.

These employment-related claims shall include, but shall not be limited to: proceedings before the Michigan Employment Relations Commission; the National Labor Relations Board; proceedings for unemployment compensation benefits; claims for workers' compensation disability benefits; claims of unlawful employment discrimination brought before any state or federal agency or court; claims or grievances for breach of employment contract; and any other employment-related claims of whatsoever kind or character arising from or which are attributable to the performance of services by employees or agents of Partner Solutions in connection with this Service Agreement.

All costs (including legal fees) incurred in connection with the defense of the foregoing employment matters and any judgments resulting therefrom shall be the sole and

- exclusive responsibility of Partner Solutions.
4. To the extent that Partner Solutions may subcontract any or all aspects of the Services it agrees to provide to the Academy under this Agreement, Partner Solutions represents that it shall include in any subcontracted agreement provisions comparable to those contained in this Article I, inclusive of subparts, to identify the employer of any person providing Services under a contracted services agreement or, in the absence of an employer and in the case of an independent contractor, to expressly provide that the service provider is an individual independent contractor, and is not intended to be, and shall not be regarded as, an employee of the Academy. Any services to be provided by Partner Solutions that are included in the Services Fee but are performed by a subcontractor shall not be charged to, reimbursed by, or passed through as an additional cost to the Academy.
 5. To enable the Academy to comply with its reporting obligations under the Michigan Public School Employees Retirement Act, 1980 PA 300, as amended, Partner Solutions: (a) shall promptly notify the Academy Board in writing of the identity of any individual assigned by Partner Solutions to perform services at the Academy who is a retirant from the Michigan Public School Employees Retirement System (MPERS); and (b) shall provide information to the Office of Retirement Services ("ORS"), on a pay period basis regarding any such individual's wages or amounts paid and hours of service under this Agreement, as necessary for the Academy to be in compliance with the duty to report on a schedule and in such manner as may be determined from time to time by the ORS. MCL 38.1342(6).
- G. No agent or employee of Partner Solutions shall be determined to be an agent or employee of the Academy, except as expressly acknowledged, if at all, in writing, and approved by the Board.
 - H. No individual employed by Partner Solutions and assigned to perform Services under this Agreement shall be subject to any covenant not to compete or any other employment restriction of any nature as part of the terms of his or her employment with Partner Solutions.
 - I. During the Term of this Agreement, and only to the extent permitted by law and applicable Academy Board Policies, the Academy may disclose or provide access to confidential data and information to Partner Solutions and its officers, directors, employees, designated agents, and staff assigned to the Academy ("Worksite Staff") or Partner Solutions and its related entities may access confidential data and information, including without limitation, the Family Educational Rights and Privacy Act ("FERPA"), 20 USC §1232g, 34 CFR Part 99; Section 1136 of the Michigan Revised School Code, MCL 380.1136; the Individual with Disabilities Education Act ("IDEA"), 20 USC §1401 et seq, 34 *CFR* 300.610 -

300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 et seq.; the American with Disabilities Act, 42 USC §12101 et seq.; the Health Insurance Portability and Accountability Act ("HIPAA"), 42 USC 1320d - 13200d-8; 45 CFR 160,162 and 164; and social security numbers, as protected by the Federal Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL 445.84. Partner Solutions agrees that it shall comply with applicable law in the handling, maintaining, safeguarding, re-disclosing, and returning of confidential data, information and records disclosed or accessed under this Agreement.

The Academy agrees to define "school official" in the Academy's annual notification of rights under FERPA to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, having a legitimate educational interest such that they are entitled to access educational records under FERPA. Partner Solutions and its employees and subcontractors agree to comply with FERPA and corresponding regulations and Academy policies applicable to school officials, as well as the pupil privacy requirements of section 1136 of the Code, MCL 380.1136. If Partner Solutions receives education record information from any sources as permitted under the Code, Partner Solutions shall use the education record information only as contemplated by this Agreement and Partner Solutions shall not sell or otherwise provide the information to any other person or entity except as provided by law, including FERPA, MCL 380.1136, MCL 600.2165, and Michigan's Freedom of Information Act, particularly MCL 15.243(2). Except as set forth in this Paragraph or as expressly acknowledged in writing by the Board, no employee of Partner Solutions shall be deemed to be an agent of the Academy

Partner Solutions will be solely responsible for its acts and omissions, and the acts and omissions of its agents, employees, and those subcontractors who are contracted through Partner Solutions.

- J. No Related Parties or Common Control. The parties hereby agree that none of the voting power of the governing body of the Academy or the Board will be vested in Partner Solutions or its directors, members, managers, officers, shareholders, or employees. Further, the Academy and Partner Solutions are not, and shall not become: (a) members of the same controlled group, as that term is defined in the Internal Revenue Code of 1986, as amended (the "IRS Code"); or (b) related persons, as that term is defined in the IRS Code.
- K. Compliance with Academy's Contract. Partner Solutions 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 Contract issued by the Authorizer. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.

- L. Lease and Loans. If the Academy and Partner Solutions enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationship, then such agreements must be separately documented and separately approved in compliance with applicable law, the Charter Contract, and Authorizer review and non-disapproval requirements, and shall not be a part of or incorporated into this Agreement.
- M. The Board. The Board is the governing body with oversight responsibilities over the Academy. The parties acknowledge that throughout this Agreement the term “Board” and the term “Academy” are sometimes used interchangeably in some sections for the sole purpose of readability based on the nature and subject-matter of the article/section. This Agreement is executed by a duly authorized member of the Board (on behalf of the Academy), and by so executing this Agreement the Board acknowledges and accepts all obligations and responsibilities related to the Board as set forth in this Agreement.
- N. Data Security Breach. Partner Solutions shall promptly report to the Board, not later than the first business day following discovery, any use or disclosure of personally identifiable information from the Academy’s education records or other information not suitable for public release (collectively, Covered Data or Information (“CDI”) that is not authorized by this Agreement or Applicable Law. Partner Solutions agrees to promptly undertake to identify: (i) the nature of the unauthorized use or disclosure, (ii) the CDI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what Partner Solutions has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (v) whether, and if so on what grounds, Partner Solutions has determined that the security breach has not or is not likely to cause substantial loss or injury to, or result in identity theft with respect to, one or more residents of this state, and (vi) what corrective action Partner Solutions has taken or shall take to prevent future similar unauthorized use or disclosure. Partner Solutions shall provide such other information as reasonably requested by the Board. Partner Solutions shall take appropriate action, in accordance with MCL 445.72, to notify affected individuals whose personal information may have been compromised

ARTICLE II

Term

- A. Term. This Agreement shall be effective for the duration of the Academy’s current authorizing contract with the Authorizer (the “Term”), subject to earlier termination under Article VI. The Term will be for a seven (7) year period beginning July 1, 2022 and ending June 30, 2029 (the “Term”), subject to earlier termination under Article VI.

ARTICLE III

Compensation and Reimbursement of Costs

- A. Services Fee. During the Term of this Agreement, the Board shall pay Partner Solutions an annual fee as a percentage of total gross wages paid to staff employed and assigned by Partner Solutions to perform Services for the Academy (the “Fee”). The Fee shall be determined according to the chart below:

Personnel (Staffing and Payroll)

Gross Payroll Dollars/Year	% of Gross Payroll (our Fee)	Annual Minimum Fee
\$0-2 million	5%	\$40,000
\$2,000,001-\$3,000,000	4.5%	\$40,000
3,000,001 - \$4,000,000	4%	\$40,000
\$4,000,001 - \$6,000,000	3.5%	\$40,000
\$6,000,001-\$8,000,000	3.25%	\$40,000
\$8,000,001-\$10,000,000	3%	\$40,000
\$10,000,001-\$12,000,000	2.75%	\$40,000

A multi-year discount of 0.5% will be applied to the percentage fees set forth in the table above for Personnel Services provided by Partner Solutions under this Agreement because the Academy has entered into a multi-year contract matching the length of the Academy’s charter contract.

Financial Services

Number of Students	1-300	301-599	600+	Annual Minimum Fee
Based on Per Pupil State Aid	3.5%	3%	2.5%	\$30,000

A multi-year discount of 0.5% will be applied to the percentage fees set forth in the table above for Financial Services provided by Partner Solutions under this Agreement because the Academy has entered into a multi-year contract matching the length of the Academy’s charter contract.

- B. Payment of Reimbursable Expenses. In addition to the Fee, the Academy shall reimburse Partner Solutions, upon properly presented documentation and approval by the Board, for all costs actually and reasonably incurred and paid by Partner Solutions, within Academy Board approved budget parameters, in providing the Services as specified in this

Agreement (“Reimbursable Expenses”). Reimbursable Expenses include, but are not limited to, all Payroll Costs (as defined in Article III, Section C, *infra*) for Worksite Staff that are not pre-paid under Article III, Section C, employment ads, recruiting fees, background screening fees, Concentra testing fees, job fair booth fees, substitute charges/fees, and other expenses for equipment, software, supplies, food service, transportation, special education, psychological services, and medical services. Partner Solutions shall not charge an added fee (or mark-up) beyond Reimbursable Expenses actually incurred by Partner Solutions in providing the Services as specified in this Agreement. The Academy will forward to Partner Solutions the funds to pay all Reimbursable Costs for the Services provided pursuant to this Agreement. No corporate costs of Partner Solutions shall be charged to, or reimbursed by, the Academy. Marketing and development costs paid by or charged to the Academy (if any) shall be limited to those costs specific to the Academy program and shall not include any costs for the marketing and development of Partner Solutions.

- C. Payment. The Academy shall advance funds to Partner Solutions for the Services provided under this Agreement in an amount equal to Partner Solutions’ Payroll Costs attributable to the Services no later than the third business day preceding each of Partner Solutions’ payroll dates. For purposes of this Agreement, “Payroll Costs” means salary, benefits, and other costs, including the employer-paid portion of payroll taxes, incurred by Partner Solutions to compensate the Worksite Staff to perform Services at the Academy under this Agreement, including but not limited to gross wages, FICA, Medicare, FUTA, SUTA, Workers’ Compensation Insurance, Professional Liability Insurance, employer portions of health, dental, vision, and life insurance, and 401k employer contributions (if applicable). Said funds will be received by Partner Solutions via ACH or other mutually approved payment method. Documentation of all expenses must be reflected in the Academy Board’s financial packets and presented to the Board for approval and/or ratification at its next regularly scheduled meeting. All other Reimbursable Expenses incurred by Partner Solutions under this Agreement will be paid by the Academy by the 15th day of the month following the month the expenditure was incurred by Partner Solutions. Notwithstanding any other term or provision in this Agreement to the contrary, in the Board’s discretion, the Academy may pay fees for costs incurred by Partner Solutions within Academy Board approved budget parameters. Documentation of all expenses must be reflected in the Academy Board’s financial packets and supported with back-up documentation presented to the Board for approval and/or ratification at its next regularly scheduled meeting. Documentation for all Worksite Staff will be broken down by each Partner Solutions’ employee.

For purposes of this Agreement the (“payroll date”) shall be the date or dates established annually by Partner Solutions.

- D. Availability of Funds. Notwithstanding any other term or provision in this Agreement to the contrary, Partner Solutions shall not be, directly or indirectly, liable to any third party

(excluding Payroll Costs as elsewhere identified in this Agreement and payments owed to independent contractors engaged by Partner Solutions) for any Reimbursable Expenses, and Partner Solutions shall only be required to perform its responsibilities under this Agreement to the extent the Academy has funds available for payment to any third party.

- E. Other Institutions. The Academy acknowledges that Partner Solutions may enter into agreements similar to this Agreement with other public or private educational schools or institutions (the “Institutions”). Partner Solutions shall maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and for reimbursable expenses incurred on behalf of the Institutions. Partner Solutions shall only charge the Academy for expenses incurred on behalf of the Academy.

If Partner Solutions incurs reimbursable expenses on behalf of the Academy and the Institutions which are incapable of precise allocation between the Academy and the Institutions, then Partner Solutions shall allocate such expenses among the Institutions and the Academy, on a pro-rata basis, based on the number of students enrolled at the Academy and the Institutions, or the number of staff assigned to the Academy and the Institutions or upon such other equitable basis as agreed by the parties.

- F. Access to Records. Partner Solutions shall keep accurate financial records pertaining to the personnel and financial services provided to the Academy under this Agreement, together with all necessary records prepared by or in the possession of Partner Solutions and retain all of said records in the manner and for the duration required by applicable law. In no event shall the retention period be less than a period of five (5) years from the close of the fiscal year to which such books, accounts and records relate. All finance and other records of Partner Solutions related to the Academy (if any) will be made available to the Academy, the Academy’s independent auditor, whom shall be solely selected by the Academy Board, and the Authorizer, upon request. Partner Solutions and the Academy shall maintain the proper confidentiality of personnel and other records as required by law. All records shall be kept in accordance with applicable state and federal requirements. The financial, educational and student records pertaining to the Academy are Academy property and such records are subject to the Michigan Freedom of Information Act, FERPA and Section 1136. All Academy records shall be physically or electronically available, upon request, at the Academy’s physical facilities. Except as permitted under the Contract and Applicable Law, Partner Solutions shall not restrict the University's or the public's access to the Academy's records. If Partner Solutions receives information that is part of a pupil's education records from any source as permitted under the Code, Partner Solutions shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136.

- G. Other Services. The Academy shall be responsible for contracting with additional service providers in the event that the Academy needs additional support beyond the Services provided under this Agreement to improve student achievement, develop curriculum, improve classroom management, provide community outreach/marketing services, or other

assistance. If the Academy Board wishes to contract for additional services with Partner Solutions, this Agreement will be amended, upon mutual agreement, in accordance with the Authorizer's Educational Service Provider Policies.

- H. Proprietary Rights. The Academy owns, without restriction, all proprietary rights to curriculum and educational materials that (i) are or were both directly developed and paid for by the Academy; or (ii) are or were developed by Partner Solutions at the direction of the Academy Board with Academy funds. All such intellectual property shall be provided to the Academy prior to the termination of Services under this Agreement. Partner Solutions agrees that it and its employees, agents, and successors or assigns will execute any document or agreement necessary to implement this provision without delay or cost to the Academy. All educational materials and teaching techniques used by the Academy are subject to disclosure under the Revised School Code and the Freedom of Information Act.

If Partner Solutions uses or discloses such proprietary information in violation of this Agreement, Partner Solutions shall (a) be liable to the Academy for all damages; and (b) be obligated to reimburse the Academy for its legal costs and reasonable attorney's fees related to the enforcement of this Section.

- I. Marks. Subject to the terms and conditions of this Agreement, each of the Parties grants to the other Party a non-transferable, non-sub-licensable, and non-exclusive license to use its name, logo, trademarks or service marks (Marks) in connection with the Services provided to the Academy under this Agreement. Neither Party shall use the other Party's Marks in a manner that is disparaging to, or otherwise harms the goodwill associated with, those Marks. Use of the other Party's Marks is derived solely from this Agreement and limited to use in the Academy's operations in compliance with the Agreement and all reasonable standards for use which either Party shall prescribe from time to time during its term. Any unauthorized use by one Party of the other Party's Marks will be a breach of this Agreement and an infringement of the other Party's rights in its Marks. Upon expiration or termination of this Agreement, neither Party may use the other Party's Marks, except in historical records or with the prior written approval of the other Party.

ARTICLE IV

PERSONNEL SERVICES

- A. Personnel Responsibility. Partner Solutions has the authority to recruit, identify, select, hire, assign, evaluate, compensate, discipline and transfer personnel, consistent with applicable laws. Partner Solutions is responsible for ensuring that the School Leader has all budget information necessary so that personnel costs fall within the parameters of the Academy's approved budget. Partner Solutions has assigned responsibility to the School Leader (as defined below) for approving and submitting appropriate hours-worked reports for all hourly employees. Evaluation and compensation systems shall be selected by the

Academy Board and implemented by Partner Solutions in compliance with all applicable laws, including sections 1249, 1249b and 1250 of the Code.

- B. School Leader. Partner Solutions shall recruit, identify, select, hire, assign, evaluate, and compensate, a School Leader to administer the Educational Program at the Academy (the "School Leader"). The School Leader will serve as Partner Solutions' on-site supervisor to its Worksite Staff. Partner Solutions may work through its School Leader to verify and confirm that staffing levels are appropriate and all teaching assignments align with teacher certification. The School Leader shall be responsible for supervising and managing the Educational Program and instruction of students. The School Leader will hold all required certifications as required by the Code.

If the Board becomes dissatisfied with the Personnel Services provided by Partner Solution's School Leader, the Board shall state the causes of such dissatisfaction in writing and deliver it to Partner Solutions. Partner Solutions shall have a reasonable period of time to remedy the dissatisfaction; however, if it cannot remedy the dissatisfaction, Partner Solutions shall remove and replace the School Leader at the Academy as soon as practicable.

- C. Worksite Staff. Partner Solutions will provide administrative support to the School Leader to obtain resumes and credential information for the School Leader to select and hire Worksite Staff on behalf of Partner Solutions for assignment at the Academy. Partner Solutions will empower the School Leader with the authority to select, evaluate, and hold accountable the Worksite Staff for the operation of the Academy. After qualified Worksite Staff are selected by the School Leader, Partner Solutions will onboard and provide additional administrative support to the School Leader.
- D. Criminal Background and Unprofessional Conduct Checks. Partner Solutions, through the School Leader, shall conduct, in compliance with applicable law, criminal background and criminal history checks and unprofessional conduct checks on Worksite Staff employed by Partner Solutions, or individuals assigned by Partner Solutions under this Agreement to regularly and continuously work under contract at the Academy. Partner Solutions agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b and related provisions of the Code pertaining to criminal background checks and criminal conduct. Partner Solutions shall require that the results of the criminal background check are received, reviewed, and used (subject to a verification process) only by the School Leader (or authorized designee), acting on behalf of the Academy and/or the Board, only as permitted by law to evaluate the qualifications of the individual for his/her assignment. Partner Solutions will follow all applicable laws as it relates to this Section D.
- E. Employer of Personnel. Payroll Costs (defined in Article III, §C) for all Worksite Staff employed by Partner Solutions shall be paid by Partner Solutions. Partner Solutions shall

be responsible for employee tax withholdings and for paying its portion of social security, unemployment, and any other taxes required by law to be paid on behalf of its employees assigned to the Academy. Unless required by applicable statute, court or administrative decision, or Attorney General's opinion, Partner Solutions shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees assigned as Worksite Staff under this Agreement. Teachers employed by Partner Solutions shall not be considered teachers for purposes of continuing tenure under MCL §38.71 et. seq. Partner Solutions accepts full liability and is responsible for paying all salaries, benefits, payroll taxes, workers compensation, unemployment compensation and liability insurance for work completed by its employees assigned to provide Services at the Academy under this Agreement, irrespective of whether Partner Solutions receives an advancement or reimbursement of its costs or the payment for Service from the Academy. However, Academy's non-payment of such funds is considered a material breach of this Agreement.

- F. 401K Plan Administration. Partner Solutions will complete and sign all necessary 401K regulatory and plan documents for its employee benefits plan as required by law and as fiduciary agent of the plan.

ARTICLE V

FINANCIAL SERVICES

- A. Review of Budget. Partner Solutions shall prepare and propose to the Academy's Chief Administrative Officer ("CAO") and the Board an annual budget for the Academy and shall provide, from time to time, such proposed amended budgets as may thereafter be required (collectively the "Budget"). The initial budgeting assumptions shall be provided to the CAO not later than 60 days prior to the date when the approved Budget is required to be submitted to the Authorizer under the Contract. The initial proposed Budget shall be provided to the CAO not later than thirty (30) days prior to the date when the approved Budget is required to be submitted to the Authorizer under the Contract. The Board shall review, revise, and timely approve an annual Budget.

The proposed Budget shall comply with applicable law, including the Michigan Public School Accounting Manual; the Uniform Budgeting and Accounting Act, MCL 141.421 et seq; and the Budget Hearings of Local Governments Act, MCL 141.411-415. The Budget shall be in a form satisfactory to the Board and in compliance with the Contract. The Budget shall contain reasonable detail as requested by the Board and as necessary to comply with Generally Accepted Accounting Principles (GAAP). 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 protected cost of all Services and Educational Programs, rent and lease payments, debt service, maintenance and repairs to Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other

costs and expenses connected to the operation of the Academy.

The Academy's CAO shall not be an employee of Partner Solutions but shall be a member of the Academy Board, specifically the Board Treasurer unless otherwise expressly designated. The Board shall remain ultimately responsible for any and all budgeting decisions and financial decisions.

B. Financial Services. Partner Solutions shall timely provide the Board with:

1. a projected annual Budget;
2. detailed monthly financial statements no more than thirty (30) days after month's end (and financial statements reasonably requested by the Board more frequently). Monthly financial statements will be provided as directed by the Board within reason prior to each Board meeting to allow time for all Board members to review the information prior to the meeting. The monthly financial statements shall include (at a minimum): a balance sheet, a statement of revenues, expenditures and changes in fund balance at object level detail with comparison of budget-to-actual and explanations of variance, and a cash flow statement. The monthly statements shall include all revenues received, from whatever source, with respect to the Academy, and detailed budgets with statements of all direct expenditures (with details) for the Services rendered to or on behalf of the Academy, whether incurred on-site or off-site;
3. services as necessary to facilitate the Academy's annual audit in compliance with applicable laws showing the manner in which funds are spent at the Academy, however, it is acknowledged that only the Board shall select and retain independent auditors and the Board shall contract directly with any auditor of its choice, and Partner Solutions will cooperate with the production of any and all documents necessary for the audit. Any such audit shall be the property of the Academy; and,
4. other information as reasonably requested by the Board to enable the Board to monitor Partner Solutions' performance under the Agreement.

C. Academy Funds. The Board shall determine the depository of all funds received by the Academy. All funds received by the Academy shall be deposited in the Academy's depository account as required by law. The signatories on all Academy Board accounts shall solely be Academy Board members or properly designated Academy Board employees (if any). Interest income earned on Academy accounts shall accrue to the Academy.

D. Purchases. If Partner Solutions purchases equipment, materials and supplies on behalf of or as the agent of the Academy, such equipment, materials and supplies shall be and remain the property of the Academy. Partner Solutions shall comply with the Code including, but not limited to, sections 1267 and 1274 of the Code, MCL 380.1267 and MCL 380.1274, as if the Academy were making these purchases directly from a third party supplier or vendor. Partner Solutions shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties or vendors.

ARTICLE VI

Termination

A. Termination by Partner Solutions. Partner Solutions may terminate this Agreement prior to the end of the Term in the event the Board fails to remedy a material breach within the required time frames below or it is determined that Partner Solutions is required to pay into the Michigan Public School Employees Retirement System (“MPERS”). A material breach includes, but is not limited to, the Academy’s material failure to timely remit to Partner Solutions any undisputed Fee or Reimbursable Expense required to be paid by the Academy under the terms of this Agreement. Partner Solutions may also terminate this Agreement with no additional liability or responsibility upon the occurrence of the following, subject to Sections C, D, F, and G below:

1. The Academy files for bankruptcy or becomes insolvent;
2. The facility where employees are working is closed permanently without an alternative facility being available;
3. The Academy or its successors assigns discontinues operations;
4. The Academy is a financially distressed business as set forth in the Worker Assistance and Retraining Notification Act; or,
5. The Academy is being shut down or closed by the State of Michigan or the Authorizer.

The Academy has until the Payroll Date to reimburse Partner Solutions for Payroll Costs or to reach an agreement with Partner Solutions on payment of those Reimbursable Expenses.

Termination prior to the end of the Term shall not relieve the Academy of any financial or other obligations to Partner Solutions outstanding as of the date of termination. Failure by Partner Solutions to (a) declare a breach, (b) place the Academy on notice thereof, or (c) exercise or exert any remedy available to Partner Solutions under this Agreement or applicable laws, shall not be deemed a waiver of Partner Solutions’ rights and remedies whatsoever.

Notwithstanding the foregoing, Partner Solutions may terminate this Agreement without cause and without penalty to be effective upon completion of an academic year provided that Partner Solutions delivers written notice of intention to terminate to the Academy at least one hundred eighty (180) days prior to the end of the then-current academic year, subject to Article VI, Sections F & G below.

- B. Termination by Academy. The Academy may terminate this Agreement prior to the end of the Term in the event that Partner Solutions fails to remedy a material breach within the required time frames below. A material breach includes, but is not limited to: (a) material failure by Partner Solutions to reasonably account for its expenditures; (b) material failure by Partner Solutions to provide the services as required by this Agreement, including but not limited to the failure by Partner Solutions to pay Academy operating expenses as required under this Agreement, provided funds are available; (c) a determination has been made by some governmental entity or administrative agency or court of law that Partner Solutions is required to participate in MPSERS; and/or (d) any action or inaction by Partner Solutions that is not cured within thirty (30) days of notice thereof which causes the Contract to be revoked, terminated, suspended or which causes the Contract to be put in jeopardy of revocation, suspension or termination by Central Michigan University, as evidenced by written notification from the Authorizer.

Partner Solutions has ten (10) days after notice from the Academy to remedy a breach that involves the non-payment of funds disbursed by the Academy for purposes contemplated and prescribed by this Agreement or to reach an agreement with the Academy on the payment of those funds, and Partner Solutions has thirty (30) days after written notice from the Academy to remedy all other breaches. Upon expiration of this Agreement, or termination for any reason, all reasonably undisputed amounts due to Partner Solutions shall immediately become due and payable by the Academy, unless otherwise agreed in writing by Partner Solutions.

Notwithstanding the foregoing, the Academy may terminate this Agreement without cause and without penalty to be effective upon completion of an academic year provided that the Academy delivers written notice of intention to terminate to Partner Solutions at least one hundred and eighty (180) days prior to the end of the then-current academic year. In other words, upon written notice delivered on or before January 1, 20XX the Academy may terminate the Agreement without cause and without penalty effective June 30, 20XY, subject to Article VI, Sections F & G, below.

- C. Revocation or Termination of the Charter Contract. If the Academy's Contract issued by the Authorizer is revoked or terminated, or a new charter contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically terminate, on the same day as the Academy's Contract is revoked, terminated or expires without further action of the parties. Notwithstanding the foregoing, the Academy shall provide immediate written notice to Partner Solutions of such Contract termination.
- D. Amendment Caused By Academy Site Closure or Reconstitution. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the 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 or 561 of the Code, MCL 380.507, 380.528 or 380.561 and the Contract Terms and

Conditions, and such closure of an 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 Partner Solutions shall have no recourse against the Academy or the Authorizer Board for implementing such site closure or reconstitution.

- E. Change in Law. If any change in federal, state or local law or regulation, or issuance of a judicial or administrative decision, or attorney general's opinion (collectively referred to in this Agreement as the "Applicable Laws") has a substantial and material adverse impact (as reasonably determined by the party suffering the impact) on the ability of the impacted party to carry out its obligations under this Agreement, then the impacted party, upon written notice, may request a renegotiation of this Agreement. If the parties are unable or unwilling to successfully renegotiate the terms of this Agreement within ninety (90) days after the notice, and after making good faith efforts which shall include, but not be limited to, the use of a third party arbitrator and/or alternative dispute resolution process, the impacted party may terminate this Agreement as of the end of the then-current academic year.
- F. Transition. Mid-year termination of this Agreement mid-year is strongly discouraged. The Academy Board and Partner Solutions agree to make the 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 and Partner Solutions agree to work cooperatively to transition management and operations of the school without disrupting the school's operations. Partner Solutions shall perform this transition in a manner similar to that described in Article VI, Section G below (obligation upon termination or expiration). In the event of any termination prior to the end of the Term of this Agreement, Partner Solutions shall provide the Academy reasonable assistance in accordance with the Authorizer's Educational Service Provider Policies as necessary to assist in the orderly transition to another service provider, to a self-managed school or dissolution.
- G. Obligations upon Termination or Expiration. Upon any termination or the expiration of this Agreement, the parties shall remain obligated for all financial or other obligations due at the time of the termination or expiration.

Upon termination or expiration of this Agreement, or this Agreement is terminated due to a Contract revocation, reconstitution, termination or non-renewal, Partner Solutions shall, where applicable, 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 Partner Solutions 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 VII

Indemnification & Cooperation

- A. Indemnification of Partner Solutions. To the extent permitted by law, the Academy shall indemnify, save, and hold harmless Partner Solutions and all of its employees, officers, directors, and agents against any and all third-party claims, demands, suits or other forms of liability that may arise out of or by reason of any noncompliance by the Academy Board with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of the Board contained in or made pursuant to this Agreement. In addition, the Academy shall, to the extent permitted by law (if any), indemnify, save, hold harmless, and reimburse Partner Solutions for any and all legal expenses and costs associated with the defense of any such third-party claim, demand or suit. If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by the Academy. The indemnification in this Section shall also specifically apply, without limitation, to any known claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of the Academy.

Partner Solutions agrees that for any claim for indemnification made by Partner Solutions, to the extent the interests of Partner Solutions and the Academy are aligned, the parties agree to coordinate a defense to avoid duplicative attorney's fees and minimize the costs of such defense. To the extent the Academy shall be responsible for indemnification of Partner Solutions, Academy shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which Partner Solutions and the Academy are defended. Notwithstanding the foregoing, in no event shall the Academy indemnify Partner Solutions for the attorney fees accrued by Partner Solutions in the regular course of business. Nothing in this section prohibits Partner Solutions from engaging legal counsel of Partner Solutions choosing and at Partner Solutions' expense.

- B. Indemnification of the Academy. Partner Solutions shall indemnify, save, and hold harmless the Academy and all of its employees, officers, directors, and agents against any

and all lawsuits and causes of action that may arise out of, or by reason of any noncompliance by Partner Solutions with any agreements, covenants, warranties in this Agreement, including any claim for failure to pay wages (including overtime), or for failure to make the requisite employer tax filings, deductions, and payments to the appropriate federal, state, and local tax authorities on behalf of all persons employed by Partner Solutions to provide Services under this Agreement, or undertakings of Partner Solutions contained in or made pursuant to this Agreement, and any misrepresentation or breach of the Agreement.

The Academy agrees that for any claim for indemnification made by the Academy, to the extent the interests of Partner Solutions and the Academy are aligned, the parties agree to coordinate a defense to minimize the costs of such defense. To the extent Partner Solutions shall be responsible for indemnification of the Academy, Partner Solutions shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which Partner Solutions and the Academy are defended. Notwithstanding the foregoing, in no event shall Partner Solutions indemnify the Academy for the attorney fees accrued by the Board in the regular course of business. Nothing in this section prohibits the Academy from engaging legal counsel of the Academy's choosing and at the Academy's expense.

Partner Solutions may reimburse the Academy for pre-approved legal expenses and costs associated with the defense of any such claim, demand, or suit which are not otherwise covered by the shared defense. If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by Partner Solutions. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of Partner Solutions.

- C. Indemnification for Negligence. Partner Solutions shall indemnify and hold harmless the Academy and its boards of directors, board members, partners, officers, employees (if any), agents, and representatives, from and against any and all claims and liabilities which may arise out of the negligence of Partner Solutions, its trustees, directors, officers, employees, agents, or representatives. If desired all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by Partner Solutions.

To the extent permitted by law (if any), the Academy shall indemnify and hold harmless Partner Solutions and its trustees, directors, officers, employees, agents and representatives from any and all claims and liabilities which may arise out of an error or omission by the Academy Board for which there is not immunity from tort liability or constitutional liability. If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by the Academy.

- D. Mutual Duty to Cooperate. The parties acknowledge that each party has a duty and

obligation to cooperate with the other party, and further that such duty to cooperate is a material part of this Agreement. The purpose of the duty to cooperate is to enable each party to perform its obligations as efficiently as possible. The duty to cooperate shall include all areas of the business of the Academy and the Services. The duty to cooperate also includes reasonable assistance in the event of litigation or a dispute involving a party related to the Academy or the Services provided, such as provision of testimony, records and/or documents reasonably related to the litigation or dispute (which are not otherwise protected from disclosure).

- E. 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 the “University”) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, Partner Solutions hereby promises to indemnify, defend and hold harmless the University from and against all claims, demands, 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) 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, Partner Solutions’ preparation for or operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by Partner Solutions, or which arise out of Partner Solutions’ failure to comply with the Contract or Applicable Law. The parties expressly acknowledge and agree that the University may commence legal action against Partner Solutions to enforce its rights as set forth in this section of the Agreement.
- F. Immunities and Limitations. The Academy may assert all immunities and statutory limitations of liability in connection with any claim arising under this Agreement. Nothing in this Agreement is intended nor will be construed as a waiver of the governmental immunity provided to the Academy and its incorporators, board members, officers, employees and volunteers under Section 7 of 1964 PA 170, as amended, MCL 691.1407.

ARTICLE VIII

Insurance

- A. Academy Insurance. The Academy will secure and maintain general liability and umbrella insurance coverage. This coverage will include the building and related capital facilities if they are the property of the Academy. The Academy will maintain such insurance in an

amount and on such terms as required by the provisions of the Contract, including the indemnification of Partner Solutions required by this Agreement, and naming Partner Solutions as an additional insured. The Academy will, upon request, present evidence to Partner Solutions that it maintains the requisite insurance in compliance with the provisions of this section, Partner Solutions will comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable. Nothing in this Agreement is intended, nor shall be construed, as a waiver or relinquishment of any immunity from action or liability enjoyed by the Academy under controlling law.

- B. Partner Solutions Insurance. Partner Solutions will secure and maintain general liability and umbrella insurance coverage, with the Academy listed as an additional insured. Partner Solutions will maintain such policies of insurance as are required by the Contract and the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."), including the indemnification of the Academy as required by this Agreement. In the event that Authorizer or M.U.S.I.C. requests any change in coverage by Partner Solutions, Partner Solutions agrees to comply with any change in the type or amount of coverage as requested, within thirty (30) days after notice of the insurance coverage change. Partner Solutions will, upon request, present evidence to the Academy and Authorizer that it maintains the requisite insurance in compliance with the provisions of this section. The Academy will comply with any information or reporting requirements applicable to Partner Solutions under Partner Solutions' policy with its insurer(s), to the extent practicable.
- C. Workers' Compensation Coverage. Additionally, each party shall maintain workers' compensation insurance, as required by state law, covering their respective employees (if any).

ARTICLE IX

Warranties and Representations

- A. Warranties and Representations of the Academy. The Academy represents to Partner Solutions that (a) it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (b) its actions have been duly and validly authorized, and (c) it will adopt the necessary resolutions or expenditure approvals required for execution of this Agreement.
- B. Warranties and Representations of Partner Solutions. Partner Solutions represents and warrants to the Academy that (a) it is a Michigan corporation in good standing duly authorized to conduct business in the State of Michigan, (b) it has the authority under applicable laws to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (c) its actions have been duly and validly authorized, and (d) it will adopt any and all resolutions required for execution and performance of this Agreement.

- C. Mutual Representations and Warranties. Each party represents and warrants to the other party that except as disclosed in writing to the other party, to its knowledge, there are no pending actions, claims, suits, or proceedings, whether threatened or reasonably anticipated, against or affecting it, which if adversely determined would have a material adverse effect (as might be reasonably determined by the non-affected party if disclosed) on its ability to perform its obligations under this Agreement.

ARTICLE X

Alternative Dispute Resolution

- A. Mediation. 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 shall first be submitted to mediation for resolution in Isabella County. Both parties must mutually agree upon the mediator selected and shall participate in all meetings in good faith. The mediation shall be conducted in accordance with the rules of the American Arbitration Association seated in Isabella County, Michigan, with such variations as the parties and arbitrators unanimously accept. If a mediated resolution is reached, a written resolution agreement shall be executed and, upon the Authorizer's request, the mediated agreement shall be made available. The parties will share equally in the costs of the mediation including forum fees, expenses and charges of the mediator.
- B. Arbitration. If the mediation does not result in a mutually satisfactory compromise, then the matter shall be resolved by arbitration, and such procedure shall be the sole and exclusive remedy for such matters. The arbitration shall be conducted with a single arbitrator in accordance with the rules of the American Arbitration Association seated in Isabella County, Michigan, with such variations as the parties and arbitrators unanimously accept. The arbitrator's award shall be final and binding. A judgment on the award rendered by the arbitrator may be entered in any court having appropriate jurisdiction, by any party, without the consent of the other party. The losing party shall pay the cost of arbitration, not including attorney fees. It shall be within the discretion and purview of the arbitrator to award reasonable attorney fees to the prevailing party. The prevailing party shall be defined as the party who prevails in total.

A cause opinion (written explanation) shall be required as to the final decision. The Authorizer shall be notified of said decision, and upon the Authorizer's request, the cause opinion shall be made available.

ARTICLE XI

Non-Discrimination

- A. The parties to this Agreement agree not to discriminate against any employee or applicant for employment with respect to hire, terms, conditions or privileges of employment, or a matter directly or indirectly related to employment, due to race, color, religion, sex, national origin, pregnancy, age, height, weight, disability, genetic information, marital status or veteran status.
- B. The parties further agree not to discriminate against any student or other recipient of services under this Service Agreement due to race, color, religion, sex, national origin, or disability in the delivery of programs and services rendered under this Service Agreement.
- C. A substantiated breach of a covenant in this Article may be regarded as a material breach of the Service Agreement.

ARTICLE XII

Miscellaneous

- A. Entire Agreement. This Agreement supersedes and replaces any and all prior written or oral agreements and understandings between the Academy and Partner Solutions. This Agreement constitutes the entire agreement of the parties.
- B. Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, accident labor strike, flood, terrorism, , pandemic, or other acts beyond its reasonable control.
- C. Governing Law. This Agreement and the rights of the parties hereto shall be interpreted according to the laws of the State of Michigan.
- D. Official Notices. All notices or other communications required by the terms of this Agreement shall be in writing and sent to the parties at the addresses set forth below. Notice may be given by U.S. First Class mail or certified or registered mail, postage prepaid, return receipt requested, or personal delivery. Notices shall be deemed to have been given on the date of personal delivery, or, if given by U.S. First Class mail or certified or registered mail, on the 3rd business day after the postmark date or upon verification of receipt, whichever first occurs. Unless amended or updated in writing, the addresses of the

parties hereto for the purposes of this Agreement shall be:

THE ACADEMY: Board President
Renaissance Public School Academy
2797 S. Isabella Road
Mount Pleasant, MI 48858
ATTN: TIME-SENSITIVE OFFICIAL NOTICE

PARTNER SOLUTIONS:
c/o Chris Matheson
869 South Old US 23
Brighton, Michigan 48114

- E. Assignment. This Agreement shall not be assigned (a) by Partner Solutions, without prior consent of the Board, in writing which consent shall not be unreasonably withheld; or (b) by the Academy, without the prior consent of Partner Solutions, in writing, which consent shall not be unreasonably withheld. Partner Solutions may, without the consent of the Board, delegate the performance of but not responsibility for any duties and obligations of Partner Solutions hereunder to any independent contractor, expert or professional adviser. However, this Agreement is not assignable without prior notification to the Authorizer. Any assignment must be done in a manner consistent with the Authorizer's Educational Service Provider Policies.
- F. Limitation of Liability. IN NO EVENT SHALL A PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOST PROFITS OR INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES, NO MATTER HOW CHARACTERIZED, RELATING TO THIS AGREEMENT AND ARISING FROM ANY CAUSE WHATSOEVER, EXCEPT WITH RESPECT TO INDIRECT, SPECIAL, INCIDENTAL, CONSEQUENTIAL OR PUNITIVE DAMAGES ACTUALLY AWARDED TO A THIRD PARTY OR ASSESSED BY A GOVERNMENTAL AUTHORITY AND FOR WHICH A PARTY IS PROPERLY ENTITLED TO INDEMNIFICATION FROM THE OTHER PARTY PURSUANT TO THE EXPRESS PROVISIONS OF THIS AGREEMENT.
- G. Amendment. This Agreement may only be amended in writing, signed by a duly authorized representative of each party and in a manner consistent with the Contract and the Authorizer's Educational Service Provider Policies.
- H. Effect of Headings. The underlined headings are included for convenience of the reader, and if the underlined headings are inconsistent with the other text the underlined text shall be disregarded.
- I. Tax Exempt Financing. If at any time the Academy determines that it is in the best interests

of the Academy to obtain financing from the Michigan Finance Authority or any other type of financing that is tax-exempt pursuant to the IRS Code, then the parties hereby agree that this Agreement shall be automatically amended for the sole and limited purpose of compliance with Revenue Procedure 97-13, and/or its progeny. Any such automatic amendment shall be as limited as practicable, and the parties shall promptly execute a written agreement reflecting such amendment, but the failure of the parties to do so shall not affect the effectiveness of the automatic amendment referenced above; provided, however, that any such amendment shall be consistent with the Authorizer's Educational Service Provider Policies.


- J. Waiver. No waiver of any portion of this Agreement shall be deemed or shall constitute a waiver of any other provision, nor shall such waiver constitute a continuing waiver unless otherwise expressly stated in writing.
- K. Severability. The invalidity of any portion or term of this Agreement shall not affect the remaining portions or terms of this Agreement. In the event a portion or a term of this Agreement is deemed invalid, the parties shall cooperatively work together to modify the invalid portion or term as minimally as possible to cure the invalidity, while at all times preserving the spirit and purpose of the applicable portion or term.
- L. Successors and Assigns. Any assignee of Partner Solutions shall be considered an ESP, as defined by the Authorizer's Educational Service Provider Policies. Any assignee of Partner Solutions or the Academy shall follow the requirements set forth in these ESP Policies. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.
- M. No Third Party Rights. This Agreement is made for the sole benefit of the Academy and Partner Solutions. Except as otherwise expressly provided herein, nothing in this Agreement shall create or be deemed to create a relationship between the parties, or either of them individually with any third person, third party beneficiary, fiduciary, or the Authorizer.
- N. Survival of Termination. All representations, warranties, and indemnities made in this Agreement shall survive any termination or expiration of this Agreement without limitation, as will Article I, Section H (confidentiality and non-use/non-disclosure of proprietary information) and Article III.H (proprietary rights).
- O. Delegation of Authority; Compliance with Laws. Nothing in this Agreement shall be construed as delegating to Partner Solutions any of the powers or authority of the Board which are not subject to delegation by the Board in accordance with all applicable laws. The parties agree to comply with all applicable laws.
- P. Execution. The parties may execute this Agreement by facsimile or in counterparts. A facsimile or photographic copy of this Agreement may be relied upon by either party, or any third party, as if it were an original signature copy. If this Agreement is executed in

counterparts, the separate counterpart signature pages shall be combined and treated by the parties, or any third party, as if the separate counterpart signature pages were part of one original signature copy.

- Q. Review by Independent Counsel. The parties agree that each has reviewed, or had the opportunity to review, this Agreement with its own independent legal counsel prior to the execution of this Agreement.


The undersigned hereby execute this Agreement as of the date set forth first above.

**RENAISSANCE PUBLIC SCHOOL
ACADEMY**, a Michigan public school academy


By: 
Mark Smith (Jun 29, 2022 18:06 EDT)
Mark Smith
Its: Board President

PARTNER SOLUTIONS:

**CSP MANAGEMENT, INC. (d/b/a PARTNER
SOLUTIONS FOR SCHOOLS)**,
a Michigan corporation

By: 
Carlie Lockwood (Jun 28, 2022 18:51 EDT)
Carlie Lockwood
Its: Designated Officer

PARTNER SOLUTIONS,
a Michigan corporation

By: 
Carlie Lockwood (Jun 28, 2022 18:51 EDT)
Carlie Lockwood
Its: Designated Officer










RPSA PS 2022-2029 final

Final Audit Report

2022-06-29

Created:	2022-06-27
By:	Dawn Marshall (dmarshall@mypartnersolutions.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAkPUh-1-evZMUwJQziukUfU6nzT5xcSSo

"RPSA PS 2022-2029 final" History

-  Document created by Dawn Marshall (dmarshall@mypartnersolutions.com)
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-  Document emailed to msmith@renaissancepsa.com for signature
2022-06-27 - 9:49:02 PM GMT
-  Document emailed to Carlie Lockwood (clockwood@mypartnersolutions.com) for signature
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-  Email viewed by Carlie Lockwood (clockwood@mypartnersolutions.com)
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-  Email viewed by Carlie Lockwood (clockwood@mypartnersolutions.com)
2022-06-28 - 10:50:24 PM GMT- IP address: 172.225.30.8
-  Document e-signed by Carlie Lockwood (clockwood@mypartnersolutions.com)
Signature Date: 2022-06-28 - 10:51:11 PM GMT - Time Source: server- IP address: 172.225.30.228
-  Email viewed by msmith@renaissancepsa.com
2022-06-29 - 10:06:17 PM GMT- IP address: 74.125.212.206
-  Document e-signed by Mark Smith (msmith@renaissancepsa.com)
Signature Date: 2022-06-29 - 10:06:50 PM GMT - Time Source: server- IP address: 66.187.105.179
-  Agreement completed.
2022-06-29 - 10:06:50 PM GMT

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 Plans 6-4

Bond Purchase Agreement (2012)..... 6-8

Mortgage Agreement (2012)..... 6-31

Promissory Note (2019)..... 6-64

Mortgage Agreement (2019)..... 6-79

Occupancy Approvals..... 6-92

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 Renaissance Public School Academy (the "Academy") is as follows:

Address: 2797 South Isabella Road
Mt. Pleasant, MI 48858

Description: The Academy is situated in the center of an eight-acre piece of property. The school began its operations in 1996 and has been at the same location during its entire existence. The building is a single-story facility constructed of concrete block and wood frame, with some drywall interior, and consists of approximately 48,520 square feet. The facility contains 25 classrooms, a large flex room, two resource rooms, an activity room, a gymnasium with locker rooms, a reception area, several offices and storage areas, 14 restrooms and a serving kitchen. The building has natural gas heat, as well as air conditioning. Each classroom has an exit door to the outside.

Configuration of Grade Levels: Kindergarten through Eighth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Mt. Pleasant Public Schools
ISD: Gratiot-Isabella RESD

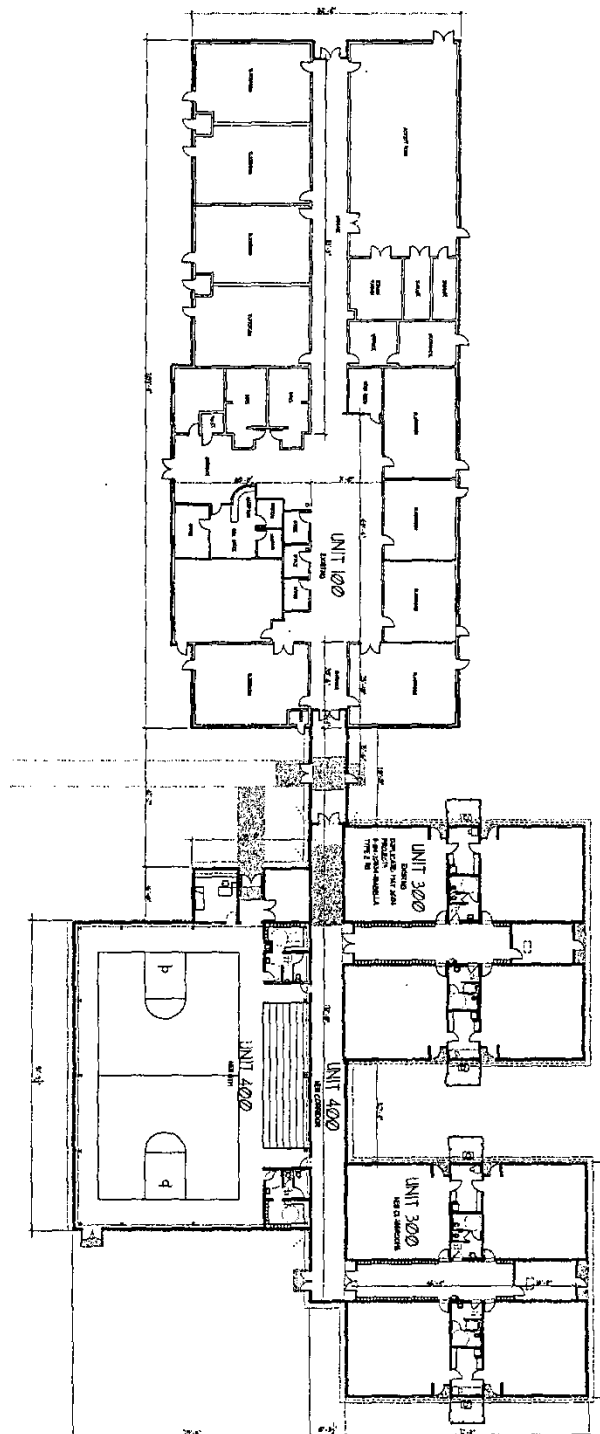
3. It is acknowledged and agreed that the information identified below, about this Site, is provided on the following pages, or must be provided to the satisfaction of the University Board or its designee, before the Academy may operate as a public school in this state.

- 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.

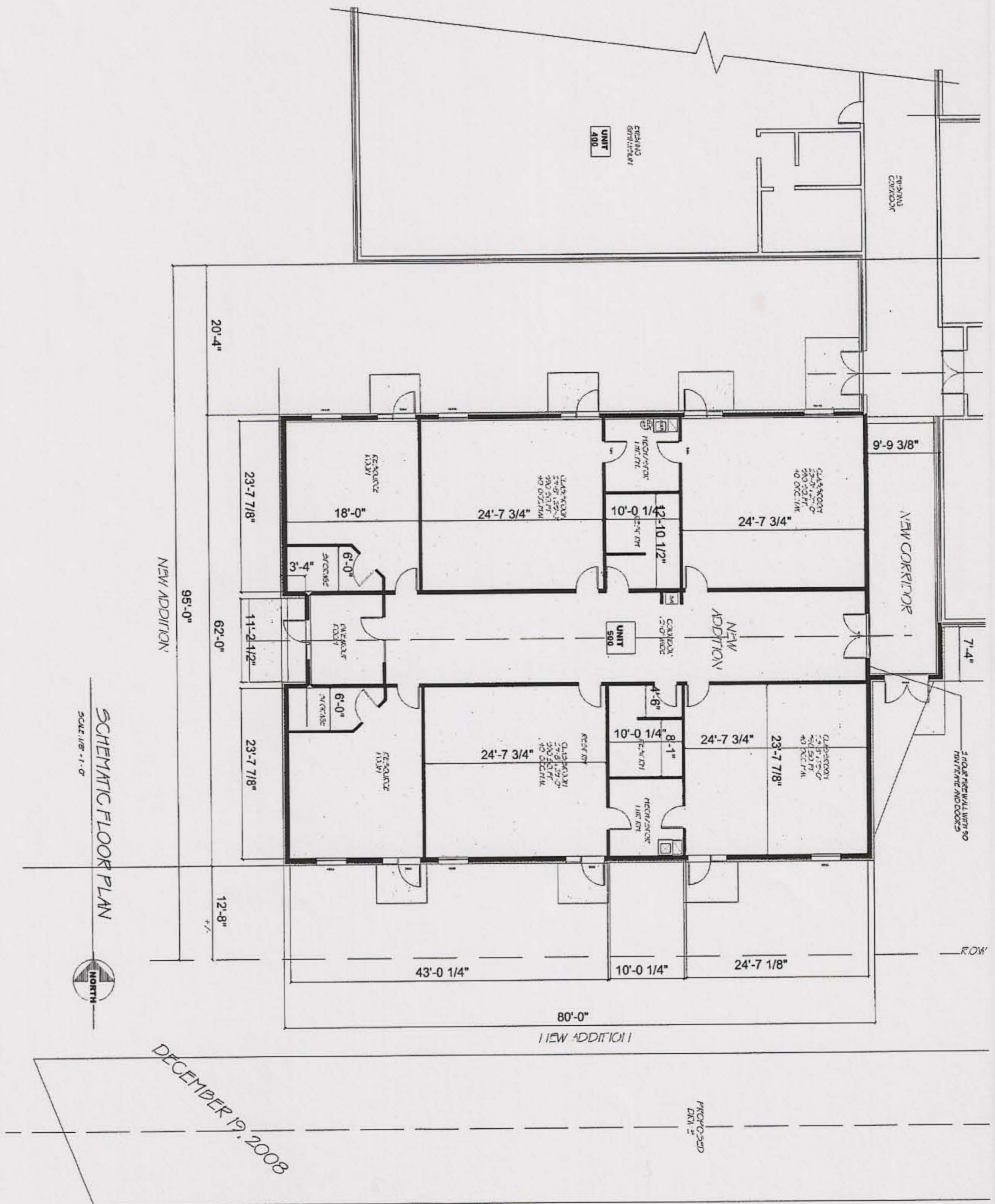
6. Any change in the configuration of grade levels at the Site requires an amendment to this Schedule 6 pursuant to Article IX of the Terms and Conditions of Contract set forth above.

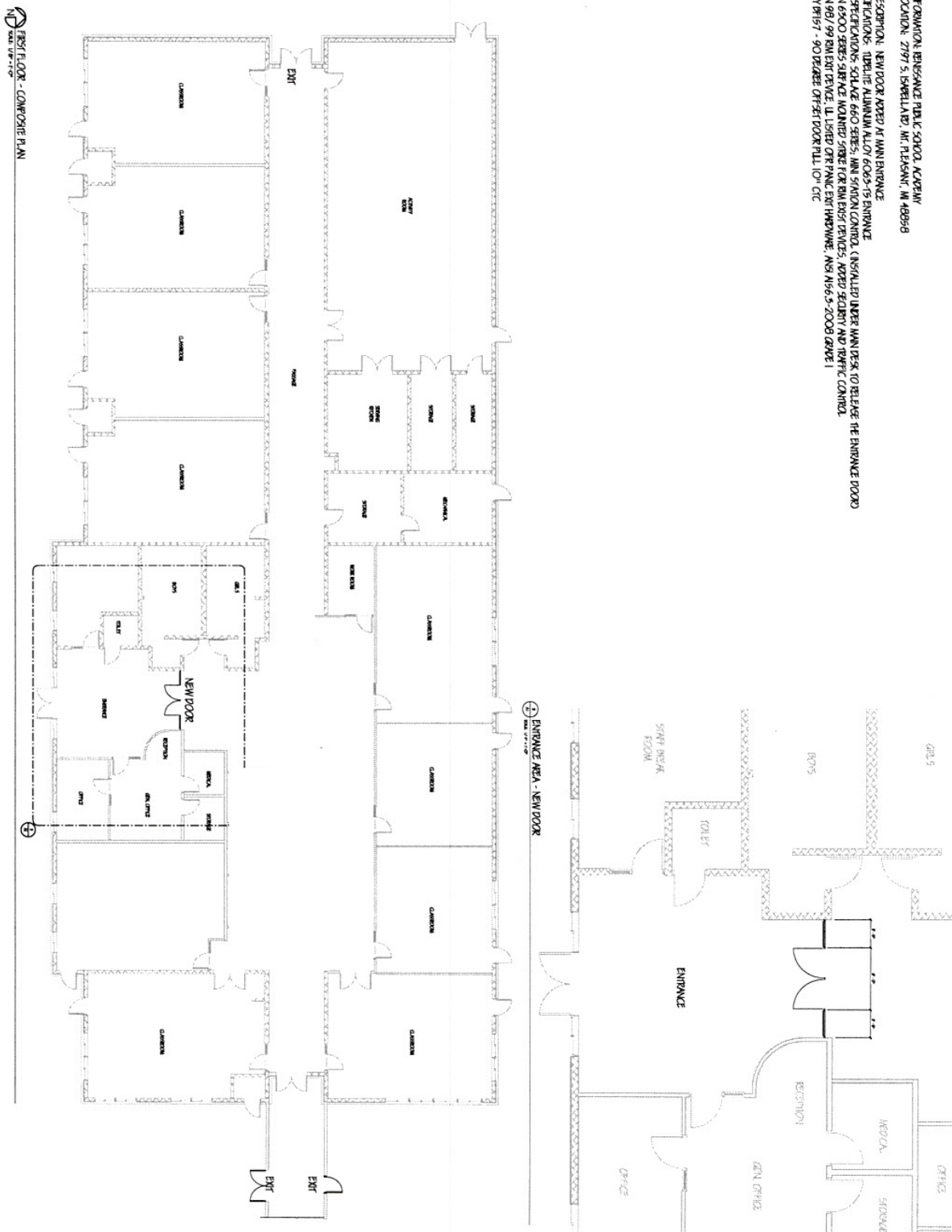


JAMES R. DUFTY ARCHITECTS PC
 1675 NORTH MISSION STREET
 WY. PLEASANT, MICHIGAN 48859

NEW CLASS & GYM EXPANSION FOR
 RENAISSANCE PUBLIC SCHOOL ACADEMY

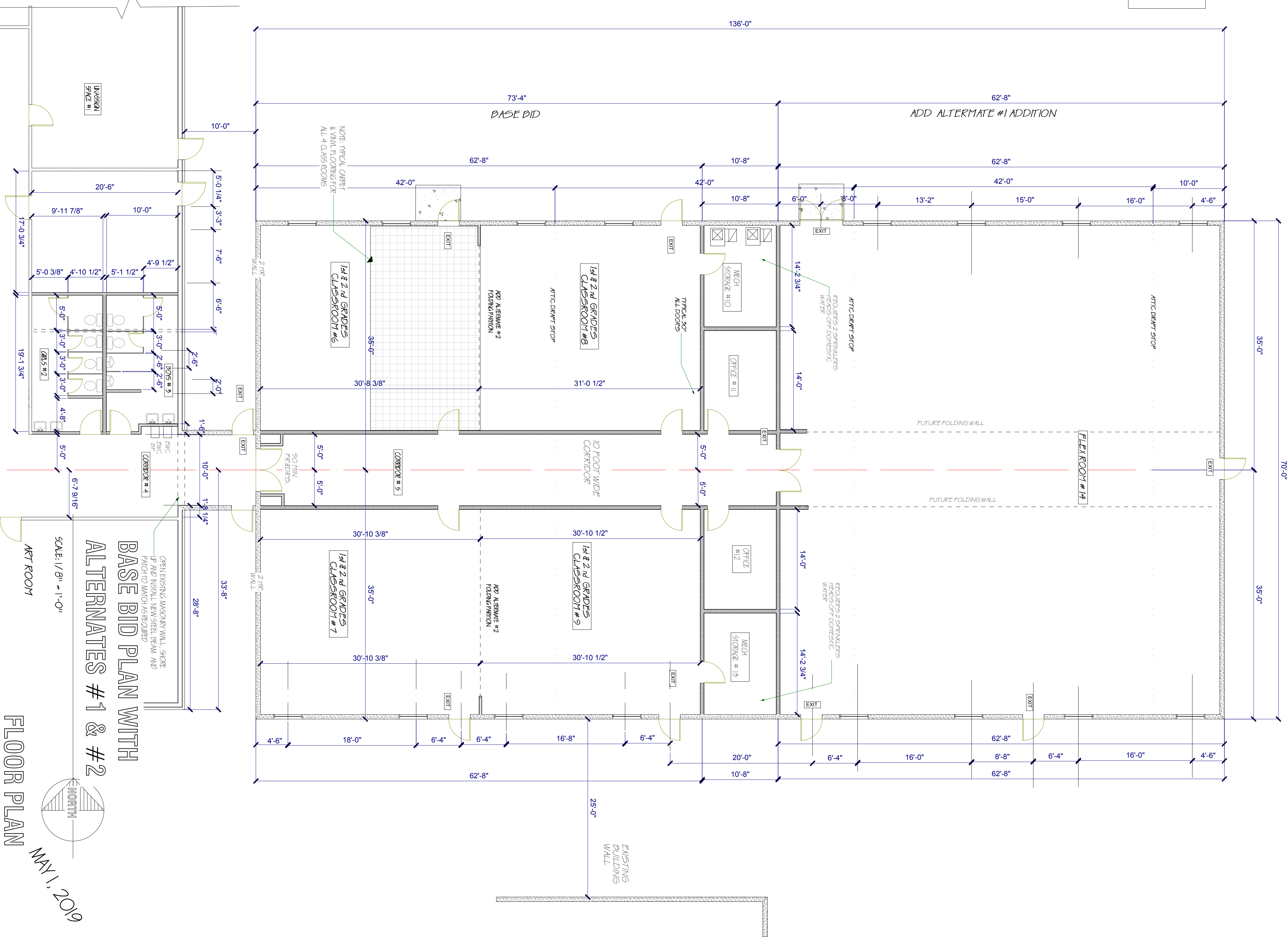
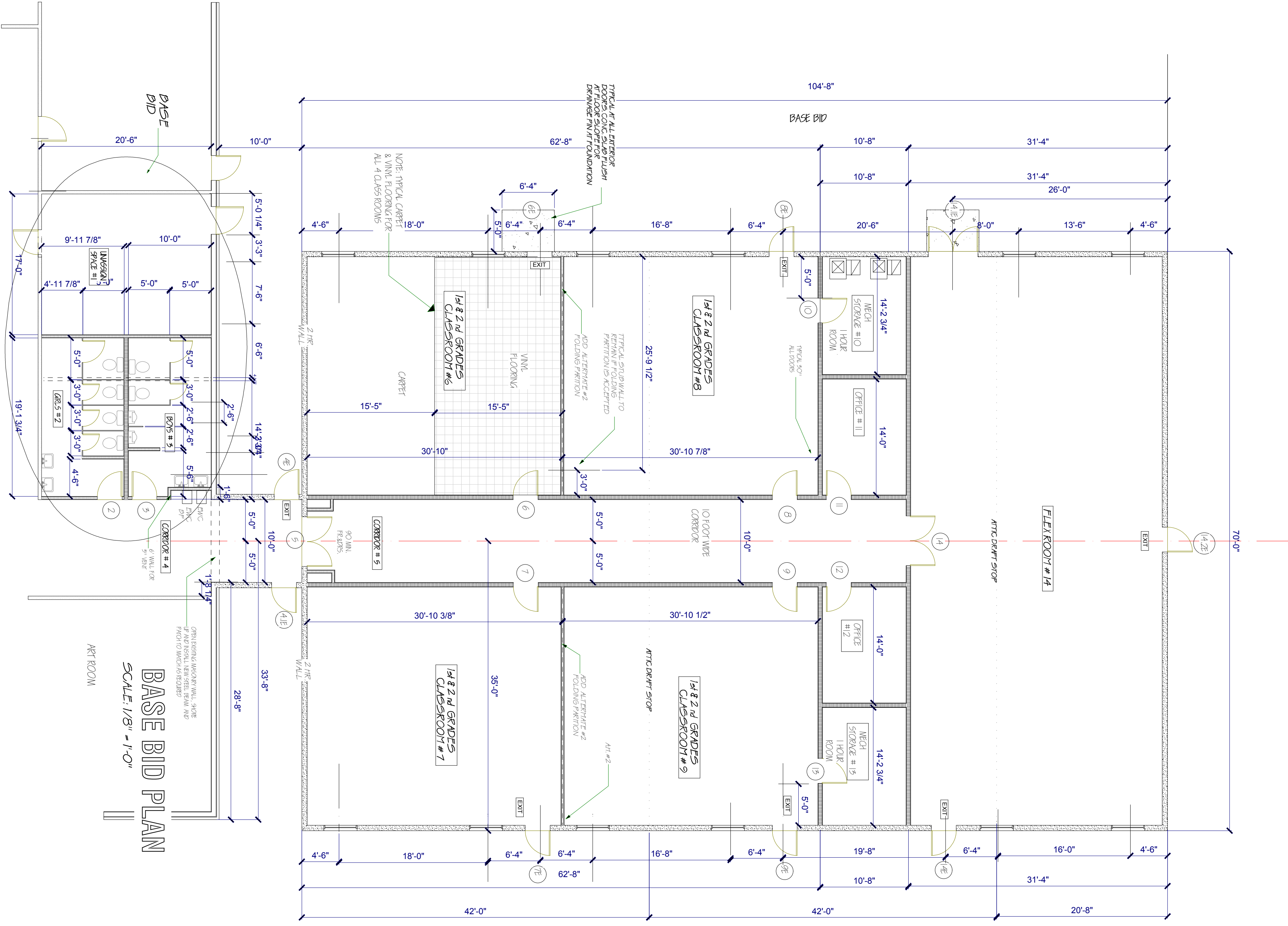
NO.	DATE	REVISIONS



[illegible]

- GENERAL NOTES:
1. ALL EXTERIOR WALLS SHALL BE 24" STUDS @ 16" O.C. WITH HORIZONTAL BRACING AT MIDSPAN OF REBAR AT INTERIOR OF BUILDING.
 2. ALL EXTERIOR WALLS SHALL BE 24" STUDS @ 16" O.C. WITH HORIZONTAL BRACING AT MIDSPAN OF REBAR AT INTERIOR OF BUILDING.
 3. ALL EXTERIOR WALLS SHALL BE 24" STUDS @ 16" O.C. WITH HORIZONTAL BRACING AT MIDSPAN OF REBAR AT INTERIOR OF BUILDING.

ROOM 1: 9,500 SQ. FT. MAX.
9,500 SQ. FT. / 70' = 135.71' LONG
31'-4" FT. WIDE = 156 FT. LONG



BASE BID PLAN WITH
ALTERNATES #1 & #2
SCALE: 1/8" = 1'-0"
ART ROOM
MAY 1, 2019

FLOOR PLAN

JAMES R. DUFTY ARCHITECTS P.C.
1040 CIRCLE DRIVE
LAKE ISABELLA, MICHIGAN 48893
Ph. 989-644-5767 jrd@jrdarc.com

PROPOSED 2019 ADDITION AND RENOVATIONS TO
RENAISSANCE ACADEMY SCHOOL
2797 ISABELLA ROAD MT. PLEASANT, MICHIGAN 48858

PROJECT NUMBER
2019126

BOND PURCHASE AGREEMENT

\$3,600,000

**RENAISSANCE PUBLIC SCHOOL ACADEMY
Public School Academy Revenue Bonds,
Series 2012A**

And

\$415,000

**RENAISSANCE PUBLIC SCHOOL ACADEMY
Public School Academy Revenue Bonds,
Series 2012B (Federally Taxable)**

July 17, 2012

Renaissance Public School Academy
County of Isabella
State of Michigan

Pursuant to the terms and conditions of this Bond Purchase Agreement ("Agreement"), Renaissance Public School Academy, a Michigan public school academy (the "Academy"), hereby offers to sell, and Fifth Third Securities, Inc. (the "Underwriter") hereby offers to purchase, the Academy's Public School Academy Revenue Bonds, Series 2012A in the aggregate principal amount of \$3,600,000 to be dated August 15, 2012 (the "Series 2012A Bonds") and Public School Academy Revenue Bonds, Series 2012B (Federally Taxable) in the aggregate principal amount of \$415,000 to be dated August 15, 2012 (the "Series 2012B Bonds" and together with the Series 2012A Bonds, the "Bonds"). The Bonds shall be described in, and shall be issued and secured under and pursuant to, a Trust Indenture between the Academy and The Huntington National Bank, as trustee (the "Trustee"), dated as of August 1, 2012 (the "Indenture") and an authorizing resolution adopted by the Board of Directors of the Academy (the "Board") on May 7, 2012 (the "Resolution"), substantially in the forms heretofore delivered to the Underwriter, with only such changes therein as shall be mutually agreed upon. The Underwriter agrees to make an initial bona fide public offering of the Bonds at the offering prices set forth in the Official Statement; however, the Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than such offering prices and the Underwriter further reserves the right to change such offering prices after the initial offering as the Underwriter shall deem necessary in connection with the marketing of the Bonds. Terms not otherwise defined herein shall have the same meaning as such terms are given in the Indenture. The parties hereto represent, warrant and agree as follows:

SECTION 1. REPRESENTATIONS, WARRANTIES, AND AGREEMENTS OF THE ACADEMY

- (a) The Academy is a public school academy duly organized and validly existing under Act 451, Michigan Public Acts, 1976, as amended, and is authorized by the provisions of the Constitution and the laws of the State of Michigan to issue the Bonds for the purposes described in the Resolution and the Indenture.
- (b) The Academy has complied with or, as of the date of delivery, will have complied with all provisions of the Constitution and laws of the State of Michigan with respect to all transactions contemplated by this Agreement, the Bonds, the Resolution, the State Aid Agreement to be entered into between the Trustee, the Academy, and the Central Michigan University Board of Trustees, as the Academy's fiscal agent, dated as of August 1, 2012 (the "State Aid Agreement") and any and all other agreements relating thereto, including the sale and delivery of the Bonds to the Underwriter as provided herein, compliance with which is required as of the date of delivery of the Bonds.
- (c) The information contained in the Preliminary Official Statement, dated July 2, 2012 (the "Preliminary Official Statement"), including the appendices thereto, and any amendment or supplement that may be authorized by the Academy for use with respect to the Bonds (other than the information contained in the sections captioned "THE BONDS - Book-Entry-Only System" and "UNDERWRITING" as to which no representation is made) is true, accurate, and complete, does not contain any untrue statement of a material fact, and does not omit to state a material fact necessary in order to make the statements made therein not misleading. At Closing (as hereinafter defined), the Official Statement, when prepared, including the appendices thereto, and any amendment or supplement that may be authorized by the Academy for use with respect to the Bonds (the "Official Statement") (other than the information contained in the sections captioned "THE BONDS - Book-Entry-Only System" and "UNDERWRITING" as to which no representation is made) shall be true, accurate, and complete and will not contain any untrue statement of a material fact and will not omit to state a material fact necessary in order to make the statements made therein not misleading.

If, at any time during the Underwriting Period (as defined herein) when an Official Statement should be delivered in connection with offers and sales of the Bonds, any event occurs as a result of which the Official Statement as then amended or supplemented would include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements made therein not misleading, the Academy will notify the Underwriter of the occurrence of such event and will cooperate with the Underwriter in the prompt preparation of an amendment or supplement which will correct such statement or omission.

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

- (d) Prior to Closing, the Academy will have authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Resolution, the Indenture and the Official Statement; (ii) the passage and approval of the Resolution providing for the issuance of and security for the Bonds; (iii) the approval of the Official Statement and its use by the Underwriter in the public offering and sale of the Bonds, and the execution of the Official Statement by the President of the Board; (iv) the execution, delivery, receipt and due performance of this Agreement, the Indenture, the State Aid Agreement, the Bonds, the Resolution, the Environmental Indemnification Agreement, between the Academy and the Trustee, dated as of August 1, 2012 (the "Environmental Indemnification Agreement"), the Mortgage and any other documents as may be required to be executed, delivered and received in order to consummate this transaction; and (v) the consummation of this transaction.
- (e) The Academy has not been served with any litigation, administrative action or proceeding, and to the knowledge of the appropriate officials of the Academy no litigation or administrative action or proceeding has been threatened, restraining or enjoining, or seeking to restrain or enjoin, the issuance and delivery of the Bonds, or questioning or contesting the validity of the Bonds or the proceedings or authorities under which they are authorized to be issued, sold, executed and delivered, or questioning or contesting the validity of the Resolution, the Continuing Disclosure Agreement in the form attached to the Official Statement (the "Continuing Disclosure Agreement"), or the Academy's existence or powers.
- (f) Upon the advice of counsel and to the best of the Academy's knowledge, the execution and delivery of the Official Statement, this Agreement, the Bonds, the Resolution, the Indenture, the State Aid Agreement, the Environmental Indemnification Agreement, the Mortgage and the other necessary agreements, and compliance with the provisions thereof, will not conflict with or constitute the Academy's breach of or a default under any agreement, indenture, lease or other instrument to which the Academy is bound, and will not conflict with or violate any existing law, regulation, rule, decree or order.
- (g) Any certificates signed by an authorized officer of the Academy and delivered to the Underwriter shall be deemed a representation and warranty by the Academy to the Underwriter as to the statements made therein.
- (h) The Academy will timely file, with the Internal Revenue Service, Form 8038-G Information Return for Tax-Exempt Governmental Obligations in order to maintain the tax exempt status of the Bonds.
- (i) The Academy has been granted qualified status to issue the Bonds by the Michigan Department of Treasury in accordance with the provisions of Act 34, Public Acts of Michigan, 2001, as amended.
- (j) The Academy has no record of default on payment of its bonded indebtedness.

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

- (k) The audited financial statements of the Academy included in the Official Statement present the financial position of the Academy at June 30, 2009, June 30, 2010, and June 30, 2011, and the results of its operations and the changes in its financial position for the year then ended. For the period from the dates of the presented financial information to the date of this Agreement, there has been no material adverse change in the financial condition of the Academy except as described in the Official Statement. The inclusion of the audited financial statements in the Official Statement as presented does not violate any agreement with the Academy's auditors as to the use of such statements.
- (l) The Academy will reasonably cooperate with the Underwriter in qualifying the Bonds for offer and sale under the securities or blue sky laws of such jurisdiction of the United States as the Underwriter may request; provided, however, that the Academy shall not be obligated to consent to service of process, be subject to taxation in any such jurisdiction or be required to pay any costs or expenses of qualification of the Bonds in any such jurisdiction.
- (m) The Academy will operate and maintain the Project as provided in and subject to all the terms and provisions of the Indenture and will observe all covenants in the Indenture .
- (n) The Academy will not take any action or permit any action to be taken, or cause or permit any circumstance within its control to arise or continue, if such action would adversely affect the exclusion of interest on the Bonds from gross income for federal tax purposes.
- (o) As long as the Bonds remain outstanding, if requested by the Underwriter, the Academy will send one copy of its audited financial statement annually to the Underwriter as soon as such statement becomes available.

SECTION 2. PURCHASE, SALE AND DELIVERY OF THE BONDS

On the basis of the representations, warranties and covenants contained herein and in the other agreements referred to herein, at Closing, the Underwriter agrees to purchase from the Academy, and the Academy agrees to sell to the Underwriter, all (but not less than all) of the: (i) Series A Bonds at a purchase price of \$3,537,000.00 which equals the par value of the Bonds of \$3,600,000.00, less the Underwriter's discount of \$63,000.00; and (ii) Series B Bonds at a purchase price of \$407,737.50 which equals the par value of the Bonds of \$415,000.00, less the Underwriter's discount of \$7,262.50.

- (a) The Bonds shall be issued and secured as provided in the Resolution. The Bonds shall be in the principal amount, be dated, have the maturities, bear interest at the rates per annum, be sold at the prices, and be subject to redemption prior to maturity at the times, on the terms and in the manner set forth in Exhibit A attached hereto.

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

- (b) Payment for the Bonds shall be made to the order of the Academy in immediately available funds. The Closing for the payment for the Bonds shall take place at the Birmingham offices of Clark Hill PLC, at 10:00 a.m., local time, on August 15, 2012, or such other time or date as shall be agreed upon by the Academy and the Underwriter. The above-referenced hour and date of such delivery and payment is herein referred to as the "Closing" or the "Closing Date." The delivery of the Bonds shall be made in definitive form bearing CUSIP numbers for registration through a book-entry-only system of registration described in the Official Statement and shall be registered in the name of Cede & Co., nominee for The Depository Trust Company ("DTC"). The Bonds shall be available through DTC, at least 24 hours prior to the Closing Time, or such other place, time or date as the Underwriter shall designate.
- (c) The Underwriter agrees to provide the Academy with a certificate(s) in form acceptable to Clark Hill PLC ("Bond Counsel") as to the issue price, weighted average maturity and yield of the Bonds, all within the meaning of the Internal Revenue Code of 1986, as amended.

SECTION 3. CONDITIONS TO THE UNDERWRITER'S OBLIGATIONS

The Underwriter's obligations under this Agreement shall be subject to the Academy's compliance with its obligations and agreements to be performed at or prior to Closing and to the truth, accuracy and completeness of the Academy's representations and warranties contained herein, and shall also be subject to the following conditions:

(a) This Agreement, the Bonds, the Official Statement, the Resolution, the Indenture, the Environmental Indemnification Agreement, the Mortgage and the State Aid Agreement shall be authorized, executed, and delivered by the Academy. The Resolution shall be in full force and effect and shall not have been amended, modified or supplemented.

(b) At Closing, the Underwriter shall receive:

- i. (A) the legal opinion of Bond Counsel, substantially in the form attached as Appendix E to the Preliminary Official Statement and a supplemental opinion substantially in the form attached hereto as Exhibit B; and (B) the opinion of Clark Hill PLC ("Underwriter's Counsel"), substantially in the form attached hereto as Exhibit C;
- ii. A certificate of the President of the Board or other authorized officer of the Academy satisfactory to the Underwriter, in form and substance satisfactory to the Underwriter, dated as of the Closing to the effect that: (A) the Academy has performed all obligations necessary to be performed at or prior to Closing and that all representations and warranties contained herein are true, accurate and complete as of Closing; (B) the Academy has authorized the execution, delivery, receipt and due performance of the Bonds, the Resolution, the Indenture, the State Aid Agreement, the Environmental Indemnification Agreement, the Mortgage, the Continuing

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

Disclosure Agreement and any other documents as may be required to be executed, delivered and received in order to consummate this transaction; (C) the Academy has not been served with any litigation, administrative action or proceeding, and to the knowledge of the appropriate officials of the Academy, no litigation or administrative action or proceeding has been threatened against it, seeking to restrain or enjoin the issuance and delivery of the Bonds or questioning or contesting the validity of the Bonds, or the proceedings or authorities under which they are authorized to be issued, sold, executed and delivered, or questioning or contesting the validity of the Resolution, the Indenture, the Mortgage, the Environmental Indemnification Agreement, the State Aid Agreement, the Continuing Disclosure Agreement or the Academy's existence or powers; and (D) upon the advice of counsel and to the best of the Academy's knowledge, the execution, delivery, receipt and due performance of the Bonds, the Resolution, the Indenture, the State Aid Agreement, the Mortgage, the Environmental Indemnification Agreement, the Continuing Disclosure Agreement and any other agreements will not conflict with or constitute a breach of or a default under any agreement, indenture, lease or other instrument to which the Academy is bound and will not conflict with or violate any existing law, regulation, rule, decree, or order;

- iii. A certificate, dated the Closing Date, signed by an authorized officer or officers of the Trustee, to the effect that the Trustee is a national banking association, duly organized and existing under the laws of the United States, and has full power and authority to conduct its activities, to execute, deliver and perform its obligations under the Indenture, and to carry out the transactions contemplated thereby; and that the Indenture constitutes the legal, valid and binding obligation of the Trustee enforceable against the Trustee in accordance with its terms except as limited by (i) bankruptcy, insolvency, reorganization, moratorium or other laws relating to, or affecting generally, the enforcement of creditors' rights and remedies, and (ii) the availability of equitable remedies, including specific performance and injunctive relief;
- iv. A closing certificate, dated the Closing Date, signed by an authorized officer of the Central Michigan University Board of Trustees, as the Academy's authorizing body;
- v. The Resolution certified by the Secretary of the Board as having been duly adopted;
- vi. An executed copy of the Indenture;
- vii. Written evidence effective as of the Closing Date that the Academy has qualified status pursuant to Act 34, Public Acts of Michigan, 2001, as amended;

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

- viii. The Official Statement executed on behalf of the Academy by the authorized officer of the Academy;
- ix. An executed copy of the Continuing Disclosure Agreement, State Aid Agreement, Environmental Indemnification Agreement and Mortgage;
- x. Non-Arbitrage and Tax Compliance Certificate of the Academy;
- xi. Letter confirming that the Bonds have been rated "BBB-" by Standard and Poor's Ratings Services;
- xii. A mortgagee title insurance policy which shall evidence good and marketable title in the Academy to the Facilities (as defined in the Indenture), insuring the Trustee's first mortgage lien thereon;
- xiii. A letter from the Academy's auditors consenting to the inclusion of the Academy's audited financial statements and auditors letter for the fiscal years ending June 30, 2009, June 30, 2010, and June 30, 2011, as an appendix to the Official Statement;
- xiv. Such additional certificates as the Underwriter and its counsel may reasonably request to evidence performance of or compliance with the provisions of this Agreement, all such certificates and other documents to be satisfactory in form and substance to the Underwriter; and
- xv. Two (2) transcripts of all proceedings and documents relating to the authorization, issuance, sale and delivery of the Bonds to be provided within a reasonable time after the Closing Date.

If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement, or if any of the opinions, instruments, documents, proceedings or certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Underwriter, this Agreement and all obligations of the Underwriter hereunder may be canceled by the Underwriter on, or at any time prior to, the Closing. Notice of such cancellation shall be given to the Academy in writing.

SECTION 4. THE UNDERWRITER'S RIGHT TO CANCEL

The Underwriter has the right to cancel the Underwriter's obligation to purchase the Bonds by notifying the Academy in writing of its election to do so between the date hereof and Closing, if at any time prior to Closing:

- (a) The House of Representatives or the Senate of the United States of America (the "United States") or committees thereof have pending before them legislation introduced previous to Closing, which if enacted in its form as introduced or as amended, would in the Underwriter's sole, reasonable opinion, have the purpose or effect of imposing federal income taxation (other than alternative minimum

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

income or other indirect taxation) upon revenues or other income of the general character to be derived by the Academy or by any similar body, or upon interest received on obligations of the general character of the Bonds or which, in the Underwriter's sole, reasonable opinion, materially adversely affects the market price of the Bonds;

- (b) A tentative decision with respect to legislation is reached by a committee of the House of Representatives or the Senate of the United States; or legislation is favorably reported by such committee or introduced, by amendment or otherwise; or passed by the House of Representatives or the Senate; or recommended to the Congress of the United States for passage by the President of the United States; or enacted by the Congress of the United States; or a decision by a court established under Article III of the Constitution of the United States or the Tax Court of the United States is rendered; or a ruling, regulation or order of the Treasury Department of the United States or the Internal Revenue Service is made or proposed having in the Underwriter's sole, reasonable opinion, the purpose or effect of imposing federal income taxation (other than alternative minimum income or other indirect taxation) upon revenues or other income of the general character to be derived by the Academy or by any similar body or upon interest received on obligations of the general character of the Bonds; or any other event has occurred which, in the Underwriter's sole, reasonable opinion, materially adversely affects the market price of the Bonds;
- (c) (i) Any legislation, ordinance, rule or regulation is introduced in or enacted or imposed by any governmental body, department or agency in the State of Michigan, or (ii) the authority of the Academy to issue the Bonds is questioned by any department of the State of Michigan, or (iii) a decision by any court of competent jurisdiction within the State of Michigan is rendered which, in the Underwriter's sole, reasonable opinion, materially adversely affects the market price of the Bonds;
- (d) A stop order, ruling, regulation or official statement by, or on behalf of, the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter, is issued or made to the effect that the issuance, offering or sale of obligations of the general character of the Bonds, or the issuance, offering or sale of the Bonds, including all underlying obligations, as contemplated hereby or by the Official Statement, is in violation or would be in violation of any provision of the federal securities laws, the Securities Act of 1933, as amended, and as then in effect (the "Securities Act") or the qualification provisions of the Trust Indenture Act of 1939, as amended and as then in effect (the "Trust Indenture Act");
- (e) Legislation is enacted by the Congress of the United States, or a decision by a court established under Article III of the Constitution of the United States is rendered, to the effect that obligations of the general character of the Bonds, including all the underlying obligations, are not exempt from registration under

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

the Securities Act, or the Securities Exchange Act of 1934, as amended and as then in effect (the "Exchange Act"), or that the Resolution is not exempt from qualification under the Trust Indenture Act;

- (f) Any event shall have occurred, or information become known, which, in the Underwriter's sole, reasonable opinion, makes untrue in any material respect any statement or information contained in the Official Statement or has the effect that the Official Statement as originally circulated contains an untrue statement of a material fact, or omits to state a material fact necessary in order to make the statements made therein not misleading;
- (g) Additional material restrictions not in force as of this date are imposed upon trading in securities generally by any governmental authority or by any national securities exchange;
- (h) The New York Stock Exchange or other national securities exchange, or any governmental authority, imposes, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increases materially, those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;
- (i) A war involving the United States is declared, or any conflict involving the armed forces of the United States escalates, or any other national emergency relating to the effective operation of government or the financial community occurs, which, in the Underwriter's sole, reasonable opinion, materially adversely affects the market price of the Bonds (it being agreed by the Underwriter that there is no war, conflict or national emergency of such a character as of the date hereof);
- (j) Any rating or ratings with respect to the Bonds are revoked or downgraded; or
- (k) A general banking moratorium is established by federal, New York, Ohio or Michigan authorities.

SECTION 5. CONDITIONS OF THE ACADEMY'S OBLIGATIONS

The Academy's obligations to sell and deliver the Bonds are subject to the following conditions on or before the Closing Date:

- (a) The Academy shall have received the opinions described in Section 3(b)(i) hereof;
- (b) The Underwriter shall have tendered the purchase price set forth in Section 2 hereof; and
- (c) The Academy shall have received such additional certificates as the Academy may reasonably request, including a certificate as to the "original issue price".

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

SECTION 6. REPRESENTATIONS, WARRANTIES AND AGREEMENTS TO SURVIVE DELIVERY

All of the Academy's representations, warranties and agreements and the agreements of the Underwriter set forth in this Agreement shall remain operative and in full force and effect regardless of any investigations made by the Underwriter on its own behalf and shall survive delivery of the Bonds to the Underwriter.

SECTION 7. PAYMENT OF EXPENSES

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

SECTION 8. USE OF OFFICIAL STATEMENT

- (a) The Academy agrees to deliver to the Underwriter prior to the Closing, at such addresses as the Underwriter shall specify, as many copies of the Official Statement (as supplemented and amended from time to time) as the Underwriter shall reasonably request, in order to comply with paragraph (b)(4) of Rule 15c2-12 of the Securities Exchange Commission under the Exchange Act (the

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

“Rule”) and with Rule G-32 and all other applicable rules of the Municipal Securities Rulemaking Board. The Academy agrees to deliver such Official Statement within seven (7) business days after the execution hereof.

- (b) The Academy hereby authorizes and approves the Preliminary Official Statement, and confirms that the information contained in the Preliminary Official Statement was deemed final as of its date for the purpose of enabling the Underwriter to comply with the requirements of paragraph (b)(1) of the Rule, except for the omission of such information as is permitted by paragraph (b)(1) of the Rule; authorizes the Official Statement to be dated July 17, 2012; and consents to their distribution and use by the Underwriter.
- (c) The Underwriter shall give notice to the Academy (i) of the date after which no Participating Underwriter, as such term is defined in the Rule, remains obligated to deliver Official Statements pursuant to the Rule (the “Underwriting Period”); or (ii) if there exists an unsold balance of Bonds thus causing an extension of the Underwriting Period, the Underwriting Period is deemed to end thirty (30) days after Closing unless the Underwriter notifies the Academy in writing prior to such date that there exists an unsold balance of the Bonds, in which case the Underwriting Period is deemed to be extended for thirty (30) days from the date notice is received. The period may be extended for additional periods of thirty (30) days each by the Underwriter delivering subsequent notices to the Academy.
- (d) If, at any time prior to the earlier of (i) receipt of notice from the Underwriter pursuant to Section 8(c) above that Official Statements are no longer required to be delivered under the Rule or (ii) thirty (30) days after Closing (unless the Underwriter notifies the Academy prior to such date that the underwriting period is deemed to be extended for thirty (30) days from the date notice is received) any event occurs with respect to the Academy as a result of which the Preliminary Official Statement or the Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein not misleading, the Academy shall promptly notify the Underwriter in writing of such event. Any information supplied by the Academy for inclusion in any amendments or supplements to the Preliminary Official Statement or Official Statement will not contain any untrue or misleading statement of a material fact relating to the Academy or omit to state any material fact relating to the Academy necessary to make the statements therein not misleading.

SECTION 9. NOTICE

Any notice or other communication to be given to the Academy under this Agreement may be given by mailing or delivering the same in writing to:

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

President
Renaissance Public School Academy
2797 South Isabella Road
Mt. Pleasant, MI 48858

and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same to:

Fifth Third Securities, Inc.
38 Fountain Square Plaza
Cincinnati, OH 45263
Attn: Municipal Trading

SECTION 10. APPLICABLE LAW: NONASSIGNABILITY

This Agreement shall be governed by the laws of the State of Michigan. This Agreement shall not be assigned by the Academy.

SECTION 11. TRANSACTION RELATIONSHIP

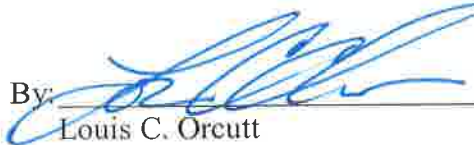
Inasmuch as the purchase and sale contemplated pursuant to this Agreement represents a negotiated transaction, the School District acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the School District and the Underwriter in which the Underwriter is acting solely as a principal and not acting as a fiduciary to the School District; (ii) the Underwriter has provided advice with respect to the structure, timing or other similar matters concerning the Bonds as an underwriter and not as a fiduciary to the School District; (iii) the Underwriter is acting solely in its capacity as an underwriter for its own account; (iv) the only obligations the Underwriter has to the School District with respect to the transaction contemplated hereby are expressly set forth in this Agreement; and (v) the School District has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent deemed appropriate.

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SECTION 12. EXECUTION OF COUNTERPARTS

This Agreement may be executed in several counterparts each of which shall be regarded as an original and all of which shall constitute one and the same document.

FIFTH THIRD SECURITIES, INC.

By: 
Louis C. Orcutt

Its: Vice President

Accepted as of the date first above written:

RENAISSANCE PUBLIC SCHOOL ACADEMY

By: 
Mark H. Smith

Its: Board President

8302113

BOND PURCHASE AGREEMENT
Renaissance Public School Academy, Series 2012 Bonds

EXHIBIT A

BOND PRICING

Bond Pricing: See attached Bond Pricing Summary.

Dated Date: August 15, 2012

Interest Payment Dates:

Semi-annually on November 1 and May 1 of each year until maturity or earlier redemption, commencing May 1, 2013.

Optional Redemption:

The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after May 1, 2023 are subject to redemption at the option of the School District in such order as the School District may determine and by lot within any maturity, on any date occurring on or after May 1, 2022, at par plus accrued interest to the date fixed for redemption.

Mandatory Redemption:

The Series 2012A Bonds maturing May 1, 2027, are subject to mandatory redemption on May 1, 2013, and on each May 1 thereafter, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Principal Fund as follows:

Series 2012A Term Bond Maturing May 1, 2027

<u>Date</u>	<u>Principal Amount</u>
May 1, 2013	\$ 15,000
May 1, 2014	30,000
May 1, 2015	35,000
May 1, 2016	45,000
May 1, 2017	45,000
May 1, 2018	50,000
May 1, 2019	50,000
May 1, 2020	50,000
May 1, 2021	95,000
May 1, 2022	125,000
May 1, 2023	135,000
May 1, 2024	140,000
May 1, 2025	150,000
May 1, 2026	155,000
May 1, 2027 (Maturity)	165,000

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

The Series 2012A Bonds maturing May 1, 2037, are subject to mandatory redemption on May 1, 2028, and on each May 1 thereafter, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Principal Fund as follows:

**Series 2012A Term Bond Maturing
May 1, 2037**

<u>Date</u>	<u>Principal Amount</u>
May 1, 2028	\$ 175,000
May 1, 2029	185,000
May 1, 2030	195,000
May 1, 2031	210,000
May 1, 2032	220,000
May 1, 2033	235,000
May 1, 2034	245,000
May 1, 2035	260,000
May 1, 2036	280,000
May 1, 2037 (Maturity)	310,000

The Series 2012B Bonds maturing May 1, 2021, are subject to mandatory redemption on May 1, 2013, and on each May 1 thereafter, at a redemption price equal to 100% of the principal amount thereof plus accrued interest to the redemption date from amounts on deposit in the Bond Principal Fund as follows:

**Series 2012B Term Bond Maturing
May 1, 2021**

<u>Date</u>	<u>Principal Amount</u>
May 1, 2013	\$ 35,000
May 1, 2014	45,000
May 1, 2015	45,000
May 1, 2016	40,000
May 1, 2017	45,000
May 1, 2018	45,000
May 1, 2019	50,000
May 1, 2020	55,000
May 1, 2021 (Maturity)	55,000

Purchase in Lieu of Redemption:

The Bonds are subject to purchase in lieu of redemption by the Academy prior to their respective maturity dates at any time, in whole or in part, if the following conditions are satisfied:

- (i) The Academy and the Bondholders negotiate and agree upon a purchase price that is communicated to the Trustee, provided that the purchase price so

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

negotiated, together with the expense of such purchase, may not exceed the redemption price of the Bonds to be purchased;

(ii) Upon written agreement as described in (i) above, the Academy shall direct the Trustee to purchase certain Bonds and will provide funds to the Trustee for deposit in the Bond Fund in the amount necessary to pay the purchase price of the selected portion of the Bonds in excess of that required to fully satisfy the next scheduled interest and principal payments due on the Bonds, and provided there is deposited into the Expense Fund such amount as the Trustee may require to cover the accrued and anticipated fees and expenses;

(iii) The Trustee confirms that the amount provided for by the Academy pursuant to (ii) above is sufficient to warrant such purchase at the purchase price agreed to by the Academy and the Bondholders pursuant to (i) above; and

(iv) To the extent permitted by law, the Academy shall indemnify and hold harmless the Trustee, in a form and with such security as may be satisfactory to the Trustee, from and against any and all liabilities, claims, or losses arising out of, by virtue of, or in connection with, the tender of Bonds, up to the amount of the value of the Bonds tendered, except in the case of negligence, willful misconduct, or bad faith on the part of the Trustee.

As Bonds are purchased pursuant to this Indenture, such purchase of Bonds will be considered to have satisfied, in whole or in part, the redemption requirements as set forth in this Indenture. Once purchased, such Bonds shall be delivered to the Trustee and cancelled.

Mandatory Redemption Upon Determination of Taxability:

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

Redemption of Bonds upon Occurrence of Certain Events:

The Bonds are subject to redemption at the option and upon the direction of Beneficial Owners of at least two-thirds (2/3rds) of the Outstanding Bonds in whole at any time or in part on any Business Day from and to the extent of funds on deposit under the Indenture and available for such purpose at a redemption price equal to the principal amount of each Bond redeemed and accrued interest to the redemption date upon the occurrence of any of the following events:

(a) The Facilities shall have been damaged or destroyed in whole or in part to such extent that, as expressed in a Consulting Architect's Certificate filed with the Trustee, either (i) the Facilities cannot reasonably be restored within a period of 12 consecutive months to the condition thereof immediately preceding such

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

damage or destruction, (ii) the Academy is thereby prevented from carrying on its normal operations for a period of 12 consecutive months, (iii) the cost of restoration thereof would exceed the Net Proceeds of insurance carried thereon pursuant to the requirements of the Indenture, or (iv) the final maturity of the Bonds is within five years of the date of such damage or destruction.

(b) Title to, or the temporary use of, all or any substantial part of the Facilities shall have been taken under the exercise of the power of eminent domain by any governmental authority, or Person, firm or corporation acting under governmental authority or because of a defect in title.

(c) As a result of any changes in the Constitution of the State or the Constitution of the United States of America or of legislative or administrative action (whether state or federal) or by final decree, judgment or order of any court or administrative body (whether state or federal) entered after the contest thereof by the Academy in good faith, the Indenture shall have become void or unenforceable or impossibility of performance in accordance with the intent and purposes of the parties as expressed in the Indenture. Redemption pursuant to subsection (c) shall be in whole only.

Only Net Proceeds of insurance or a condemnation award shall be used for a partial redemption of Bonds pursuant to Sections (a) or (b) above.

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

BOND PRICING SUMMARY

SERIES 2012A BONDS

<u>Maturity</u>	<u>Par Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>
5/1/2027*	\$1,285,000	5.500%	5.500%	100.000
5/1/2037*	<u>2,315,000</u>	6.000	6.000	100.000
	<u>\$3,600,000</u>			

* Term Bonds

SERIES 2012B BONDS

<u>Maturity</u>	<u>Par Amount</u>	<u>Coupon</u>	<u>Yield</u>	<u>Price</u>
5/1/2021*	<u>\$415,000</u>	6.750%	6.750%	100.000
	<u>\$415,000</u>			

* Term Bonds

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

EXHIBIT B

DRAFT SUPPLEMENTAL OPINION OF BOND COUNSEL

August 15, 2012

Renaissance Public School Academy
County of Isabella
State of Michigan

Fifth Third Securities, Inc.,
as Underwriter

The Huntington National Bank
as Trustee

This opinion is submitted pursuant to the Bond Purchase Agreement (the "Bond Purchase Agreement"), dated as of July 17, 2012, between the Underwriter and Renaissance Public School Academy, a Michigan public school academy (the "Academy"), with respect to the purchase by the Underwriter and sale by the Academy of its Public School Academy Revenue Bonds, Series 2012A in the aggregate principal amount of \$3,600,000 (the "Series 2012A Bonds") and Public School Academy Revenue Bonds, Series 2012B (Federally Taxable) in the aggregate principal amount of \$415,000 (the "Series 2012B Bonds" and together with the Series 2012A Bonds, the "Bonds").

We have examined (in addition to the proceedings and documents specified in our approving opinion) executed counterparts of the Bond Purchase Agreement, the Preliminary Official Statement, dated July 2, 2012, and the Official Statement, dated July 17, 2012 (collectively referred to herein as the "Official Statement"), a certified copy of a Resolution of the Board of Directors of the Academy adopted May 7, 2012 (the "Resolution") approving authorization, execution, sale and delivery of the Bonds, the Bond Purchase Agreement, the Trust Indenture, dated August 1, 2012, between the Academy and The Huntington National Bank (the "Indenture"), and the Mortgage, dated August 1, 2012 (the "Mortgage"). The Bonds, the Bond Purchase Agreement, the Indenture and the Mortgage are hereinafter collectively referred to as the "Bond Documents." On the basis of such examination and our review of such other information, records and documents as in our judgment is necessary and advisable, we are of the opinion that:

1. The Academy had at the time of execution of the Bond Purchase Agreement, and has as of the date hereof, full legal right, power and authority (a) to enter into the Bond Purchase Agreement; and (b) to sell and deliver the Bonds to the Underwriter as provided in the Bond Purchase Agreement, the Resolution and the Official Statement; and the Academy had at the time of execution of the Bond

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

Purchase Agreement, and has as of the date hereof, duly authorized and approved the execution and delivery of, and the performance of its obligations contained in the Bond Purchase Agreement.

2. No further authorization or approval is required for the execution and delivery of the Bond Documents, and the Bond Documents constitute legal, valid and binding obligations of the Academy, enforceable in accordance with their terms; and no further authorization or approval is required for the performance by the Academy of its obligations under the Bond Documents. The enforceability of the Bond Documents may be limited by bankruptcy or similar laws affecting the rights of creditors generally.
3. The Academy has duly authorized, approved and executed the Official Statement.
4. The Bonds have been duly authorized and issued and we have examined one Bond as executed.
5. Other than the approvals which have been obtained, no consent or approval of, or registration or declaration with, any federal, state or other governmental commission, board, regulatory body or instrumentality, is required in connection with any of the actions of the Academy described in Paragraphs 1, 2, 3 or 4 hereof.
6. All legislation necessary to fulfill in all material respects the terms and conditions of the Bonds, including payment of the principal thereof and interest thereon, and to carry out the transactions contemplated by the Bond Purchase Agreement, is in full force and effect.
7. The fulfillment of the terms and conditions of, and the carrying out of the transactions contemplated by the Bond Documents and the Official Statement, do not and will not conflict with or constitute, on the part of the Academy, a breach of, or a default under, any existing law, including, without limitation, the Constitution of the State of Michigan, to which the Academy is subject or by which it is bound.
8. The statements contained in the Official Statement under the captions "INTRODUCTION", "DESCRIPTION OF THE BONDS" (except "Book-Entry-Only System therein), "SECURITY AND SOURCES OF PAYMENT OF THE BONDS", and "TAX MATTERS", insofar as such statements summarize the language and effect of the Bond Documents, the Constitution and the laws of the State of Michigan and federal income tax laws are fair and accurate summaries thereof in all material respects.

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

9. The Underwriter and Trustee may rely upon our approving legal opinion of even date herewith to the same extent as if it were addressed to them.

Although we have not independently verified and are not passing upon or assuming any responsibility for the accuracy, completeness or fairness of the statements in the Official Statement (except to the extent expressly set forth in Paragraph 8 hereof), in our capacity as Bond Counsel, in which capacity we have been dependent on information provided by representatives of the Academy, we attended conferences with representatives of the Academy and the Underwriter for the purpose of drafting the Bond Documents and such portions of the Official Statement expressly set forth in Paragraph 8 hereof and ancillary documents with respect to the Bonds. Such information and conferences did not disclose to us any information which causes us to believe that the Official Statement contained, as of its date or as of the date hereof, any untrue statement of a material fact or omitted as of its date, or omits as of the date hereof, to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

CLARK HILL PLC

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

EXHIBIT C

DRAFT OPINION OF UNDERWRITER'S COUNSEL

August 15, 2012

Fifth Third Securities, Inc.
38 Fountain Square Plaza
Cincinnati, OH 45263

We have acted jointly as counsel to you, as the Underwriter, and Renaissance Public School Academy (the "Academy") as named in the Bond Purchase Agreement, dated July 17, 2012 (the "Bond Purchase Agreement"), between you and the Academy in connection with the issuance and sale of the Academy's Public School Academy Revenue Bonds, Series 2012A in the aggregate principal amount of \$3,600,000 (the "Series 2012A Bonds") and Public School Academy Revenue Bonds, Series 2012B (Federally Taxable) in the aggregate principal amount of \$415,000 (the "Series 2012B Bonds" and together with the Series 2012A Bonds, the "Bonds") on the date hereof. Capitalized terms used herein without definition have the same meanings as in the Official Statement, dated July 17, 2012, relating to the Bonds (the "Official Statement").

In our capacity as your counsel, we have participated in the preparation or review of the Bond Purchase Agreement, the resolution adopted by the Academy on May 7, 2012, as amended, authorizing the issuance and sale of the Bonds and related matters (the "Resolution"), the Trust Indenture, dated as of August 1, 2012 (the "Indenture"), between the Academy and The Huntington National Bank, as Trustee (the "Trustee"), and the Official Statement, and we have examined the opinions pursuant to the Bond Purchase Agreement of Clark Hill PLC, as bond counsel ("Bond Counsel"), rendered pursuant to the joint engagement referenced above.

In connection with this opinion letter, we have considered such documents and matters, and have relied upon such documents, certificates and other information furnished to us, as we deemed appropriate as a basis for our opinions set forth below. We are not expressing any opinion herein on the authorization, issuance, delivery or validity of the Bonds or with respect to any matter not expressly addressed herein, and we have assumed (other than the Underwriter), but not independently verified, that the signatures on all documents and certificates that we have examined are genuine. In addition, in rendering the opinions set forth below, we have relied upon the opinions of Bond Counsel as to the exclusion of the interest on the Bonds from gross income for federal income tax purposes.

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

Based upon and subject to the foregoing, we are of the opinion that:

1. The Bonds are exempt from the registration requirements of the Securities Act of 1933, as amended, and the Resolution and the Indenture each are exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

2. The Statements in the Official Statement in the headings entitled, "INTRODUCTION", "DESCRIPTION OF THE BONDS" (other than under the subcaption "Book-Entry-Only-System"), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS", "UNDERWRITING", "CONTINUING DISCLOSURE", EXHIBIT C and EXHIBIT F, insofar as such statements purport to summarize certain provision of the Bonds, Michigan law, and the Continuing Disclosure Agreement, constitute fair and accurate summaries thereof in all material respects.

3. Although we have not independently verified, and are not passing upon or assuming any responsibility for, the accuracy, completeness or fairness of the statements in the Official Statement other than as stated in paragraph 2 above, in our capacity as your counsel, in which capacity we have been dependent on information provided by representatives of the Academy and the Authorizing Body, we participated in conferences or telephone conferences and correspondence with Bond Counsel, representatives of the Underwriter, and with representatives of the Academy, the Trustee, the Authorizing Body and others, which conferences and correspondence did not disclose to us any information giving us reason to believe that the Official Statement (except with respect to the information contained under the subcaptions "Book-Entry-Only-System" and EXHIBIT A and the information contained therein as to the financial prospects of the Academy, and economic, financial, statistical or quantitative information, projections or estimates, and opinions of other counsel, as to which we express no opinion or belief) contained as of its date, or contains as of the date hereof, any untrue statement of a material fact or omitted as of its date, or omits as of the date hereof, to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

Our engagement with respect to this matter is terminated as of the date hereof and we disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person, but may be included in the transcript of proceedings for the Bonds.

CLARK HILL PLC

JMC:lllm

BOND PURCHASE AGREEMENT

Renaissance Public School Academy, Series 2012 Bonds

MORTGAGE

RENAISSANCE PUBLIC SCHOOL ACADEMY
as Mortgagor

to

THE HUNTINGTON NATIONAL BANK
as Mortgagee

RELATING TO:

\$3,600,000
RENAISSANCE PUBLIC SCHOOL ACADEMY
Public School Academy Revenue Bonds,
Series 2012A

And

\$415,000
RENAISSANCE PUBLIC SCHOOL ACADEMY
Public School Academy Revenue Bonds,
Series 2012B (Federally Taxable)

Dated as of August 1, 2012

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EXHIBIT A LEGAL DESCRIPTION

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MORTGAGE

THIS MORTGAGE ("Mortgage") is made as of August 1, 2012, by and between RENAISSANCE PUBLIC SCHOOL ACADEMY, as Mortgagor ("Mortgagor") and THE HUNTINGTON NATIONAL BANK, a national banking association duly organized and existing under the laws of the United States of America, in its capacity as bond trustee for the Bonds (as defined below), as Mortgagee ("Mortgagee").

PRELIMINARY STATEMENTS

A. Pursuant to the Trust Indenture, dated as of August 1, 2012 (the "Trust Indenture"), between Mortgagor and The Huntington National Bank, as trustee under the Trust Indenture, Mortgagor is issuing its Public School Academy Revenue Bonds, Series 2012A in the principal amount of \$3,600,000 (the "Series 2012 Bonds") and Public School Academy Revenue Bonds, Series 2012B (Federally Taxable) in the principal amount of \$415,000 (the "Series 2012B Bonds" and together with the Series 2012A Bonds, the "Bonds") for the purposes set forth in the Trust Indenture. All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Trust Indenture.

B. Pursuant to the Trust Indenture, 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.

C. The Bonds are secured by the Trust Estate (as defined in the Trust Indenture), including a lien on and security interest in the Mortgaged Estate (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 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 Isabella, State of Michigan, described in Exhibit A attached hereto and by this reference incorporated herein (the "Land");

IMPROVEMENTS

Any and all buildings, structures, fixtures and improvements 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 are 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.

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 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 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 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 7.02 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 of Michigan 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 the performance and observance of the 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 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. Except as expressly provided in this Mortgage, the Mortgage Estate shall not 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, however, 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 nondisturbance 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 any of 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 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 constitute 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 is 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 is perishable or threatens to decline speedily in value or is 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 at the beginning of this Mortgage 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 OF MICHIGAN 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 of Michigan.

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 "choate" 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 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 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 of Michigan 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 if sent by hand delivery, one day after deposit with overnight courier or two days after deposit in the case of certified mail, postage prepaid, addressed to the following mailing addresses:

If to Mortgagor:	Renaissance Public School Academy 2797 South Isabella Road Mt. Pleasant, MI 48858 Attention: Chief Administrative Officer Telephone: (989) 773-9889 Facsimile: (989) 772-4503
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If to Mortgagee:	The Huntington National Bank 50 Monroe Avenue NW Corporate Trust (MI230) Grand Rapids, MI 49503 Attn: Corporate Trust Services Telephone: (616) 235-5941 Facsimile: (616) 771-6314
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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, 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.

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.

**RENAISSANCE PUBLIC SCHOOL
ACADEMY**

By: _____


Joseph G. Fabiano

Its: Treasurer

STATE OF MICHIGAN)
) ss:
COUNTY OF OAKLAND)

Personally came before me this 14th day of August, 2012, the above named Joseph G. Fabiano, Treasurer of Renaissance Public School Academy, to me known to be the person who executed the foregoing instrument and acknowledged the same on behalf of Renaissance Public School Academy.



Name:
Notary Public, State of Michigan
My commission expires: _____
Acting in County of: _____

LORI S. SMITH
Notary Public, State of MI
County of Eaton
My Commission Expires 08/26/2013
Acting in the County of *Ingham*

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.

Witness



Mortgagor

EXHIBIT A

LEGAL DESCRIPTION

Land situated in the County of Isabella, City of Mount Pleasant, State of Michigan, is described as follows:

SEE ATTACHED.

Stewart Title Guaranty Company

COMMITMENT

SCHEDULE A

File No. 112621

EXHIBIT A

Parcel 1:

A PARCEL OF LAND BEING PART OF THE SW ¼ OF SECTION 13, T14N, R4W, UNION TOWNSHIP, ISABELLA COUNTY, MICHIGAN BEGINNING AT A POINT ON THE WEST SECTION LINE WHICH IS N 00°06'17" W, 830.00 FEET FROM THE SW CORNER OF SECTION 13, THENCE N 00°06'17" W, ALONG THE WEST SECTION LINE, 424.83 FEET; THENCE S 88°41'11" E, 663.51 FEET; THENCE S 00°25'55" E, 593.62 FEET; THENCE N 88°45'51" W, 437.68 FEET; THENCE N 00°06'17" W, PARALLEL WITH THE WEST SECTION LINE, 169.59 FEET; THENCE N 88°45'51" W, 229.20 FEET TO THE POINT OF BEGINNING.

Parcel 2:

A PARCEL OF LAND COMMENCING 640 FEET NORTH OF THE SW CORNER OF SECTION 13, T14N, R4W, THENCE EAST 229.2 FEET (SOMETIMES RECORDED AS 229.02), NORTH 190 FEET, WEST 229.2 FEET (SOMETIMES RECORDED AS 229.02), SOUTH 190 FEET TO THE POINT OF BEGINNING, UNION TOWNSHIP, ISABELLA COUNTY, MICHIGAN.

This commitment is invalid unless the Insuring Provisions and Schedules A and B are attached.

Schedule A consists of 2 page(s)

EXHIBIT B

PERMITTED EXCEPTIONS
AS DISCLOSED IN TITLE INSURANCE POLICY

PROMISSORY NOTE

\$1,000,000.00

**(FEE MORTGAGE)
July 1, 2019**

FOR VALUE RECEIVED, RENAISSANCE PUBLIC SCHOOL ACADEMY, a Michigan nonprofit corporation and public school academy, with an address at 2797 South Isabelle Road, Mt. Pleasant, Michigan 48858 ("Borrower"), hereby promises to pay to the order of IFF, an Illinois not for profit corporation (together with its successors and assigns, "Lender"), at its offices at 333 South Wabash Avenue, Suite 2800, Chicago, Illinois 60604, or at such other place as the holder of this Promissory Note may designate, in lawful money of the United States and in immediately available funds, the principal sum of ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00) or such lesser sum which then represents the aggregate unpaid principal amount of all advances made or extended to Borrower by Lender hereunder (the "Principal Sum") together with interest on the Principal Sum at the rates set forth below (the Principal Sum, together with interest payable thereon in accordance herewith, is hereafter referred to as the "Loan").

1. General Terms and Authority.

This Promissory Note is issued pursuant to Act 451, Public Acts of Michigan, 1976, as amended (the "Revised School Code"), and pursuant to a resolution of the Borrower adopted on June 3, 2019 (the "Resolution"). Though styled as a "promissory note," this obligation is intended to be a "bond" of the Borrower pursuant to Sections 380.50 4a(g) and 1351a of the Revised School Code.

THIS PROMISSORY NOTE IS A FULL FAITH AND CREDIT OBLIGATION OF THE BORROWER PAYABLE SOLELY FROM THE BORROWER'S REVENUES AND RECEIPTS AND OTHER FUNDS PLEDGED THEREFOR PURSUANT TO THIS PROMISSORY NOTE. 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 PROMISSORY NOTE DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THE STATE, THE CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (THE AUTHORIZING BODY OF THE BORROWER), OR ANY POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT NOR ANY TAXING POWERS OF THE STATE, CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES OR ANY POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO THE PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THE PROMISSORY NOTE. THE BORROWER HAS NO TAXING POWER.

Construction Loan

221587066

2. Advances.

Disbursements of the Loan shall (subject to Sections 4 and 9) be made to Borrower within 5 Business days of Lender's receipt of a Request for Disbursement in the form of Exhibit A attached hereto (except for the disbursement made at closing); provided however that no Loan disbursement shall be made after April 30, 2020, unless approved by Lender in its sole discretion.

3. Interest Rates.

From and after the date hereof, and until and including April 30, 2025, the outstanding Principal Sum of the Loan shall bear interest at the rate of 7.00% per annum (the "Initial Interest Rate"). From and after May 1, 2025 (the "First Recalculation Date"), and until and including April 30, 2030, the outstanding Principal Sum of the Loan shall bear interest at the First Recalculated Rate (as hereinafter defined). From and after May 1, 2030 (the "Second Recalculation Date"), and until and including May 1, 2035 (the "Maturity Date"), the outstanding Principal Sum of the Loan shall bear interest at the Second Recalculated Rate (as hereinafter defined).

The "First Recalculated Rate" shall be a fixed interest rate, determined by Lender on the first day of the full month prior to the fifth anniversary of the First Principal and Interest Date (the "First Recalculation Date"), equal to the greater of (i) the sum of (x) the yield to maturity (based on asked quotations) of United States Treasury obligations with a maturity equal to the Maturity Date plus (y) four hundred basis points (4.00%); and (ii) 6.00%. If there are no United States Treasury obligations with a maturity equal to the Maturity Date, the yield to maturity shall be interpolated on a straight-line basis between the United States Treasury obligations having the nearest maturities shorter and longer than such average life.

The "Second Recalculated Rate" shall be a fixed interest rate, determined by Lender on the first day of the full month prior to the tenth anniversary of the First Principal and Interest Date (the "Second Recalculation Date"), equal to the greater of (i) the sum of (x) the yield to maturity (based on asked quotations) of United States Treasury obligations with a maturity equal to the Maturity Date plus (y) four hundred basis points (4.00%); and (ii) 6.00%. If there are no United States Treasury obligations with a maturity equal to the Maturity Date, the yield to maturity shall be interpolated on a straight-line basis between the United States Treasury obligations having the nearest maturities shorter and longer than such average life.

4. Payments.

Beginning on July 15, 2019, and continuing on the 15th day of each month until ending on May 1, 2020 (the "First Principal and Interest Payment Date"), Borrower shall pay to Lender all interest on the Loan, to the extent disbursed, at the Initial Interest Rate and in monthly installments, payable in arrears. All such payments are to be paid with funds from the Borrower, and not with Loan proceeds.

Beginning on the First Principal and Interest Payment Date, Borrower shall pay Lender principal and interest on the Loan in equal monthly installments of Eight Thousand Nine

Hundred Eighty Eight and 28/100 Dollars (\$8,988.28), payable in arrears, which amount was determined by amortizing the Principal Sum, at the Initial Interest Rate, over a period of one hundred eighty (180) months. The foregoing amount shall be reduced, as applicable, if the actual principal amount of the Loan disbursed is less than the amount set forth at the beginning of this Promissory Note. Upon modification of the interest rate to either the First Recalculated Rate or the Second Recalculated Rate, as the case may be, the amount of the subsequent monthly payments of principal and interest shall be recalculated by Lender, and Borrower agrees to pay such recalculated amount. Lender shall deliver an amortization schedule to Borrower indicating the appropriate principal and interest payments through the remainder of the term of the Loan. Borrower may prepay this Promissory Note, in whole or in part, without penalty. Amounts prepaid may not be reborrowed. All payments hereunder shall be made via ACH, with the bank record to include the loan number so Lender can identify the payment.

On the Maturity Date, the outstanding Principal Sum of the Loan, plus all interest accrued thereon (together with all other amounts owed by Borrower to Lender), shall be due and payable to Lender. Payments received by Lender shall be applied to amounts owed Lender in the priority determined by Lender in its sole discretion. During the interest only period of this Promissory Note, interest shall be computed on the basis of a 360 day year for the actual number of days principal is outstanding. During the principal repayment period of this Promissory Note, interest shall be computed on the basis of a 360 day year comprised of twelve (12) thirty (30) day months. If any payment under this Promissory Note becomes due on a Saturday, Sunday, or bank holiday under the laws of the State of Illinois, then the due date shall be extended to the next succeeding business day and interest shall be payable at the applicable rate specified above.

5. Conditions to Loan Advances.

Lender's obligation to make any advances of the Loan shall be subject to the prior fulfillment by Borrower (or waiver by Lender in its sole discretion) of the following conditions:

a. Borrower shall have delivered to Lender at least five full-business days prior (or such shorter period agreed by the Lender in its sole discretion), a properly completed and executed Request for Disbursement in the form of Exhibit A hereto.

b. Borrower shall have expended on renovation costs approved by Lender (supported by invoices and proof of payment satisfactory to Lender) an amount which when added to the amount of the Loan will be sufficient, in Lender's judgment, to complete and pay for construction of the renovation and all costs incidental thereto.

c. At least five full-business days prior to each such advance (or such shorter period agreed by the Lender in its sole discretion), Lender shall have received a revised renovation budget showing changes in, variations from, or additions to, the budget approved by Lender, certified by Borrower. Any revisions to the budget are subject to Lender's prior approval.

d. At least five full-business days prior to each such advance (or such shorter period agreed by the Lender in its sole discretion), Lender and the title insurance company insuring the lien of Lender's mortgage (the "Insurer") shall each have received an application for

advance signed by Borrower (accompanied by AIA G702 signed by the general contractor and certified by Borrower's architect), containing in effect the same information and certifying to the same effects as the application for the initial advance referred to in Section 4 hereof to the date of such subsequent application (unless waived by Lender). The Insurer's copy of such application shall be accompanied by lien waivers and such other documents as required by the Lender and title insurance company and each such application shall be in form and content satisfactory to Lender and the Insurer.

e. Lender shall be satisfied that the undisbursed portion of the Loan will be sufficient to complete renovation of the Premises (as hereinafter defined) and to pay for the same.

f. There shall be no substantial unrepaired damage to the Premises by fire or other casualty which is not covered by insurance collected or in the process of collection.

g. There shall be no condemnation or eminent domain proceeding pending or threatened against all or any portion of the Premises.

h. No Default, as hereinafter defined, shall exist on the date of each such advance, and, if requested by Lender, Lender shall have received a certificate to that effect dated the date of each such advance and signed by Borrower.

i. Borrower shall have complied with all other requirements set forth in the disbursing agreement between Lender, the Insurer and Borrower.

j. In the case of the last advance under the Loan for project costs, all of the foregoing conditions shall have been met and, in addition, Lender shall have received:

i. evidence of the approval for occupancy of the Premises by all governmental authorities having jurisdiction;

ii. a certificate from Borrower's architect to the effect that the Project (as hereinafter defined) has been completed in accordance with the plans and specifications approved by Lender (unless waived by Lender); and

iii. full lien waivers from all contractors, subcontractors and materialmen showing that all amounts payable to such parties for the Project have been paid or will be paid out of the final advance.

j. Lender shall have received such other information, documents and opinions as it may reasonably require.

5. Collateral.

This Promissory Note is secured by that certain Mortgage, dated as of the same date as this Promissory Note, encumbering real estate located in Isabella County, Michigan (as amended, restated or otherwise modified from time to time, the "Mortgage") and a continuing lien and security interest in, all of Borrower's right, title and interest in, to and under all assets,

whether now owned or existing or hereafter arising or acquired, together with all products and proceeds of the foregoing, which lien will be perfected upon the filing of that certain UCC-1 financing statement with the Secretary of State of the State of Michigan.

6. Representations and Warranties.

Borrower hereby represents, warrants and agrees as of the date hereof and as of the date of each advance made to the Borrower:

a. Borrower is a nonprofit corporation and public school academy duly incorporated or organized, validly existing and in good standing in the State of Michigan;

b. Borrower's execution and delivery of this Promissory Note, the Mortgage and any other instruments, agreements and documents executed by Borrower in connection with the Loan (such Mortgage, Promissory Note and such other instruments, agreements or documents are collectively referred to as the "Loan Documents") and the performance of Borrower's obligations under this Promissory Note and the Loan Documents: (i) are within Borrower's corporate powers; (ii) have been duly authorized, executed and delivered by all necessary and proper corporate action on behalf of the Borrower; and (iii) shall not conflict with, contravene, or violate any currently existing statute, rule or law, or governmental restriction, the terms of Borrower's Articles of Incorporation or By-laws, or the terms, conditions, or provisions of any agreement to which Borrower is a party or by which Borrower or the Premises (as defined in the Mortgage) may be bound or affected;

c. This Promissory Note and the Loan Documents constitute legal, valid, and binding obligations of Borrower and are enforceable in accordance with their terms, except as such enforceability may be limited by bankruptcy law or general principles of equity (whether considered in a suit at law or in equity);

d. Borrower is now able to meet its debts as such debts mature and no bankruptcy or insolvency proceedings are pending, threatened or contemplated by or against the Borrower;

e. All reports, statements and other data made available to Lender in connection with the Loan are true, correct, and complete in all respects and do not omit to state any fact or circumstance necessary to make the statements contained therein not misleading;

f. Borrower has delivered to Lender audited financial statements and current internal financial statements (including a Statement of Financial Position indicating assets and liabilities and a Statement of Activities compared to budget) together with all other information necessary to fairly reflect the financial condition of Borrower for the period covered by such information;

g. Borrower has no claims, rights of set off or defense against Lender under this Promissory Note, the Mortgage, the Loan Documents or otherwise in respect of the Loan, and Lender is not in default thereunder;

h. The Borrower is in material compliance with all requirements of law applicable to it or its property (including the Premises);

i. The proceeds of the Loan borrowed on the Closing Date shall be used in a manner consistent with Section 7(a) below;

j. The proceeds of the Loan shall be used in compliance with all applicable anti-terrorist financing and asset control laws, regulations, rules and executive orders, including, but not limited to, the USA Patriot Act of 2001 and Executive Order No. 13224 (Executive Order Blocking Property and Prohibiting Transactions with Persons Who Commit, Threaten to Commit, or Support Terrorism). In this regard, Borrower covenants and agrees to take all reasonable steps to ensure that no person or entity expected to receive any funds in connection with the accomplishment of the charitable purposes for which the Loan is being made or otherwise in connection with the Loan is named on any list of suspected terrorists or blocked individuals maintained by the U.S. government, including but not limited to (a) the Annex to Executive Order No. 13224, and (b) the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury; and

k. No condition, circumstance, event, agreement, document, instrument, restriction, litigation or proceeding (or threatened litigation or proceeding or basis therefor) exists that (i) could adversely affect the validity or priority of the liens and security interests granted to Lender by Borrower under the Loan Documents or the ability of Borrower to perform its obligations under the Loan Documents or (ii) constitutes a Default.

7. Covenants.

Borrower agrees and covenants that it shall:

a. Use the proceeds of the Loan to finance the cost of construction of an addition to the school building on the Premises (the "Project");

b. Not incur any additional indebtedness or guarantee any indebtedness of any other person or entity without Lender's prior written consent, which consent may be withheld in Lender's sole and absolute discretion. Notwithstanding the above, Borrower may incur (i) unsecured indebtedness in the ordinary course of Borrower's business in the aggregate amount of \$50,000.00 or less upon prior written notice to Lender without having to obtain Lender's prior written consent and (ii) additional indebtedness in the aggregate amount of up to the Threshold Amount under State Aid Anticipation Notes with one or more lenders pursuant to Section 380.1225 of the Revised School Code without having to obtain Lender's prior written consent. As used herein, the term "Threshold Amount" means fifteen percent (15%) of the state school aid allocated to borrower from the State of Michigan's State School Aid Fund, as reported on the most recent State Aid Status Report applicable to the Academy for the month during which the note or notes are issued. The State Aid Status Reports may be accessed at <https://mdoe.state.mi.us/SAMSPublic/Report#/>;

c. Maintain the Premises free and clear of all liens and encumbrances (excepting only (i) the lien of real estate taxes and assessments not due, (ii) any lien and

encumbrance of Lender and (iii) any other exceptions as Lender may in its sole and absolute discretion agree, including those listed on any exhibit or schedule to any title insurance policy that Lender has accepted hereunder) and maintained in accordance with all applicable building, zoning and other laws and ordinances;

d. Permit Lender or any of its agents or representatives to have access to the Premises and to have access to and to examine all books and records (and to make extracts therefrom) regarding Borrower and the Premises and to discuss with Borrower's officers, directors and agents Borrower's affairs, finances and accounts, all at reasonable times and as often as Lender may reasonably request;

e. Not enter into any transaction with any affiliate other than with Lender's prior written consent and upon fair and reasonable terms no less favorable to Borrower than would be obtained in a comparable arm's-length transaction with a Person not an affiliate;

f. Not permit to occur, whether directly, indirectly, by operation of law or otherwise, any transfer, sale, assignment, conveyance, alienation, pledge, hypothecation, encumbrance, or mortgage of all or any portion of any legal or equitable interest in Borrower, unless Lender otherwise consents in writing, which consent may be withheld in Lender's sole discretion;

g. Maintain and preserve the Premises owned by the Borrower and other properties and assets of Borrower necessary in the proper conduct of Borrower's business in good working order and condition, ordinary wear and tear excepted;

h. Furnish to the Lender (i) evidence of any termination, revocation, non-renewal, extension, renewal, amendment and/or update, as the case may be, to the Borrower's charter contract issued by the authorizing body of the Borrower as soon as practicable and in any event within seven (7) days of such termination, revocation, non-renewal, extension, renewal, amendment and/or update, and (ii) if requested by the Lender, copies of the Borrower's charter contract issued by the authorizing body of the Borrower, certified as true and accurate by an authorized officer of Borrower;

i. Pay to Lender a non-refundable facility fee in an amount equal to Ten Thousand and 00/100 Dollars (\$10,000.00), on or before the date hereof, which shall have been fully earned by Lender by its commitment to make the Loan and shall not be subject to reduction or refund for any reason whatsoever; and

j. Promptly execute and deliver such documents as may be necessary to grant to and maintain in favor of Lender a mortgage lien securing the Loan upon the Premises and to fully consummate the transactions contemplated by this Promissory Note.

8. Defaults.

The following shall constitute a default (a "Default") under this Promissory Note:

a. If Borrower fails to make any of the payments under any Loan Document (including whether of principal, interest, fees or other amount and regardless of amount) when

and as the same shall become due and payable and such failure continues for five (5) days without remedy or cure;

b. If Borrower fails to perform any of the nonmonetary obligations under this Promissory Note, the Mortgage, or any of the other Loan Documents and such default is not cured within thirty (30) days after such failure; provided, however, that if such default is not able to be cured within such thirty (30) day period, then no Default shall have occurred under this Promissory Note if Borrower diligently prosecutes such cure and successfully cures the default within an additional thirty (30) days;

c. If a proceeding under any federal or state bankruptcy, reorganization, rehabilitation, receivership, insolvency, moratorium, or other law for the relief of debtors is filed by or against Borrower (or any Guarantor), and if such proceeding was filed against Borrower (or Guarantor) and was involuntary, such proceeding is not discharged, stayed or dismissed within thirty (30) days after the date Borrower (or Guarantor as applicable) is notified in writing of such proceeding;

d. If Borrower (or Guarantor) makes an assignment for the benefit of creditors;

e. If Borrower's charter contract issued by the authorizing body of the Borrower is terminated, revoked or not renewed;

f. If any statement or representation made by Borrower to Lender in connection with this Promissory Note, the Mortgage, the Loan Documents or any related transactions is or was false or misleading in any material way;

g. If any (a) material adverse change occurs in the financial condition, operation, or management of Borrower (or any Guarantor), (b) event occurs which has a material adverse effect on the Premises or (c) event occurs which has a material adverse effect on the rights and remedies of the Lender under the Loan Documents, in each case, as determined by the Lender in its sole discretion;

h. If Borrower fails to keep, perform, or observe any other agreement, covenant or condition on the part of Borrower contained in any other mortgage encumbering the Premises, or in any other Loan Document or security instrument evidencing or securing the indebtedness of Borrower to Lender under this Loan or any other loan with Lender, which default is not cured within the time period set forth in this Promissory Note or therein;

i. If foreclosure proceedings have been instituted against the Premises;

j. If the Premises is no longer used for the purposes of a public school academy for students in grades K-8 and a preschool program;

k. If the Borrower sells all or substantially all of its assets, merges with another entity (and is not the surviving entity of such merger) or is dissolved;

1. If any Loan Document shall cease to be in full force and effect or Borrower or any Person contests in any manner the validity or enforceability of the applicable Loan Document; or

m. If Borrower fails to commence renovation or construction of the Premises by June 1, 2019, if Borrower fails to continue the renovations or construction with diligence and continuity in accordance with any construction schedules or construction, plans, and specifications provided to Lender, or if Borrower fails to substantially complete the renovation or construction by the date 30 days prior to the First Principal and Interest Date, which substantial completion date may be extended upon the written consent of Lender in its sole discretion.

9. Remedies.

Upon the occurrence of a Default, Lender may, in addition to any other rights or remedies provided for hereunder or under any other Loan Document or by applicable law, do any one or more of the following: (i) declare the principal of, and any and all accrued and unpaid interest and fees in respect of, the Loans and all other obligations, whether evidenced by this Promissory Note or by any of the other Loan Documents to be immediately due and payable, whereupon the same shall become and be immediately due and payable and Borrower shall be obligated to repay the Loan and all of such obligations in full, without presentment, demand, protest, or further notice or other requirements of any kind, all of which are hereby expressly waived by the Borrower, (ii) declare the commitments of the Lender to make additional advances terminated, whereupon such commitments shall immediately be terminated or (iii) exercise all other rights and remedies available to the Lender under the Loan Documents, under applicable law, or in equity; provided, however, that in case of any event described in clauses (c) or (d) of Section 8, the commitments of the Lender to make any additional advances shall automatically terminate and the principal of the Loans then outstanding, together with accrued interest thereon and all fees and other obligations of the Borrower accrued hereunder, shall automatically become due and payable, without presentment, demand, notice, protest, or legal process of any kind. Following the occurrence and during the continuance of a Default, Borrower promises to pay Lender interest on the unpaid Principal Sum (together with all other amounts owed to Lender) at the then applicable interest rate plus 5% per annum (the "Default Rate"). Borrower agrees to pay Lender, on demand, all costs and expenses arising from the enforcement of this Promissory Note, the collection of the amounts due under this Promissory Note and the enforcement or foreclosure of the Mortgage, together with expenses, costs, and charges related thereto, including, without limitation, all attorneys' fees, expenses and court costs, together with the fees of paralegals and other staff employed by such attorneys.

10. Reporting.

Borrower shall furnish to Lender the following items as and when set forth below:

a. Audited annual financial statements to be delivered within one hundred eighty (180) days after the end of Borrower's fiscal year (the "Fiscal Year End"), commencing with the fiscal year ended June 30, 2018. In the event Borrower fails to provide Lender with the foregoing audited financial statements within such period, then, in addition to all other rights and remedies of Lender hereunder, to the extent permitted by applicable state law, Lender shall have

the right (but shall not have the obligation) to cause such audited financial statements to be prepared, by an accountant or firm acceptable to Lender in Lender's sole discretion. Borrower shall cooperate with such accountant or firm in the preparation of such statements and shall pay the actual cost incurred by Lender in connection therewith;

b. Certified copies of Borrower's property and liability insurance policies and evidence of renewal of insurance coverage which provides that Borrower's insurance coverage is in full force and effect and in compliance with the insurance requirements set forth in the Loan Documents. Borrower shall deliver certificates and endorsements of such insurance policies which name Lender as mortgagee, lender's loss payee, and additional insured, as appropriate, within the time periods set forth in the Loan Documents;

c. A copy of the Application for Real Property Tax Exemption filed with the Isabella County Assessor or a copy of the receipt from the most recent property tax payment, to be delivered within seven (7) days of receipt or payment, as applicable;

d. Prompt (and in any event, within three (3) days) written notice of any material changes in Borrower, particularly with respect to the Borrower's senior management and primary operations personnel, existing or new programs, and the goals and missions of Borrower;

e. Prompt (and in any event, within three (3) days) written notice of any action or event of which Borrower has knowledge that may materially or adversely affect Borrower's ability to make payments under, or perform the obligations set forth in, the Loan Documents;

f. Prompt (and in any event within one (1) day) written notice of the occurrence of any Default or any condition or event that (unless cured before the expiration of the applicable grace period as set forth herein or waived in writing in accordance with the terms hereof) will, with the lapse of time or notice or both, constitute a Default;

g. Within five (5) days after receipt of written request from Lender at any time, Borrower shall provide (i) a listing of the Borrower's board members, including their names, board committee memberships, occupations, and email addresses, (ii) quarterly unaudited financial statements, and budgets; and

h. From time to time, any other information or documents that Lender or Lender's counsel reasonably requests throughout the term of the Loan at such time as Lender or Lender's counsel reasonably requires.

11. Costs and Expenses; Indemnification.

Borrower agrees to pay all reasonable costs and expenses of the Lender in connection with the preparation and execution of this Promissory Note, the Mortgage and the other Loan Documents (including, but not limited to, title and recording fees). Borrower also agrees to pay all reasonable costs and expenses of the Lender in connection with the administration of the Loan, including, if required, a construction loan escrow in form satisfactory to Lender, with respect to the disbursement of the Loan.

Borrower, to the extent permitted by law, agrees to defend and hold Lender, and its officers, directors, trustees, members of the board, employees, contractors and agents and the successors and assigns of the foregoing (collectively, the "IFF Parties") harmless and to indemnify each of them from and against all Claims (as hereinafter defined) of whatever nature incurred by any of the IFF Parties arising from, related to or in connection with: (a) any action or inaction of Borrower; (b) the accuracy of any representation set forth in the Loan Documents; (c) the breach of any agreement or covenant set forth herein or in the Loan Documents; (d) the Premises; or (e) the Loan. For purposes hereof, "Claims" means any and all claims, causes of action, rights of subrogation, suits, losses, damages, costs, expenses, fees (including, without limitation, attorneys' fees, expenses and court costs) and liabilities of every kind whatsoever, whether past or present, contingent or otherwise, matured or unmatured, known, unknown, suspected or unsuspected, punitive, direct, or indirect, actual or consequential, arising at law, in equity or otherwise. Borrower's obligation and agreement to indemnify and hold harmless the IFF Parties shall include indemnity from and against any and all liability, fines, suits, demands, costs and expenses of any kind or nature (including, without limitation, attorneys' fees, expenses and court costs) incurred in or in connection with any such Claims, or proceedings brought thereon, and the defense thereof. Notwithstanding the foregoing provisions of this paragraph, Borrower shall not be required to indemnify any of the IFF Parties to the extent such Claim is a result of the gross negligence or willful misconduct of such IFF Parties (as determined by a court of competent and final jurisdiction).

12. Notices.

All notices, requests, and demands to be made under this Promissory Note or under the Mortgage shall be in writing and shall have deemed to have been given to either Borrower or Lender when personally delivered or emailed, the day after deposit with a nationally recognized courier service (such as Federal Express), or three (3) days after being sent by registered or certified mail, return receipt requested, to the following addresses:

If to Lender: IFF
333 South Wabash Avenue, Suite 2800
Chicago, Illinois 60604
Email: general@iff.org
Attention: Senior Vice-President, Capital Solutions

with a copy to: Clark Hill PLC
151 South Old Woodward Avenue, Suite 200
Birmingham, Michigan 48009
Email: jbielfield@clarkhill.com
Attention: Jennifer A. Bielfield, Esq.

If to Borrower: Renaissance Public School Academy
2797 South Isabelle Road
Mt. Pleasant, Michigan 48858
Email: _____
Attention: _____

with copies to : Miller, Canfield, Paddock and Stone, P.L.C.
150 West Jefferson, Suite 2500
Detroit, Michigan 48226
Email: Crowley@millercanfield.com
Attention: James Crowley

13. Whenever in this Promissory Note reference is made to Lender or Borrower, that reference shall be deemed to include, as applicable, a reference to the respective successors and permitted assigns of the party. The provisions of this Promissory Note shall be binding upon and shall inure to the benefit of said successors and permitted assigns. Lender may assign, negotiate, pledge or otherwise hypothecate this Promissory Note or any of its rights and security hereunder or under any other Loan Document to any bank, participant, financial institution or other Person and, in any such case, Borrower will accord full recognition thereto and agree that all rights and remedies of Lender in connection with the interest so assigned shall be enforceable against Borrower by such bank, participant, financial institution or any other Person with the same force and effect and to the same extent as the same would have been enforceable by Lender but for such assignment. Borrower may not assign its rights hereunder or any interest herein and any such assignment shall be null and void and ineffective without the prior written consent of Lender. Whenever in this Promissory Note reference is made to Person, that reference shall be deemed to include any individual, sole proprietorship, partnership, corporation, business trust, joint stock company, trust, unincorporated organization, association, limited liability company, institution, public benefit corporation, joint venture, entity or government (whether federal, state, county, city, municipal or otherwise, including any instrumentality, division, agency, body or department thereof).

14. Lender's failure at any time or from time to time to require strict performance by Borrower of any provisions of this Promissory Note, the Mortgage or any of the other Loan Documents shall not waive, affect, or diminish any right of Lender to demand strict compliance and performance therewith. Any suspension or waiver by Lender of a Default by Borrower shall not suspend, waive, or affect any other Default by Borrower, whether the same is prior or subsequent thereto and whether of the same or a different kind or character. None of the undertakings, agreements, warranties, covenants, or representations of Borrower under this Promissory Note or the Loan Documents shall be deemed to have been suspended or waived by Lender unless such suspension or waiver is in writing, signed by an officer of Lender and directed to Borrower specifying the suspension or waiver. The rights and remedies provided in this Promissory Note and in the other Loan Documents are cumulative and not exclusive of each other or of any right or remedy provided at law or in equity.

15. Demand, presentment, protest, and notice of nonpayment and protest are hereby waived by Borrower.

16. It is specifically acknowledged and agreed that time is of the essence of each and every provision of this Promissory Note, the Mortgage and the other Loan Documents.

17. The Borrower agrees that the Lender shall have all rights of set-off provided by applicable law, and in addition thereto, the Borrower agrees that upon the occurrence of a Default and at any time thereafter, the Lender is hereby authorized at any time

and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all obligations or liabilities (in whatever currency) at any time owing by the Lender to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Promissory Note or any other Loan Document, irrespective of whether or not the Lender shall have made any demand under this Promissory Note and although such obligations may be contingent or unmatured.

18. Whenever possible, each provision of this Promissory Note shall be interpreted in such a manner as to be effective and valid under applicable law, but if any provision of this Promissory Note shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Promissory Note. In no event shall interest charged under this Promissory Note, the Mortgage or under any of the other Loan Documents (including, without limitation, the Default Rate) however such interest may be characterized or computed, exceed the highest rate permitted under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. In the event that a court determines that Lender has received interest under this Promissory Note in excess of the highest applicable rate hereto, then, in such case, Lender may either deem such excess to be a prepayment of the Principal Sum (to the extent permitted by law) or at Lender's election, Lender may promptly refund such excess interest to Borrower.

19. No amendment, modification or waiver of, or consent with respect to, any provision of this Promissory Note shall be effective unless the same shall be in writing and signed and delivered by Lender, and in the case of an amendment or other modification, Borrower, and then any such amendment, modification, waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

20. This Promissory Note shall be construed in accordance with and governed by the laws of the State of Illinois. Each party hereto hereby irrevocably and unconditionally submits, for itself and its property, to the exclusive jurisdiction of the Circuit Court of the State of Illinois sitting in Cook County and of the United States District Court of the Northern District of Illinois sitting in Cook County, and any appellate court from any thereof, in any action or proceeding arising out of or relating to any Loan Document, or for recognition or enforcement of any judgment, and each of the parties hereto hereby irrevocably and unconditionally agrees that all claims in respect of any such action or proceeding may be heard and determined in such Illinois State or, to the extent permitted by law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. BORROWER AND LENDER EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS PROMISSORY NOTE OR ANY OTHER LOAN DOCUMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS PROMISSORY NOTE OR (b) ARISING FROM ANY FINANCING RELATIONSHIP EXISTING IN CONNECTION WITH THIS PROMISSORY NOTE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER AGREES THAT IT WILL

NOT ASSERT ANY CLAIM AGAINST LENDER OR ANY OTHER PERSON
INDEMNIFIED UNDER THIS PROMISSORY NOTE ON ANY THEORY OF LIABILITY
FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

THIS PROMISSORY NOTE was executed by the undersigned who represents
that she/he has all necessary authority to execute this Promissory Note on behalf of Borrower.

RENAISSANCE PUBLIC SCHOOL ACADEMY,
a Michigan nonprofit corporation and public school
academy

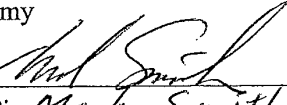
By: 
Name: Mark Smith
Its: President

Exhibit A

REQUEST FOR DISBURSEMENT

Date: _____

To: IFB

Re: Promissory Note dated July 1, 2019, in the principal amount of
\$1,000,000.00 (the "Note")

The undersigned, Renaissance Public School Academy (the "Borrower"), refers to the Note, the terms defined therein being used herein as therein defined, and hereby gives you notice irrevocably, pursuant to Section 1 of the Note, of a request for a Loan disbursement in the amount of \$ _____ (the "Requested Loan Disbursement").

On _____, please disburse the Requested Loan Disbursement pursuant to the following instructions:

[Insert wire instructions]

The undersigned hereby certifies that the following statements are true and correct on the date hereof, and will be true on the date of the Requested Loan Disbursement, before and after giving effect thereto and the to the application of the proceeds therefrom:

- (a) The representations and warranties of the Borrower contained in Section 6 of the Note are true and correct in all material respects as though made on and as of such date (except to the extent such representations and warranties relate to an earlier date, in which case they are true and correct in all material respects as of such date);
- (b) All applicable conditions set forth in Section 4 of the Note have been satisfied; and
- (c) No Default has occurred and is continuing or would occur as a result of the Requested Loan Disbursement.

RENAISSANCE PUBLIC SCHOOL ACADEMY

By: _____
Name: _____
Title: _____

Exhibit A-1

221587066

MORTGAGE
(THIS IS A FUTURE ADVANCE MORTGAGE)

THIS MORTGAGE (the "Mortgage") is effective as of July 1, 2019, between Renaissance Public School Academy, a Michigan nonprofit corporation and public school academy, with an address at 2797 South Isabelle Road, Mt. Pleasant, Michigan 48858, herein referred to as "Mortgagor," and IFF, an Illinois not for profit corporation, with an address of 333 South Wabash Avenue, Suite 2800, Chicago, Illinois 60604, together with its successors and assigns, herein referred to as "Mortgagee."

WITNESSETH:

WHEREAS, Mortgagor is indebted to Mortgagee upon a Promissory Note dated as of July 1, 2019, in the principal sum of ONE MILLION AND 00/100 DOLLARS (\$1,000,000.00), payable to the order of and delivered to Mortgagee, (as the same may from time to time be amended, restated, modified, replaced, supplemented or extended, the "Note," all capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Note), by which Note Mortgagor promises to pay to the holders of the Note the principal sum and interest at the rate and in installments as provided in the Note, with a final payment of the balance due on the Maturity Date. All of the principal and interest payments are to be made payable at such place as the holders of the Note may, from time to time, in writing appoint, and in absence of such appointment, then at the office of Mortgagee at 333 South Wabash Avenue, Suite 2800, Chicago, Illinois 60604 (or such other address of which Mortgagee provides written notice to Mortgagor in the future);

NOW, THEREFORE, to secure the payment and satisfaction of the Obligations (as such term is hereinafter defined), and also in consideration of the sum of Ten Dollars (\$10.00) in hand paid, the receipt of which is hereby acknowledged, Mortgagor does by these presents MORTGAGE, ASSIGN, TRANSFER, SET OVER, CONVEY AND WARRANT unto Mortgagee, and Mortgagee's successors and assigns, all of Mortgagor's right, title and interest in and to the real estate described on the attached Exhibit A, situated in the City of Mount Pleasant, County of Isabella, in the State of Michigan (the "Real Estate");

TOGETHER WITH: all right, title and interest, if any, including any after-acquired right, title, and interest and including any right of use or occupancy, which Mortgagor may now have or hereafter acquire in and to: (a) all buildings, structures, improvements, tenements, easements, roads and alleys, development, air and water rights, fixtures, equipment, and appurtenances belonging to the Real Estate; (b) all current and future leases, subleases, licenses and occupancy agreements (collectively, "Leases"), and all rents, issues, deposits (including, without limitation, security deposits), income and profits of and from the Leases and the Real Estate (collectively, "Rents"), which Rents are pledged primarily and on a parity with the Real Estate and not secondarily; (c) all goods,

221587750

furniture, apparatus, equipment, inventory, general intangibles and other personal property to the extent used in or on the Real Estate or in connection with the operation thereof; (d) all building materials, building supplies, work in process, contract rights related to the construction, rehabilitation, conversion or improvement of the Real Estate or any of the foregoing; (e) all insurance policies, insurance proceeds and condemnation awards related to the Real Estate; (f) all permits, approvals, licenses and authorizations related to the Real Estate; (g) all contract rights, agreements and general intangibles relating to the Real Estate or any of the foregoing; (h) all of Mortgagor's books and records relating to the foregoing; and (i) all additions to, replacements of, and all issues, products and proceeds of the property described in the foregoing clauses (a) through (h). All of the items listed are declared to be a part of the Real Estate whether physically attached to the Real Estate or not, and it is agreed that all similar apparatus, equipment, fixtures or other personal property from now on placed in or on the Real Estate by Mortgagor or its successors or assigns, and all replacements, additions, issues, products and proceeds thereto and thereof after the date of this Mortgage shall be considered as constituting part of the Real Estate. The property described in this paragraph, together with Mortgagor's interest in the Real Estate, are hereinafter collectively referred to as the "Premises."

"Loan Documents," as such term is used herein, shall mean the Note, this Mortgage, and any and all other instruments and documents executed and delivered by Mortgagor in connection therewith.

"Obligations," as such term is used herein, shall mean (a) the payment of all principal, interest, and other items payable in accordance with the terms, provisions, and limitations of the Note, including, without limitation, any future advances as further described in Section 28 hereof; (b) the payment and performance of all liabilities, obligations, covenants, and agreements contained in this Mortgage and any of the other Loan Documents to be paid or performed by Mortgagor (or Borrower under the Note, if Mortgagor is not the Borrower) in accordance with their terms; and (c) the payment and performance of the covenants and agreements to be performed by Mortgagor under any other promissory notes, instruments, agreements or other documents (including, without limitation, other security instruments and all Loan Documents), which may hereafter be held by Mortgagee, in accordance with their terms.

MORTGAGOR FURTHER REPRESENTS, WARRANTS, COVENANTS, AND AGREES AS FOLLOWS:

1. Repair; Restoration, Compliance With Law; Inspection. Mortgagor shall: (a) promptly repair, restore, and rebuild any buildings or improvements (or portions thereof) now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly permitted in this Mortgage; (c) pay when due any indebtedness or other obligations which may be secured by a lien or charge on the Premises, and upon request exhibit satisfactory evidence of the discharge of the prior lien to Mortgagee; (d) comply with all laws, codes, statutes, rules, ordinances, regulations or other requirements of governmental authorities (including, without limitation, the Americans With Disabilities Act) (collectively, "Laws") with respect to Mortgagor or the Premises or the use of the Premises; and (e) make no material alterations in the Premises except as required by Law or approved by Mortgagee. Mortgagee shall have the right, upon reasonable prior notice, to inspect the Premises together with all of Mortgagor's books and records at all reasonable times.

2. Real Estate Taxes. Mortgagor shall cause such action to be taken as may be required to cause the Premises to be exempt from taxation under the laws of the State of Michigan and Isabella County, such exemption to be effective no later than one (1) year from the date of this Mortgage. Mortgagor shall cause such action to be taken as may be required to maintain the tax exempt status of the Premises. Mortgagor shall provide a copy of the annual tax exemption application filed with respect to the Premises with the Union Township (the "Assessor") and approved by the Assessor within seven (7) days of Mortgagor's receipt of such approved application. If the Premises is not tax exempt, Mortgagor shall pay, when due, and before any interest, collection fees or penalties shall accrue, all taxes, assessments, fines, impositions, water charges, sewer service charges, and other charges against the Premises which may become a lien prior to this Mortgage, and shall, upon written request, furnish to Mortgagee duplicate receipts for those payments. Mortgagor shall cause to be paid in full under protest,

in the manner provided by statute, any tax or assessment which is being contested, and failure to do so shall constitute a Default.

3. Other Taxes. In the event of the enactment after this date of any Law deducting from the value of land for the purpose of taxation any lien on the Premises, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured by this Mortgage or the holder of this Mortgage, then Mortgagor, upon demand by Mortgagee, shall pay the taxes or assessments, or reimburse Mortgagee for the taxes or assessments; provided, however, that if in the reasonable opinion of Mortgagee: (a) it might be unlawful to require Mortgagor to make the payment; or (b) the making of the payment might result in the imposition of interest beyond the maximum amount permitted by law, then Mortgagee may elect, by written notice given to Mortgagor, to declare all of the indebtedness secured by this Mortgage to be due and payable sixty (60) days from the date of notice. If, by the laws of the United States of America or of any state having jurisdiction on the Premises, any tax is due or becomes due in respect of the Note, Mortgagor shall pay such tax in the manner required by such law.

4. Protective Advances. Upon the occurrence of a Default, Mortgagee may, but need not: make any payment or perform any act required of Mortgagor in any form and manner deemed expedient, and, in addition thereto, may, but need not, make full or partial payments of principal or interest on prior or subordinate encumbrances, if any; purchase, discharge, compromise or settle any tax lien or other prior or subordinate lien, title, or claim on the Premises; redeem from any tax sale or forfeiture affecting the Premises; contest any tax or assessment; pay any insurance premium, or make any other payment or perform any other act or obligation necessary or expedient, in Mortgagee's reasonable discretion, to protect the Premises and Mortgagee's interest therein. All amounts paid for any of the purposes authorized above and all expenses paid or incurred in connection with the purposes authorized above, including attorney's fees and expenses, and any other moneys advanced by Mortgagee to cure any Default or protect the Premises and Mortgagee's lien on the Premises, shall be additional indebtedness secured by this Mortgage and shall become immediately due and payable without notice and with interest charged at the lesser of the Default Rate (as such term is defined in the Note) or the highest rate permitted under any law which a court of competent jurisdiction shall, in a final determination, deem applicable hereto. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to Mortgagee on account of the occurrence of any Default. Mortgagee making any payment authorized by this Mortgage relating to taxes or assessments, may do so according to any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of the bill, statement, or estimate or into the validity of the tax, assessment, sale, forfeiture, tax lien, title, or claim.

5. Provisions Regarding Assignment of Leases and Rents. Pursuant to Michigan Compiled Laws §565.81 et seq. and Michigan Compiled Laws §554.231 et seq., each as amended, Mortgagor absolutely, irrevocably, and unconditionally grants, transfers and assigns to Mortgagee all of Mortgagor's right, title and interest in, to and under the Leases and Rents. Mortgagor intends that the assignment of Leases and Rents set forth herein shall constitute a present, absolute and unconditional assignment, and not an assignment for additional security only. Notwithstanding the foregoing, subject to the terms of this paragraph, Mortgagee grants to Mortgagor a revocable license to operate and manage the Premises and to collect the Rents so long as no Default has occurred and is continuing. Upon the occurrence of a Default, the license granted to Mortgagor herein shall automatically be revoked, and Mortgagee shall immediately be entitled to receive and apply all Rents, whether or not Mortgagee enters upon and takes control of the Premises. The foregoing assignment to Mortgagee shall not be construed to bind Mortgagee to the performance of any of the covenants, conditions or provisions contained in any of the Leases.

6. Impounds. At Mortgagee's election, Mortgagor shall periodically deposit with Mortgagee such sums as Mortgagee may reasonably require for payment of taxes, insurance, and assessments on the Premises. If the amount held by Mortgagee or Mortgagee's agent on account of taxes, insurance and/or assessments exceeds the amount required for payment of those items, together with a reasonable reserve, said excess shall be refunded to Mortgagor in the normal course of Mortgagee's or Mortgagee's agent's business. No deposit shall bear any interest.

7. Modification of Obligations. If the payment of, or on account of, the Obligations or any part thereof is modified, extended or varied or if any part of the security therefor is released, all persons now or at any

time liable therefor, or interested in the Premises, shall be held to assent to such modification, extension, variation or release, and their liability and the lien and all provisions of this Mortgage shall continue in full force and effect, the right of recourse against all persons being expressly reserved by Mortgagee, notwithstanding such modification, extension, variation, or release.

8. Release. Mortgagee shall release this Mortgage and the lien of this Mortgage by proper instrument upon indefeasible payment and discharge of all of the Obligations and the payment of a reasonable fee to Mortgagee for the execution of such release.

9. Insurance and Casualty. (a) Mortgagor shall maintain or cause to be maintained during the term of the Loan:

(i) Fire and extended coverage insurance (including, without limitation, windstorm, explosion, and such other risks usually insured against by owners of like properties) on the Premises in an amount equal to one hundred percent (100%) of the full replacement cost of the Premises;

(ii) Comprehensive public liability insurance against claims for personal injury, including, without limitation, bodily injury, death, or property damage occurring on, in, or about the Premises in an amount of not less than \$1,000,000.00 with respect to personal injury or death to one or more persons and \$500,000.00 with respect to damage to property, and with "umbrella" liability coverage of not less than \$1,000,000.00, or such greater amounts as may from time to time be required by Mortgagee;

(iii) If the Premises is located in a Zone A or Zone B flood hazard zone, flood plain insurance in an amount satisfactory to Mortgagee, but in no event less than one hundred percent (100%) of the full insurable value of the Premises and the personal property contained therein; and

(iv) For so long as any construction is being performed on the Premises: (A) "All Risk, Builders' Risk Completed Value Non-Reporting Form" insurance in an amount equal to 100% of the completed insurable value of the Premises, with extended coverage; (B) for the general contractor (and/or, if appropriate, subcontractors) workmen's compensation, employees' liability and comprehensive liability insurance (including contractual liability) with limits of \$1,000,000.00 with respect to personal injury or death for one or more persons; and (C) for the architect, professional liability insurance in form and amounts satisfactory to Mortgagee.

All insurance shall be written by companies and on forms with endorsements satisfactory to Mortgagee, all with suitable loss payable and standard noncontribution mortgagee clauses in favor of Mortgagee (or, in case of a foreclosure sale, in favor of the owner of the certificate of sale) attached, and originals or certified copies of certificates of insurance evidencing such policies shall be kept constantly deposited with Mortgagee. At such times as Mortgagee shall reasonably request, Mortgagor shall cause Mortgagor's insurer to provide an opinion letter to Mortgagee stating that Mortgagor's insurance policies are in compliance and fulfill all of the requirements of this section. All policies shall provide for, and the certificates of insurance delivered to Mortgagee shall reflect, the insurer's agreement to provide, among other things, written notice to Mortgagee of the expiration or any anticipated cancellation of any insurance policies at least thirty (30) days prior to such event occurring. Not less than thirty (30) days prior to the expiration of any policy, a certified copy of a certificate of insurance evidencing the renewal policy shall be deposited with Mortgagee.

(b) In case of loss or casualty to any portion of the Premises, Mortgagee is authorized to collect all insurance proceeds and apply them, at its option, to the reduction of the Obligations hereby secured, whether due or not then due, or, at Mortgagee's sole and absolute option, Mortgagee may allow Mortgagor to use such money, or any part thereof, in repairing the damage or restoring the Premises. If such proceeds are released for the purpose of restoring the Premises, then such disbursement shall be subject to the conditions and procedures as Mortgagee may in its sole discretion impose.

(c) Mortgagor shall notify Mortgagee, in writing, of any casualty or loss to the Premises and Mortgagor hereby directs each insurance company to make payment for the loss directly and solely to Mortgagee;

and Mortgagor agrees that any payment which is delivered, for any reason, to Mortgagee shall be held in trust for Mortgagee and promptly delivered in the form received (except for any necessary endorsements) to Mortgagee.

(d) In addition to other remedies available under this Mortgage, if after Mortgagee's reasonable request, Mortgagor fails to provide Mortgagee with evidence of the foregoing insurance coverage required to be carried by Mortgagor under this Mortgage, Mortgagee may purchase such insurance at Mortgagor's expense for the purpose of protecting Mortgagee's interest in the Premises. Any insurance purchased by Mortgagee may, but need not, protect the interest of Mortgagor in the Premises. The insurance coverage purchased by Mortgagee may or may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the Premises. Provided that Mortgagee has not commenced foreclosure proceedings, elected to accelerate the amounts due and owing under the Note, and a Default has not otherwise occurred and is continuing, Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Mortgagee purchases insurance for the Premises, Mortgagor shall be liable and shall reimburse Mortgagee for the costs of that insurance, including, but not limited to the interest, labor charges, and other charges that Mortgagee reasonably imposes in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of insurance purchased by Mortgagee may be added to the total outstanding balance or obligation secured by this Mortgage and evidenced by the Note. The costs of the insurance purchased by Mortgagee may exceed the cost of insurance Mortgagor would otherwise be able to obtain.

10. Condemnation. (a) If all or any part of the Premises shall be taken through condemnation, and the taking would, in the judgment of Mortgagee, render all or any part of the Premises not reasonably accessible or not in compliance with applicable Laws by reason of insufficient lot area, parking spaces, or otherwise, all Obligations shall, upon notice, become due and payable at once at the option of Mortgagee, whether or not a Default has occurred.

(b) In the event Mortgagee does not exercise its right to accelerate the Loan pursuant to the terms and provisions of section (a) above, Mortgagee shall be entitled to all awards (which term when used in this Mortgage shall include all compensation, awards, damages, claims, rights of action, proceeds, and other payments of relief) of, or on account of, any damage or taking through condemnation of the Premises, or any part of the Premises (to the extent of the amount outstanding under the Note), and is hereby authorized, at its option, to commence, appear in, and prosecute in its own or Mortgagor's name any action or proceeding relating to any condemnation and to settle or compromise any claim in connection with any action or proceeding. All awards and the right to those awards are included in the Premises, and Mortgagee, after deducting all its expenses, including attorneys' fees and expenses, at its option may apply such net proceeds in such manner as Mortgagee shall determine, to the reduction of the Obligations without regard to whether the Obligations are or are not then due. In the event any net proceeds remain thereafter, such net proceeds shall be paid to Mortgagor. Mortgagor agrees to execute further assignments of any awards as Mortgagee may require.

11. No Transfer; Due on Sale. Mortgagor shall not, without Mortgagee's prior written consent (which consent may be withheld in Mortgagee's sole and absolute discretion), whether directly, indirectly, by operation of law or otherwise, transfer, sell, convey, alien, pledge, hypothecate, encumber, lease, sublease, or mortgage all or any portion of the Premises (or any beneficial interest in the land trust, if title to the Premises is held by a land trust) or any legal or equitable interest in the Premises or in Mortgagor (or the beneficiary of the land trust, if title to the Premises is held by a land trust) (any of the foregoing being a "Transfer"), regardless of form. Any violation of the foregoing provisions of this Section 11 shall immediately be deemed a Default. Mortgagor shall not suffer or permit the Premises, or any portion of the Premises, to be used by any individual, entity, or the public, in any manner that might tend to impair Mortgagor's title to the Premises, or any portion of the Premises, or in such a manner that might make possible a claim or claims of easement by prescription or adverse possession by the public, or of implied dedication of the Premises or any portion of the Premises.

12. Indemnification. Mortgagor, to the extent permitted by law, shall defend, indemnify, save, and hold harmless Mortgagee from and against, and promptly pay to, or reimburse Mortgagee for, all loss, cost, expense, and liability Mortgagee may suffer or incur (regardless of whether contingent, direct, consequential, liquidated, or unliquidated), including, but not limited to, all attorneys' fees, expenses and court costs, incurred by or asserted against Mortgagee resulting from, arising out of, relating to, or caused by any action or inaction of

Mortgagor, or any condition existing on, under, or in the Premises, including, without limitation, the following: (a) the breach or inaccuracy of any representation, warranty, agreement, or covenant of Mortgagor set forth in the Note, this Mortgage, or any other document executed in connection with the Loan; (b) the release or threatened release (as such terms are used in CERCLA, 42 U.S.C. 9607 (a)(4)) of any waste, pollutant, hazardous or toxic substance or waste, special waste, petroleum, petroleum-based substance or waste, product or by-product, or any constituent of any such substance, waste or product (collectively, "Contaminant") in, under, above, on, at or from the Premises into the indoor or outdoor environment; (c) the off-site migration, at any time of any Contaminant located in or on the Premises; or (d) the presence of asbestos or asbestos-containing material, lead, petroleum, petroleum products or any other Contaminant in, under, above, on, at or from the Premises.

13. Additional Covenants. Mortgagor also covenants and agrees as follows:

(a) Mortgagor shall pay and perform each obligation of "Borrower" under the Note in accordance with the terms thereof;

(b) Mortgagor shall maintain and preserve the lien of this Mortgage until all of the Obligations have been fully satisfied;

(c) Mortgagor shall use the proceeds of the Loan for the purposes set forth in the Note and for no other purpose;

(d) Mortgagor shall carry on any construction permitted by this Mortgage, in compliance with all applicable Laws; and

(e) Mortgagor shall promptly give written notice to Mortgagee of: (i) any action or event of which it has knowledge that may materially or adversely affect its ability to pay, or perform any of the Obligations, (ii) any action or event of which it has knowledge that may materially or adversely affect the value of the Premises, and (iii) any notice of default or other material notice received or given in connection with any other mortgage, lease, or agreement encumbering the Premises.

14. Representations and Warranties. Mortgagor represents and warrants the following as of the date of this Mortgage and agrees that the following shall be true and correct at all times during the term of this Mortgage:

(a) Mortgagor is seized of an indefeasible estate in fee simple to the Premises and has good right, full power, and lawful authority to mortgage and pledge the same as provided in this Mortgage, and Mortgagor may at all times peaceably and quietly enter upon, hold, occupy, and enjoy the Premises in accordance with the terms of this Mortgage;

(b) There are no actions, suits, or proceedings pending, or, to the best of Mortgagor's knowledge, threatened, against or affecting Mortgagor or the Premises;

(c) Electric, sewer, water, telephone facilities and any other necessary utilities are or after completion of construction will be, and Mortgagor shall cause those facilities at all times to be, available in sufficient capacity to service the Premises satisfactorily, and any easements necessary to the furnishing of utility service to the Premises have been or will be obtained and duly recorded or registered;

(d) Mortgagor has obtained all necessary consents, approvals, licenses, and permits in connection with the Premises, and any construction contemplated to be performed on the Premises, and the granting of this Mortgage, and the Premises complies in all respects with applicable zoning laws and regulations;

(e) The Premises complies in all respects with all applicable Laws;

(f) Mortgagor is not in default under any other mortgage encumbering the Premises;

(g) There are no outstanding options or agreements to purchase or rights of first refusal to purchase affecting the Premises, and Mortgagor has not received written or verbal notice that (i) a taking or condemnation has been commenced or is contemplated with respect to all or any portion of the Premises, or (ii) a relocation of roadways providing direct access to the Premises has been commenced or is contemplated;

(h) The Premises is assessed for real estate tax purposes as one or more wholly independent tax lot or lots, separate from any adjoining land or improvements not constituting a part of such lot or lots, and no other land or improvements not constituting part of the Premises is or will be assessed and taxed together with the Premises or any portion thereof; furthermore, there are no pending or, to the knowledge of Mortgagor, proposed special or other assessments for public improvements or otherwise affecting the Premises, nor, to the knowledge of Mortgagor, are there any contemplated improvements to the Premises that may result in such special or other assessments; and

(i) To the best of Mortgagor's knowledge, information and belief after due and diligent inquiry, the Premises is not in violation of any applicable federal, state or local environmental laws or regulations ("Environmental Laws"), (ii) no hazardous substances (as defined under Environmental Laws) ("Hazardous Substances") are located on or have been handled, generated, stored, processed or disposed of on or released or discharged from the Premises (including underground contamination) except for those *de minimis* substances used by Mortgagor or its tenants in the ordinary course of its or their business or occupancy and in compliance with all Environmental Laws; (iii) the Premises is not subject to any private or governmental lien or judicial or administrative notice or action relating to Hazardous Substances; (iv) there are no existing or closed underground storage tanks or other underground storage receptacles for Hazardous Substances on or under the Premises; and (v) Mortgagor has received no notice of, and to the best of Mortgagor's knowledge, information and belief after due and diligent inquiry, there exists no investigation, action, proceeding or claims by any governmental agency for any liability, penalty, sanction or judgment under any Environmental Laws with respect to any condition, use or operation of the Premises, nor does Mortgagor know of any basis for such a claim.

15. Title; Liens. The Mortgagor represents and warrants that, as of the date hereof, Mortgagor owns good and marketable fee simple title to the Premises, subject to no monetary liens other than this Mortgage and that certain Mortgage dated as of August 1, 2012 in favor of The Huntington National Bank recorded on August 20, 2012 as Document No. 2012200007613 in Liber 1601, Page 250 with the Isabella County Register of Deeds, taxes not yet due and payable and any other liens and encumbrances expressly approved by Mortgagee in writing. Mortgagor represents and warrants that no mechanics', laborers', materialmen's, statutory, or other lien or encumbrance, other than the liens set forth in the previous sentence, and utility easements, have been created upon or against the Premises, and Mortgagor agrees that it shall not permit or suffer any liens or encumbrances of any kind, other than as set forth in this section, to be filed against the Premises for so long as any Obligations are outstanding. Notwithstanding the foregoing, Mortgagor may, with Mortgagee's prior written consent, allow mechanics' or other such liens (including real estate tax liens existing due to the contest of the assessment) to exist upon the Premises for so long as Mortgagor: (i) is, in good faith and by appropriate proceeding, contesting the validity, applicability or amount of the lien, (ii) delivers to Mortgagee security adequate (in Mortgagee's sole discretion) to protect Mortgagee's lien position on the Premises; and (iii) promptly pays any amount adjudged by a court of competent jurisdiction to be due, no later than the date such adjudication becomes final.

16. Remedies Upon Default. (a) Upon the occurrence of a Default (as such term is defined in the Note and this Mortgage), at the option of Mortgagee and without notice to Mortgagor (except as may be required by applicable law), all Obligations secured by this Mortgage shall become due and payable immediately and without further notice.

(b) When the Obligations become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien of this Mortgage in accordance with applicable law, including but not limited to the provisions of Michigan Compiled Laws §600.3101 et seq. Without limitation of the foregoing, this Mortgage shall constitute a security agreement with respect to the personal property encumbered hereby and Mortgagee shall have all rights as a "Secured Party" under the Uniform Commercial Code. In any suit to foreclose the lien of this Mortgage, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees and expenses, appraiser's fees, taxes, assessments, and insurance premiums paid by Mortgagee, outlays for documentary and expert evidence,

stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches, title examinations, environmental reports, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute the suit or to evidence to bidders at any sale which may be had pursuant to the decree the true condition of the title to or the value of the Premises. All such expenditures and expenses set forth in this section shall become additional indebtedness secured by this Mortgage and immediately due and payable, with interest charged at the Default Rate (as such term is defined in the Note), when paid or incurred by Mortgagee in connection with (i) any proceeding, including probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant, or defendant, by reason of this Mortgage or any of the Obligations; (ii) preparations for the commencement of any suit for the foreclosure of this Mortgage after accrual of such right to foreclose whether or not actually commenced; or (iii) preparations for the defense of any actual or threatened suit or proceeding which might affect the Premises or the security of this Mortgage.

(c) The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority (unless Mortgagee determines differently at the time): first, all costs and expenses related to the foreclosure proceedings, including all such items mentioned in the preceding subsection; second, all Obligations other than principal and interest; third, all interest unpaid on the Note; fourth, all principal unpaid on the Note; and fifth any remainder to Mortgagor or as otherwise directed by a court of competent jurisdiction.

(d) Upon, or any time after, the filing of a complaint to foreclose this Mortgage the court in which the complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after the sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for the receiver and without regard to the then value of the Premises or whether the Premises shall be occupied as a homestead or not, and Mortgagee may be appointed as the receiver. Such receiver shall have power to collect the rents, issues, and profits of the Premises during the pendency of the foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of the receiver, would be entitled to collect the Rents, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management, and operation of the Premises during the whole of the period. The court from time to time may authorize the receiver to apply the net income in payment in whole or in part of: (i) the indebtedness secured by this Mortgage, or by any decree foreclosing this Mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien of this Mortgage or of such decree, provided such application is made prior to foreclosure sale; and (ii) the deficiency in case of a sale and deficiency.

(e) In addition to any provision of this Mortgage permitting Mortgagee to take possession of the Premises, or for the appointment of a receiver, Mortgagee shall have the right, in accordance with applicable law, to be placed in the possession of the Premises or at its request to have a receiver appointed, and such receiver, or Mortgagee, if and when placed in possession, shall have, in addition to any other powers provided in this Mortgage, all rights, powers, immunities, and duties and provisions granted to receivers under applicable law.

(f) No action for the enforcement of the lien or of any provision of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note secured by this Mortgage.

(g) Upon any foreclosure sale, Mortgagee may (i) bid for and purchase all or any portion of the Premises and, upon compliance with the terms of the sale and applicable law, may hold, retain, and possess and dispose of such property in its own absolute right without further accountability, or (ii) apply any or all of the Obligations toward the purchase price.

WARNING: THIS MORTGAGE CONTAINS A POWER OF SALE AND UPON DEFAULT MAY BE FORECLOSED BY ADVERTISEMENT. IN A FORECLOSURE BY ADVERTISEMENT, NO HEARING IS INVOLVED AND THE ONLY NOTICE REQUIRED IS PUBLICATION OF A FORECLOSURE NOTICE IN A LOCAL NEWSPAPER AND POSTING A COPY OF THE NOTICE UPON THE PREMISES. IF THIS MORTGAGE IS FORECLOSED BY ADVERTISEMENT UNDER THE PROVISIONS OF MICHIGAN COMPILED LAWS §600.3201 ET SEQ., MORTGAGOR HEREBY KNOWINGLY, VOLUNTARILY, AND INTELLIGENTLY

WAIVES ALL RIGHTS UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN AND THE CONSTITUTION AND LAWS OF THE UNITED STATES OF AMERICA TO ANY NOTICE OR HEARING IN CONNECTION WITH A FORECLOSURE BY ADVERTISEMENT EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE.

(h) Mortgagor agrees, to the full extent permitted by law, that upon the occurrence of a Default, neither Mortgagor nor anyone claiming through or under it shall set up, claim, or seek to take advantage of any appraisal, valuation, stay, or extension laws or any so-called "Moratorium Laws," now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Premises, or the final and absolute putting into possession of the Premises, immediately after such sale, of the purchaser thereat, and Mortgagor, for itself and all who may at any time claim through or under them, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Premises marshaled upon any foreclosure of the lien of this Mortgage and agrees that Mortgagee, or any court having jurisdiction to foreclose the lien, may sell the Premises in part or as an entirety. To the full extent permitted by law, Mortgagor voluntarily and knowingly waives any and all rights of reinstatement, and any and all rights of redemption to the extent permitted under applicable law, on its own behalf, and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage. Mortgagor agrees, to the extent permitted by law, that no recovery of any judgment by Mortgagee, and no attachment or levy of execution upon any of the Premises or any other property of Mortgagor, shall in any way affect the lien of this Mortgage upon the Premises, or any part of the Premises, or any lien, rights, powers, or remedies of Mortgagee under this Mortgage, but the lien, rights, powers, and remedies shall continue unimpaired as before, until the Obligations are paid in full.

(i) Nothing herein contained shall be construed as constituting Mortgagee a "mortgagee in possession" in the absence of the taking of actual possession of the Premises by Mortgagee.

(j) If any provision of this Mortgage shall grant to Mortgagee any rights or remedies upon the occurrence and during the continuation of a Default of Mortgagor which are more limited than the rights that would otherwise be vested in the Mortgagee under applicable law in the absence of said provision, Mortgagee shall be vested with the rights granted under such law to the full extent thereof.

17. No Waiver. No delay or omission of Mortgagee to exercise any right, power, or remedy accruing upon and during the continuance of any Default shall exhaust or impair any right, power, or remedy, or be construed to waive any Default or to constitute acquiescence therein. Every right, power, and remedy given to Mortgagee may be exercised from time to time and as often as deemed expedient by Mortgagee. No waiver of any Default under this Mortgage shall extend to or affect any subsequent Default or any other Default then existing, or impair any rights, powers, or remedies consequent. If Mortgagee (without limitation): (a) grants forbearance or an extension of time for the payment of any sums secured by this Mortgage; (b) takes other or additional security for the payment of sums secured by this Mortgage; (c) waives or does not exercise any right granted in the Note or this Mortgage; (d) releases any part of the Premises from the lien of this Mortgage; (e) consents to the filing of any map, plat, or replat of the land; (f) consents to the granting of any easement on the land; or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge of this Mortgage, no such act or omission shall otherwise release, discharge, modify, change, or affect the Obligations. No such act or omission shall preclude Mortgagee from exercising any right, power, or privilege granted in this Mortgage or intended to be granted upon the occurrence of any Default then existing or upon the subsequent occurrence of any Default, nor shall the lien of this Mortgage be altered, except to the extent of any releases as described in subparagraph (d), above, of this Section.

18. Remedies Not Exclusive. No right, power, or remedy conferred upon or reserved to Mortgagee by the Note or this Mortgage is exclusive of any other right, power, or remedy, but each and every such right, power, and remedy shall be cumulative and concurrent and shall be in addition to every other right, power, and remedy given under this Mortgage, the Note, or any document in connection with this Mortgage now or hereafter existing, or at law or in equity.

19. Default Rate. If a Default shall have occurred that remains unwaived, principal and interest under the Note and all other outstanding and unpaid Obligations shall bear interest at the Default Rate (as such term is defined in the Note).

20. Severability. In the event that any of the covenants, agreements, terms, or provisions contained in the Note or this Mortgage shall be invalid, illegal, or unenforceable in any respect, the validity of the remaining covenants, agreements, terms, or provisions contained in this Mortgage or in the Note shall be in no way affected, prejudiced, or disturbed.

21. Modifications to this Mortgage. Neither this Mortgage nor any term of this Mortgage may be changed, waived, discharged, or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge, or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening, junior, or subordinate lien or encumbrance.

22. Governing Law. This Mortgage shall be construed, interpreted, enforced, and governed by and in accordance with the internal laws (as opposed to the conflict of laws principles) of the State of Michigan.

23. Further Assurances. At any time and from time to time, upon the Mortgagee's request, Mortgagor shall make, execute, and deliver, or cause to be made, executed, and delivered, to Mortgagee, and where appropriate shall cause to be recorded, registered, or filed, and from time to time thereafter to be re-recorded, re-registered, and re-filed at such time and such offices and places as shall be deemed desirable by Mortgagee, any and all further mortgages, instruments of further assurance, certificates, and other documents as the Mortgagee may consider necessary or desirable in order to effectuate, complete, or perfect, or to continue and preserve the obligations of Mortgagor under the Note and this Mortgage, and the lien of this Mortgage as lien and security interest upon all of the Premises, whether now owned or hereafter acquired by Mortgagor, and unto all and every person or persons deriving any estate, right, title, or interest under this Mortgage. Upon any failure by Mortgagor to do so, after having been requested to do so in writing by Mortgagee, Mortgagee may make, execute, record, register, file, re-record, re-register, or re-file any and all such mortgages, instruments, certificates, and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor (which agency is coupled with an interest) to do so. The lien and security interest of the document(s) shall automatically attach, without further act, to all after-acquired property attached to and/or used in the operation of the Premises or any part of the Premises. Without limitation of the foregoing, Mortgagee shall have the right to file and continue UCC financing statements from time to time to perfect its security interest in any personal property granted herein.

24. Time is of the Essence. It is specifically agreed that time is of the essence of each and every provision of the Note and this Mortgage.

25. Notices. All notices, requests, and demands to be made under this Mortgage shall be in writing and given in accordance with the terms of the Note.

26. Construction Mortgage. To the extent construction is performed on the Premises, this Mortgage shall be a construction mortgage, as that term is defined in Section 9-334(h) of the Uniform Commercial Code, as adopted by the State of Michigan. As to any property encumbered hereby which is or hereafter becomes a "fixture" under applicable law, this Mortgage shall constitute a fixture filing under the Michigan Uniform Commercial Code. Mortgagor and Mortgagee intend that this Mortgage shall secure the unpaid balance of loan advances made pursuant to the Promissory Note by the holder hereof after this Mortgage is delivered to the applicable County Recorder for recording to the fullest extent and with the highest priority contemplated by applicable law.

27. Waste. Mortgagor's failure, refusal or neglect to pay any taxes or assessments levied against the Premises or any insurance premiums due upon policies of insurance covering the Premises will constitute waste under Michigan Compiled Laws 600.2927, and the Mortgagee shall have a right to appointment of a receiver of the Premises and of the rents and income from the Premises, with such powers as the court making such appointment confers. Mortgagor hereby irrevocably consents to such appointment in such event, and agrees that Mortgagee's costs and expenses, including reasonable attorney fees, incurred in such proceeding shall be added to the Secured Obligations secured by this Mortgage. Payment by the Mortgagee for and on behalf of Mortgagor of any delinquent taxes, assessments, or insurance premiums payable by Mortgagor under the terms of this Mortgage will not cure the

default herein described nor in any manner impair the Mortgagee's right to appointment of a receiver as set forth herein.

28. Future Advances. This Mortgage secures future advances and constitutes a future advance mortgage under Michigan law. This Mortgage secures not only present indebtedness but also future advances, whether such future advances are obligatory or are to be made at the option of Mortgagee, or otherwise. The amount of indebtedness secured hereby may increase or decrease from time to time, and the rate or rates of interest payable may vary from time to time.

29. Successors and Assigns; Joint and Several Liability. This Mortgage and all its provisions, shall extend to and be binding upon Mortgagor and its successors and assigns, all persons claiming under or through Mortgagor, and the word "Mortgagor" when used in this Mortgage shall include a trustee in bankruptcy and all such persons and all persons otherwise liable for the payment of the Obligations or any part of the Obligations, whether or not such persons have executed the Note or this Mortgage. Nothing contained in this Section shall be deemed to permit any Transfer. The word "Mortgagee" when used in this Mortgage shall include the successors and assigns of Mortgagee named in this Mortgage and the holder or holders, from time to time, of the Note secured by this Mortgage. If more than one person or entity has executed this Mortgage as "Mortgagor," then the obligations of all of such persons and entities shall be joint and several.

[the rest of this page intentionally left blank]

WITNESS the hand and seal of Mortgagor the day and year first above written.

RENAISSANCE PUBLIC SCHOOL ACADEMY, a
Michigan nonprofit corporation and public school academy

By: [Signature]
Name: Mark Smith
Its: President

STATE OF MICHIGAN)
) SS.
COUNTY OF Isabella)

The foregoing instrument was acknowledged before me on June 28, 2019, by
Mark Smith, the President of Renaissance Public School Academy, a Michigan nonprofit
corporation and public school academy, on behalf of the company.

[Signature]
Name: William Scheese
Notary Public, State of Michigan
County of Isabella, State of Michigan
Acting in Isabella County, State of Michigan
My Commission expires: November 19, 2024

This instrument was prepared by
and after recording return to:

IFF
Attention: Closing and Escrow
333 S. Wabash Ave., Suite 2800
Chicago, IL 60604

WILLIAM SCHEESE
NOTARY PUBLIC - STATE OF MICHIGAN
COUNTY OF ISABELLA
My Commission Expires November 19, 2024
Acting in the County of Isabella

EXHIBIT A

Legal Description

Land situated in the County of Isabella, State of Michigan, described as follows:

Parcel 1:

A parcel of land being part of the Southwest 1/4 of Section 13, Town 14 North, Range 4 West, Union Township, Isabella County, Michigan, beginning at a point on the West section line which is North 00°06'17" West, 830.00 feet from the Southwest corner of section 13, thence North 00°06'17" West, along the West section line, 424.83 feet; thence South 88°41'11" East, 663.51 feet; thence South 00°25'55" East, 593.62 feet; thence North 88°45'51" West, 437.68 feet; thence North 00°06'17" West, parallel with the West section line, 169.59 feet; thence North 88°45'51" West, 229.20 feet to the point of beginning.

Address: 2797 S. Isabella Rd

Tax ID: 14-013-30-003-04

Parcel 2:

A parcel of land commencing 640 feet North of the Southwest corner of Section 13, Town 14 North, Range 4 West, thence East 229.2 feet (sometimes recorded as 229.02), North 190 feet, West 229.2 feet (sometimes recorded as 229.02), South 190 feet to the point of beginning, Union Township, Isabella County, Michigan.

Address: 2821 S. Isabella Rd

Tax ID: 14-013-30-013-00

Exhibit A-1

221587750

SEP - 1996

FIRE SAFETY INSPECTION/CERTIFICATION REPORT


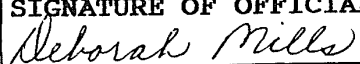
FACILITY NAME RENAISSANCE ACADEMY			DATE 09/03/96	COUNTY ISABELLA	PROJECT NUMBER 4-00-1703-95
ADDRESS ISABELLA ROAD			FACILITY TYPE CHARTER SCH	RULES/CODES 89 MI Sch	JOB/LIC/FAC. NO.
CITY MT PLEASANT	STATE MI	ZIP 48858	FACILITY REP. KEITH WIRTH - WAKELY ASSOC		INSP. TYPE RECHECK

DESCRIPTION OF NON-COMPLIANCE

RE: NEW SCHOOL BUILDING

A recheck inspection of the above captioned project was completed this date. Deficiencies noted in our previous inspection reports have been satisfactorily corrected. This report may be considered as final approval of this project.

CC: CONNIE GREENWALD, 207 N. FRANKLIN ST. MT PLEASANT MI 48858
KEITH WIRTH, WAKELY ASSOC. 131 S. MAIN, MT PLEASANT 48858
SIMPLEX TIME RECORDER, 2935 WALKENT CT, STE A, GRAND RAPIDS 49544
JIMCO FIRE PROTECTION, INC. PO BOX 568, AUGRES, MI 48703

FIRE SAFETY CERTIFICATION FULL APPROVAL			PROJECT STATUS CLOSED		REVIEWED BY 
DISTRIBUTION 37-02	INSPECTING OFFICIAL SPL/SGT DEBORAH MILLS		ADDRESS 588 THREE MILE ROAD N.W.		
	SIGNATURE OF OFFICIAL 	CITY GRAND RAPIDS	ZIPCODE 49544	TELEPHONE 616-784-4996	



State of Michigan
John Engler, Governor

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

Received 9/24/2002 2:39:53 PM By:
LA Inspection Report

Page 1 of 1

OFS-40

Office of Fire Safety

General Office Building

7150 Harris Drive

Lansing, MI 48909-7504

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

FACILITY NAME Renaissance Academy	DATE 9/19/2002	COUNTY Isabella	PROJECT 1755-02
ADDRESS 2797 Isabella Road	FACILITY TYPE School	RULES/CODES School - 99	JOB/LIC/FAC. NO.
CITY, STATE ZIP CODE Mt. Pleasant, MI 48858	FACILITY REPRESENTATIVE David Krause	INSPECTION TYPE Inspection - Final	

REMODELING OF CLASSROOM

A final fire safety inspection was completed this date. There were no deficiencies. Full approval.

FIRE SAFETY CERTIFICATION Approved		PROJECT STATUS Closed	REVIEWED BY RDB
DISTRIBUTION	INSPECTING OFFICIAL	ADDRESS	120 W. Chapin St
Facility File	Patrick Foster	Cadillac, MI 49601	
CIS/HQ Local FD	SIGNATURE OF OFFICIAL	TELEPHONE	231-775-0246
Education Architect		FAX	231-775-0035
Schedule 6-93			Renaissance Public School Academy

RECEIVED

DEC 08 2004

BY: *JA*

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

Building Permit No. LB019787
Renaissance Academy
2797 S Isabella Rd
Mt Pleasant, Michigan
Isabella County

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

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

Larry Lehman

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

November 23, 2004

RECEIVED 12-19-06 BY:L.A.

No. 5697 P. 2

11-14-06

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

Building Permit No. LB021154
Renaissance Public School
Gym Classroom
2797 S. Isabella Road
Union, Michigan
Isabella County

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

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


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

December 6, 2006

Sep. 8. 2009 1:46PM

No. 7950 P. 2/2

CERTIFICATE OF USE AND OCCUPANCY

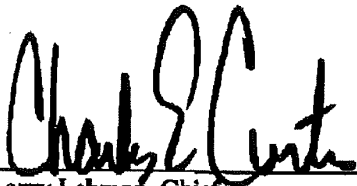
PERMANENT

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

**Permit No. B028138
Renaissance Public School Academy
2797 S. Isabella Road
Mt. Pleasant, Michigan
Isabella County**

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

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



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

September 8, 2009

UNION TOWNSHIP - ISABELLA COUNTY
BUILDING DEPARTMENT

2010 S. LINCOLN ROAD - MT. PLEASANT, MICHIGAN 48858 - PHONE (989) 772-4600

CERTIFICATE OF OCCUPANCY AND COMPLIANCE

Issued to Konwinski Construction / Renaissance School Date 01-06-16
Building Permit No. 150189 Year 2015 District 13 Zone B-9
Location 2777 S. Isabella Rd.
Occupancy Class E Use Type Education
Lot No. _____ Subdivision _____
Fire Department Randy Koebe
Mechanical _____
Plumbing _____
Electrical Timothy Whidwell
Zoning _____

Building Department

Building Official

has been duly inspected and is suitable and acceptable as of the date herein mentioned for occupancy.

This certificate is issued in accordance with the Union Township Zoning Ordinance and regulations enforced by the department of buildings and zoning when applicable.

It is specifically understood that this certificate becomes null and void when secured through fraud or by installation, or occupancy are made without Department Approval.

1505

TO BE POSTED ON PREMISES

Charter Township of Union

2010 S. LINCOLN

MT. PLEASANT, MI 48858

Building Permit PB160046

Location	Owner
2797 S ISABELLA RD 14-013-30-003-04	RENAISSANCE PUBLIC SCHOOL ACADEMY 2797 S ISABELLA RD MOUNT PLEASANT MI 48858
APPROVED PLANS MUST BE RETAINED ON JOB AND THIS CARD POSTED UNTIL FINAL INSPECTION HAS BEEN MADE. WHERE A CERTIFICATE OF OCCUPANCY IS REQUIRED, SUCH BUILDING SHALL NOT BE OCCUPIED UNTIL FINAL INSPECTION HAS BEEN APPROVED. ALL PERMITS VALID FOR 180 DAYS. AT LEAST 24 HOURS NOTICE REQUIRED FOR INSPECTION. YOU MUST REQUEST INSPECTION. 989-772-4600, EXT. 242 8:30 AM-4:30 PM	Contractor KONWINSKI CONSTRUCTION INC 1900 GOVER PARKWAY

****NOTICE:** Projects requiring Electrical, Mechanical and Plumbing Plan Review shall be submitted to the Community Development Department (Isabella County) located at 200 N Main St., Mt Pleasant MI 48858. Submittal shall include a Complete Application along with three (3) set of Construction Documents. For additional information contact (989-772-0911 x227.

Date Issued: 04/13/2016

Date Expires: 10/11/2016

APPROVED: 

POST THIS CARD SO IT IS VISIBLE FROM THE STREET

Description:



STATE OF MICHIGAN
DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
BUREAU OF FIRE SERVICES

MARK HORNBERGER
FIRE MARSHAL INSPECTOR
FIRE MARSHAL DIVISION

REGION IV
3101 TECHNOLOGY BOULEVARD
SUITE H
P.O. BOX 30700
LANSING, MICHIGAN 48909

PHONE: 616-447-2693
REGION PHONE: 517-335-0683
FAX: 517-332-1427
E-MAIL: hornbergerm@michigan.gov
www.michigan.gov/bfs

APPROVED

PB 160046

Permit No.

**Charter Township of Union
(989) 772-4600 Ext. 227**

Type of Inspection Final

Date of Inspection 8/19/16

Code Sec. #

Code Official Wright

FINAL	*	Call when complete
OTHER		Demo(7) offices

**Protect the residents at all times !!
Student barricades etc.**

CERTIFICATE OF USE AND OCCUPANCY
PERMANENT

Michigan Department of Licensing and Regulatory Affairs

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG19-01180

2797 S ISABELLA RD

MOUNT PLEASANT, MI 48858

COUNTY: ISABELLA

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

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

Print Date: 03/26/2020

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7
REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY

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

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

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

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

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

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

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

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

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

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

Educational Goal to be Achieved

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

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

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

Measure 1: Student Achievement

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

Sub Indicator	Measure	Metric	Target
Against a Standard:	The percentage of students meeting or surpassing the current, spring, grade-level national norms ² on the NWEA Growth reading and math tests administered in the spring.	Distribution (which will be in the form of percentages): Exceeds $\geq 70.0\%$ Meets $\geq 50.0\%$ Approaching $\geq 30.0\%$ Does not meet $< 30.0\%$	50%
In the event that performance against the standard falls below these required expectations, "measurable progress towards the achievement of this goal" will be defined using the following measures and targets:			
Over Time:	The percentage of students meeting or surpassing spring grade-level national norms over time (CY-AVG(PY1+PY2+PY3)).	Trend score (which will be in the form of $-x$ to $+x$): Exceeds $\geq 6.0\%$ Meets $\geq 3.0\%$ Approaching $\geq 1.0\%$ Does not meet $< 1.0\%$	3.0%
Comparison Measure:	The percentage of students categorized as proficient or advanced on the most recent state assessment will surpass the school's Composite Resident District (CRD) percentage.	Portfolio Distribution (which will be in the form of $-x$ to $+x$): Exceeds $\geq 10.0\%$ Meets $\geq 5.0\%$ Approaching $\geq 0.0\%$ Does not meet $< 0.0\%$	5.0%

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

² Grade level national norms are updated periodically by NWEA following comprehensive norming studies. The Center will use the most updated national norms published by NWEA and will inform the Academy when 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 3-8 at the Academy will be assessed using the following measures and targets:

Sub Indicator	Measure	Metric	Target
Against a Standard:	The median of student growth percentiles (MGP) reflecting fall-to-spring scaled score growth on the reading and math NWEA Growth tests.	MGP: Exceeds $\geq 65^{\text{th}}$ 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

The mission of Renaissance Public School Academy (“Academy”) is to engage every student in becoming confident, creative, and collaborative builders of their future.

Vision

Renaissance students will find their passion to live fulfilled lives and make a difference in the world.

Defining Practices

- We value connections with students to inform our personalized practices at varying levels of complexity depending on the individual.
- We honor student voice and encourage student choice through self-directed, individual student selected projects.
- We use inquiry-based approaches to guide students through Project-Based Learning (“PBL”) experiences as well as content deep dives.
- We believe in the power of ongoing, innovative, rigorous, professional growth.

Values

- Safety and respect are the foundations for a positive learning environment among all members of our diverse school community.
- We foster collaboration for students and staff while guiding them to take responsibility for their individual contributions.
- We empower our students and staff to be independent thinkers, problem solvers, and lifelong learners.
- We engage in rigorous learning opportunities for students to apply in real life experiences.

Curriculum

In *Understanding by Design*, Grant Wiggins and Jay McTighe assert curriculum is best created through backward design.¹ The first step in the process is identifying the key outcomes the Academy wants students to demonstrate and then determining the assessments that best measure student achievement of these outcomes. After the outcomes have been clearly defined, lessons and activities are created following best practices that prepare students to successfully demonstrate learning.

Teachers use the learning outcomes to specify the surface, deep and transfer-levels of success criteria in the PBL unit design. Students need an opportunity to practice understanding at each of

¹ Wiggins, G. & McTighe, J. (2006). *Understanding by design*. Second edition. Upper Saddle River, NJ: Pearson Education, Inc.

these levels of complexity to build connections and apply their learning to new situations and contexts. A review of research on student outcomes by Michael McDowell indicates, “PBL has shown substantial yields when students are prepared for transfer-level work.”²

The Academy’s curriculum guides have been developed for all core subject areas and enhancement courses using Michigan’s College and Career Readiness standards and the Michigan Academic Standards (“MAS”) as a foundation. Each unit clearly defines the standards to be mastered and identifies essential understandings and questions that promote discussion of the big ideas and crosscutting concepts. These questions are designed to capture the overarching idea of each unit and develop connections to the world outside of school.

Assessments and performance tasks identify student outcomes and provide examples of how well-designed lessons should be structured to develop a high level of rigor. Key vocabulary terms and instructional resources are included for teachers to readily access quality supporting materials, provide a foundation for learning and a shared language across grade spans and courses.

A year-long pacing guide was developed for each grade level team, and units were developed following this order. The instructional units are organized in a developmentally appropriate manner and follow a logical sequence. Cross-curricular instruction is promoted with the inclusion of the interdisciplinary connections section designed to readily associate corresponding topics in the remaining academic disciplines. The instructional units act as building blocks to ensure a smooth academic flow of content from grade span to grade span.

Curriculum guides are best implemented as living documents. Further refinements are expected as lessons are created, taught, and reflected upon by classroom teachers. Real time feedback gained through class discussions and formative assessments will help identify adjustments needed to better support the learning of all students. A section of each unit has been designated to identify misconceptions demonstrated by students. Some common misconceptions have been anticipated and are included in the guides. It is the intention of Academy teachers to record the particular misconceptions students demonstrate. This data provides two benefits. In future years, teachers will have a knowledge base of specific misunderstandings to address directly through small group instruction. When misconceptions can be attributed to instruction at earlier grade levels, the related units can be modified to clarify student understanding.

Assessment

Learning outcomes are defined by the level of rigor inherent in unit assessments.³ In order for all students to adequately prepare for college, work, and life, teachers must support students in developing the skills necessary to achieve proficiency on comprehensive tests designed to measure college readiness. Students, therefore, must be engaged in lessons that foster an equal or exceeding level of task complexity. Standards must be unpacked to determine the depth of knowledge required to effectively apply new learning and appropriately align the unit summative assessments. Using the backwards design model, assessment outcomes are determined at the onset of unit creation. The expectations are then articulated to students to provide clarity on what is required.

² McDowell, M. (2017). *Rigorous PBL by design*. Thousand Oaks, CA: Corwin.

³ Wiggins, Grant (7 August, 2014). Blogpost “Assessment, grading and rigor: toward common sense and predictable outcomes on tests” available at <http://grantwiggins.wordpress.com/>

A pre-assessment identifies students' present level of understanding. Lessons can then be developed to bridge the divide between students' current abilities and those they will construct. This process engages students collaboratively in work that is highly transferable to future lives.

Authentic Assessments

Understanding by Design also necessitates the use of authentic assessments—assessments that go beyond content mastery. In authentic assessment, students go beyond recalling, repeating, performing as practiced or scripted, plugging in, recognizing or identifying what has been learned and move toward doing things such as:

- justifying a claim
- connecting discrete facts independently
- applying learning in new contexts
- adapting to new circumstances, purposes or audiences
- criticizing arguments made by others
- explaining how and why something is the case⁴

Formative Assessment

Ongoing assessment informs instruction. Teachers use formative assessment practices to monitor student progress during daily lessons and throughout units of instruction. These include activities such as student observations, anecdotal records and strategic use of questioning. Teachers use this information to determine when content needs to be reviewed or re-taught or if instructional methodologies need to be adjusted or changed to help students master the material. Assisting students in the preparation and tracking of goal setting, written reflections, self-assessment and record keeping encourages students to be self-focused on monitoring and improving achievement.

Academy teachers have participated in professional development with a focus on formative assessment and feedback. Teachers learned to use and incorporate timely and effective feedback in the process for students to have sufficient time to reflect and react.

Multiple standardized assessments are administered several times each school year. Kindergarten students are assessed throughout the year using literacy and mathematics readiness measures to inform instructional decisions. The Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® (“MAP®”) Growth™ assessment is a computer-adaptive test administered to students in kindergarten through eighth grades during the fall, winter and spring. The results are utilized to identify students for digging-deeper assessments, measure student growth over time, and to inform the impact of instructional initiatives on academic achievement. Digging-deeper assessments include the Developmental Reading Assessment® and Math Recovery. The state assessment is also administered. The Academy’s assessments continue to follow state mandates related to testing measures.

Staff members attend data meetings following each NWEA MAP Growth testing window. Teachers, instructional coaches, interventionists, school leaders, and other essential staff collaboratively review assessment results to determine the best placement for students. Based on

⁴ Wiggins, Grant (1 January, 2014). Blogpost “Final Exams versus Projects...” available at <http://grantwiggins.wordpress.com/>

this data, students may be placed into intervention groups to receive intense, research-based instruction or into higher level groups to continue to meet individualized needs.

Several strategies are utilized to keep parents regularly informed of student progress. Formal strategies include fall and spring Student Led conferences, trimester progress reports, and the use of digital portfolios. Teachers and parents regularly communicate during pick-up and drop-off times and through email and Seesaw.

Instructional Approaches and Student Success

Positive student and teacher relationships are paramount to student engagement in learning. Classroom teachers begin each day with a Morning Meeting dialogue session to build community and trust. Students are much more likely to extend themselves into unfamiliar and challenging tasks when students feel supported by the teacher.

Each Wednesday, students are dismissed at 2:00 p.m. Teachers have a weekly dedicated time to participate in ongoing professional development initiatives and to collaborate across grade levels and disciplines in reviews of student progress and unit planning.

The Academy utilizes a multiage, project-based learning approach when forming classes and instructing students. This configuration provides model learners for younger students and allows for a greater degree of flexibility when meeting the needs of individual learners. Students are given field experiences and the opportunity to develop grit in all areas, not only those areas commonly thought of as requiring grit. No student is singled out as all students are engaged in the particular lessons that best meet specific, individual growth needs. The Academy is working toward a long-term investment and goal to serve all students⁵. Long term science and social studies questions are investigated with integration of other core subject areas. Teachers explain to students why a given topic is being learned and make connections between learning and its application in the outside world. Students are charged with developing a project or presentation to capture learning and share with a wider audience.

Students participate in a pre-assessment at the beginning of each content unit to determine what information is already known, determine which information is not yet understood, and identify any misconceptions that need clarification. Using this information, teachers design lessons to address the needs of students and engage students in whole group, small group and one-on-one instruction. Grouping practices are dynamic, changing as the needs of the students warrant.

Teachers utilize differentiated instructional practices to meet students where they are and provide a scaffolding approach by building on students' current strengths and abilities to reach grade level standards. Teachers meet with students in one-on-one conferences regularly to assess progress and understanding through individualized conversations and set goals with students. These scaffolded approaches allow students who are performing above grade level to demonstrate content understanding and move ahead to more advanced topics.

Instructional delivery takes place using learner-centered, research-based strategies selected so students may engage with the content being studied. Examples of this include the nine practices

⁵ Yeh, Christine. (1 May 2017). *Forget grit. Focus on inequality*. Education Week

identified by Robert Marzano, et. al., such as setting objectives and providing feedback, generating and testing hypotheses, and advanced questioning, among others.⁶ When developing a unit plan for instruction, teachers allocate time to guide students as learning goals are set; self-monitor progress toward the goals through practice and application of new knowledge; and reflect on the extent to which students have achieved the goals.

Student engagement is fostered through providing students with a voice and choice in their learning. Specials classes including Physical Education, Art, and Music are attended weekly. These courses give each student exposure to areas which may spark new passions and curiosities. Students in first through eighth grade are provided opportunities for individual projects as well. Teachers utilize developmentally appropriate structures and teaching methods to provide students an opportunity to explore topics of interest while building upon core content area knowledge and skills.

The Academy's Educational Program allows for adaptation and modification to meet the needs of all learners. The interventions the Academy provides are comprehensive and designed to meet the specific needs of individual students performing below grade level as well as students who have qualified for special education services.

Students Below Grade Level

Academy students who are performing below grade level are provided with adaptations to the educational environment in order to ensure educational needs are being addressed. Accommodating instruction does not mean reducing standards, but rather, "changing one or more of the components that comprise a standard classroom and modifying instructional conditions in ways that facilitate learning."⁷

Students who are not making adequate gains in the classroom receive tiered levels of support. A portion of literacy instruction utilizes ability-based groupings. These groupings allow teachers to meet the needs of all students during daily focus group instruction. Some students need additional supports from the classroom teacher and instructional support staff, including individualized and small group instruction. Students needing more intensive, individualized strategies receive additional supports from Title I staff, including one-on-one tutoring and/or small group pullout instruction for both reading and mathematics.

Students with significant gaps in expected achievement benefit from receiving significant increases in time devoted to direct instruction.⁸ Daily schedules of identified students are modified to devote increased time to reading and math instruction. Extended summer learning opportunities

⁶ Marzano, R., Pickering, D., & Pollack, J. (2001). *Classroom instruction that works: Research-based strategies for increasing student achievement*. Alexandria, VA: Association for Supervision and Curriculum Development (ASCD).

⁷ Rosner, J. (2009). *Helping children overcome learning difficulties*. Third edition. Lexington, KY: BookSurge Publishing.

⁸ Fielding, L., Kerr, N., and Rosier, P. (2007). *Annual growth for all students, Catch-up growth for those who are behind*. Kennewick, WA: The New Foundation Press, Inc.

with a focus on literacy, math and science instruction help to reduce summer slides in academic achievement.

A student who continues to struggle may be reviewed by a student study team, who considers the development of an Individualized Education Program (“IEP”). This team consists of the classroom teacher, principal, special education teacher, the student's parent, and may also include additional support staff such as the school social worker, school psychologist, speech pathologist, occupational therapist, or other specialized personnel.

Special Education

Students qualified for special education services are provided a range of interventions inside and outside the classroom based on individual needs and requirements set forth in each IEP. These interventions include the student’s needs within the general education curriculum as well as within the classroom environment.

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 is making 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 to 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.

Technology

To live, learn and work successfully in an information-rich society, students must be able to use technology effectively. Teachers integrate technology into lessons to enhance student interaction with the topics of study. Each student is assigned access to an individual Chromebook. Teachers have access to multiple Chromebooks for lesson presentation and formative assessment tracking. Digital projectors are available in each classroom, and Jamboard interactive large screen displays are available for students to connect and work collaboratively. An OwlLabs camera is frequently

used for students to interact with content experts virtually. The Academy makes productive use of Google Workspace for Education, which allows for group participation in coursework and efficient tools for classroom teachers to provide ongoing feedback. The Academy has invested in coding and programming devices to enhance the exploration of staff directed and student led passion projects.

Educational Development Plan (“EDP”)

Seventh and eighth grade students engage in the creation and on-going modification of a personal EDP. Planning takes place through the use of the Xello online exploration program. The tool provides students with a broad overview of career options, how similar careers are grouped in specific fields, and allows students to define interests and abilities to help students make a more informed decision about which career path best meets individual desires.

Students in seventh grade participate in a career exploration unit of study. Eighth grade students further explore career opportunities by identifying career interests, determining the skill sets required to engage in careers, examining current academic performance and setting a plan to choose high school courses to best prepare to meet career goals.

Students examine academic performance using NWEA, M-STEP and classroom assessment results to identify current skill levels and develop high school academic goals so students may become fully prepared for a satisfying career. Throughout the process, students are able to adjust goals as new insights and understandings are gained about available career options, new interests are explored and students seek to further develop academic skills.

The EDP contains:

- personal information
- student’s grade level
- student identified career goals
- assessment results (academic and career)
- educational/training goals
- a plan of action that identifies a broad career pathway
- course selections for high school that support a student’s goals/interests
- information on options to meet the state graduation requirements
- enrollment options
- long-term goals and planning to support postsecondary/post-school options

Program Evaluation

The school improvement team meets on a regular basis to assess the impact of implemented, research-based strategies and monitor progress toward achievement of the school improvement goals. This process of regular program review motivates the continuous cycle of improvement. Bruce Wellman and Laura Lipton explain that, “when colleagues share their observations, consider possible interpretations, and explore actions to address moving from where they are to where they want to be, they develop shared understandings of the problem and greater commitment to the

developed solutions.”⁹ The team analyzes achievement data, attendance at parent teacher conferences and other Academy functions, retention and enrollment data, discipline data and any parent comments to determine whether or not the Academy is delivering on the mission.

The Academy’s team makes use of software tools to aid in data analysis, which allows staff to spend considerably less time on data collection and analysis and more time on implementing action plans based on the observed results. By examining this wealth of assessment information as a whole, leadership and staff identify common trends and ascertain the extent to which specific instructional interventions are positively impacting student achievement.

The Academy expects every student to leave fully prepared for high school with a solid foundation to continue to build on through college and into future careers. The system of progress monitoring of student achievement aligned to college-readiness expectations allows staff to evaluate the Educational Program, build on identified successes, remove barriers to learning and develop new means of helping all students excel.

The Academy administrators conduct informal classroom observations, or walk-throughs, and formal teacher evaluations to ensure teachers utilize best practices to deliver the educational program and curriculum.

The Academy’s leadership structure, calendar, teacher mentoring, professional development and intensive focus on student achievement, parent satisfaction, student perception and community involvement are ideal for monitoring and achieving the mission.

⁹ Wellman, B, & Lipton, L. (2004). *Data-driven dialogue: A facilitator's guide to collaborative inquiry*. Sherman, CT: MiraVia, LLC.

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 Academy written curriculum and the Michigan Model for Health™. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Michigan Model for Health http://www.michigan.gov/mdhhs/0,5885,7-339-73971_4911_4912_74286---,00.html

Elementary

The following subjects/courses are offered at the Academy. *

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

- * The Academy updates course offerings each school year based on the needs and interests of students as well as teacher certification. As a result some courses are rotated and are not offered each year. All core subjects are taught every year.

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

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

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

Academic Assessments to Be Administered:

Assessments as identified in Schedule 7b of this Contract and all state-mandated assessments.

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

APPLICATION AND ENROLLMENT OF STUDENTS

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Sections 6.6 and 6.16, the Academy shall comply with the application and enrollment requirements identified in this Schedule.

Enrollment Limits

The Academy will offer kindergarten through eighth grade. The maximum enrollment shall be 450 students. The Academy Board will annually adopt maximum enrollment figures prior to its application and enrollment period.

Requirements

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

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

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

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

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

Matriculation Agreement

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

Application Process

- The Academy shall make reasonable effort to advertise its enrollment openings.
- The Academy's open enrollment period shall be a minimum of two weeks (14 calendar days) in duration and shall include evening and weekend times.
- The Academy shall accept applications all year. If openings occur during the academic year, students shall be enrolled. If openings do not exist, applicants shall be placed on the official waiting list. The waiting list shall cease to exist at the beginning of the Academy's next open enrollment period.
- In the event there are openings in the class for which students have applied, students shall be admitted according to the official waiting list. The position on the waiting list shall be determined by the random selection drawing. If there is no waiting list, students shall be admitted on a first-come, first-served basis.
- The Academy may neither close the application period nor hold a random selection drawing for unauthorized grades prior to receipt of written approval from the Center.

Legal Notice or Advertisement

- The Academy shall provide legal notice or advertisement of the application and enrollment process in a local newspaper of general circulation. A copy of the legal notice or advertisement shall be forwarded to the Center.
- At a minimum, the legal notice or advertisement must include:
 1. The process and/or location(s) for requesting and submitting applications.
 2. The beginning date and the ending date of the application period.
 3. The date, time, and place the random selection drawing(s) will be held, if needed.
- The legal notice or advertisement of the application period shall be designed to inform individuals that are most likely to be interested in attending the Academy.
- The Academy, being an equal opportunity educational institution, shall be committed to good-faith affirmative action efforts to seek out, create and serve a diverse student body.

Re-enrolling Students

- The Academy shall notify parents or guardians of all enrolled students of the deadline for notifying the Academy that they wish to re-enroll their child.
- If the Academy Board has a sibling preference policy, the re-enrollment notice must also request that the parent or guardian indicate whether a sibling(s) seeks to enroll for the upcoming academic year.
- An enrolled student who does not re-enroll by the specified date can only apply to the Academy during the application period for new students.
- An applicant on the waiting list at the time a new application period begins must reapply as a new student.
- After collecting the parent or guardian responses, the Academy must determine the following:
 1. The number of students who have re-enrolled per grade or grouping level.
 2. The number of siblings seeking admission for the upcoming academic year per grade.
 3. If space is unavailable, the Academy must develop a waiting list for siblings of re-enrolled students.
 4. The number of spaces remaining, per grade, after enrollment of current students and siblings.

Random Selection Drawing

A random selection drawing is required if the number of applications exceeds the number of available spaces. Prior to the application period, the Academy shall:

- Establish written procedures for conducting a random selection drawing.
- Establish the maximum number of spaces available per grade or age grouping level.
- Establish the date, time, place and person to conduct the random selection drawing.
- Notify the Center of both the application period and the date of the random selection drawing, if needed. The Center may have a representative on-site to monitor the random selection drawing process.

The Academy shall use a credible, impartial individual who is not employed by, under contract with, a member of the Board of, or otherwise affiliated with the Academy to conduct the random selection drawing. Further, the Academy shall:

- Conduct the random selection drawing in a manner that is open to parents, community members and members of the public who want to observe the process.
- Use numbers, letters, or another system that guarantees fairness and does not give an advantage to any applicant.

The Academy shall notify applicants not chosen in the random selection drawing that they were not selected and that their name has been placed on the Academy's official waiting list for openings that may occur during the academic year. Students shall appear on the official waiting list in the order they were selected in the random selection drawing.

SECTION G

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.7, the Academy shall comply with the school calendar and school day schedule requirements identified in this Schedule.

School Calendar

The Academy's school calendar shall comply with Sections 1175, 1284, and, if applicable, 1284a and 1284b, of the Code. The Academy's school calendar shall also comply with the minimum requirements set forth in Section 101 of the School Aid Act of 1979 (MCL 388.1701). The Academy Board must submit a copy of the Academy's school calendar to the Center in accordance with the Master Calendar.

School Day Schedule

The Academy Board must structure the Academy's school day schedule to meet the required number of instructional days and hours. The Academy Board must submit the school day schedule to the Center prior to the commencement of each academic year.

SECTION H

AGE OR GRADE RANGE OF PUPILS

AGE OR GRADE RANGE FOR PUPILS TO BE ENROLLED

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.8, the Academy shall comply with the age or grade ranges as stated in this Schedule.

The Academy will enroll students in kindergarten through eighth grade. The Academy may add grades with the prior written approval of the authorizing body.

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

CONTRACT SCHEDULE 8

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

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.9, the Academy shall comply with this Schedule.

Information Available to the Public and the Center

The Code provides that the board of directors of a public school academy shall make information concerning its operation and management available to the public and to the Center in the same manner as is required by state law for school districts.

The Code provides that the board of directors of a public school academy shall collect, maintain, and make available to the public and the Center, in accordance with Applicable Law and the Contract, at least all of the following information concerning the operation and management of the Academy:

1. A copy of the Academy's Charter Contract.
2. A list of currently serving members of the Academy Board, including name, address, and term of office.
3. Copies of policies approved by the Academy Board.
4. The Academy Board meeting agendas and minutes.
5. The budget approved by the Academy Board and of any amendments to the budget.
6. Copies of bills paid for amounts of \$10,000.00 or more, as submitted to the Academy Board.
7. Quarterly financial reports submitted to the Center.
8. A current list of teachers and administrators working at the Academy that includes individual salaries as submitted to the Registry of Educational Personnel.
9. Copies of the teaching or administrator's certificates or permits of current teaching and administrative staff.
10. Evidence of compliance with the criminal background and records checks and unprofessional conduct check required under sections 1230, 1230a, and 1230b of the Code for all teachers and administrators working at the Academy.
11. Curriculum documents and materials given to the Center.
12. Proof of insurance as required by the Contract.
13. Copies of facility leases or deeds, or both.
14. Copies of any equipment leases.
15. Copies of any management contracts or services contracts approved by the Academy Board.
16. All health and safety reports and certificates, including those relating to fire safety, environmental matters, asbestos inspection, boiler inspection, and food service.
17. Annual financial audits and any management letters issued as part of the Academy's annual financial audit, required under Article VI, Section 6.11 of the Terms and Conditions of this Contract.
18. Any other information specifically required under the Code.

Information to be Provided by the Academy's Educational Service Provider (if any)

Pursuant to the Terms and Conditions of this Contract, including Article III, Section 3.6, the University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. Any Educational Service Provider Management Agreement entered into by the Academy must contain a provision requiring the Educational Service Provider to provide to the Academy Board information concerning the operation and management of the Academy (including without limitation, but not limited to, the items identified above and annually the information that a school district is required to disclose under Section 18(2) of the State School Aid Act of 1979, MCL 388.1618) available to the Academy Board in order to enable the Academy to fully satisfy its obligations under Section 11.9(a) of the Terms and Conditions of Contract.

AMENDMENT NO. 1

to the
July 1, 2022 Contract to Charter
A Public School Academy and Related Documents

Issued To

RENAISSANCE PUBLIC SCHOOL ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)


CONTRACT AMENDMENT NO. 1

RENAISSANCE PUBLIC SCHOOL ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated July 1, 2022, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to RENAISSANCE PUBLIC SCHOOL 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.

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.



Dated: 05/23/2024

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



Dated: 5/20/24

By: Mark Smith
Renaissance Public School Academy
Designee of the Academy Board

Renaissance Public School 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.

Renaissance Public School Academy

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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.