



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2021

TABLE OF CONTENTS

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

REAUTHORIZING RESOLUTION

REAUTHORIZATION OF PUBLIC SCHOOL ACADEMY**West Michigan Academy of Environmental Science**

Recitals:

1. At its February 20, 2014, meeting this board authorized the issuance of a contract to charter as a public school academy to West Michigan Academy of Environmental Science. On July 1, 2014, the contract was effective.
2. The contract of this academy expires June 30, 2021.
3. The Governor John Engler Center for Charter Schools has completed its evaluation and assessment of the operation and performance of West Michigan Academy of Environmental Science.
4. The university president or designee has recommended the reissuance of a contract to charter as a public school academy to West Michigan Academy of Environmental Science. The term of the contract is recommended for a term not to exceed ten (10) years.

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

CMU BDT APPROVED

Date: 12/3/2020Signature: 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, 2021

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

CONFIRMING THE STATUS OF

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

AS A

PUBLIC SCHOOL ACADEMY

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

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

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

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

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

Section 12.22. Confidential Address Restrictions26

Section 12.23. Partnership Agreement26

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

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

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

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

WHEREAS, the Central Michigan University Board of Trustees has considered and has approved the issuance of a contract to West Michigan Academy of Environmental Science;

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

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

- (q) "Reauthorizing Resolution" means the resolution adopted by the Central Michigan University Board of Trustees on December 3, 2020, approving the issuance of a Contract to the Academy.
- (r) "Schedules" means the following Contract documents: Schedule 1: Restated Articles of Incorporation, Schedule 2: Amended Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight, Compliance and Reporting Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, Schedule 7: Required Information for Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2021, Issued by the Central Michigan University Board of Trustees Confirming the Status of West Michigan Academy of Environmental Science 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 West Michigan Academy of Environmental Science 4463 Leonard Ave NW Walker, MI 49534

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

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

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

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

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

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

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

Section 12.9. Term of Contract. This Contract is for a fixed term and shall terminate at the end of the Contract term without any further action of either the University Board or the Academy. This Contract shall commence on the date first set forth above and shall remain in full force and effect for a period of ten (10) academic years and shall terminate on June 30, 2031, unless sooner revoked, terminated, or suspended pursuant to Article X of these Terms and Conditions. Pursuant to University Board policy, the standards by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:

Is the Academy's academic program successful?

Is the Academy's organization viable?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 12.22. Confidential Address Restrictions.

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

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

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
Richard K. Studley, Chair

Date: _____

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

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

By: Matthew P. Smith
Board President

May 13 2021
Date: _____

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

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

Date: 05/24/2021

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

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

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

CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
FILING ENDORSEMENT

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

for

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

ID NUMBER: 726989

received by facsimile transmission on August 16, 2017 is hereby endorsed.

Filed on August 23, 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 23rd day of August, 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.	
Name		EFFECTIVE DATE:
Peter Vandersluis		
Address		
4463 Leonard NW		
City	State	Zip
Walker	MI	49544
		726989

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

OF

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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: West Michigan Academy of Environmental Science.

The corporation identification number ("CID") assigned by the Bureau is: 726989.

The corporation has used no other names.

The date of filing the original Articles of Incorporation was: August 18, 1994.

The dates of filing restated Articles of Incorporation were: August 1, 1995, August 11, 2000, and April 28, 2004.

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: West Michigan Academy of Environmental Science.

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.

The value of assets which the corporation possesses is:

Real Property: \$12,000,000
Personal Property: \$703,500

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 academics.
- 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 Peter Vandersluis.

The address of its registered office in Michigan is: 4463 Leonard NW, Walker, MI 49544.

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 Schools³ ("The Center") Executive Director the review and approval of changes or amendments to these Restated Articles of Incorporation. In the event that a proposed change is not accepted by The Center's Executive Director, the University Board shall consider and vote upon a change proposed by the corporation following an opportunity for a written and oral presentation to the University Board by the corporation.

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

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

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

ARTICLE XII

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

ADOPTION OF ARTICLES

These Restated Articles of Incorporation were duly adopted on the 8th day of August 2017, in accordance with the provisions of Section 642 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 8th day of August, 2017.

By: 

Mr. Peter Vandersluis, President

CONTRACT SCHEDULE 2

AMENDED BYLAWS

TABLE OF CONTENTS

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

AMENDED BYLAWS

ARTICLE I – Name	1
ARTICLE II – Form of Academy	1
ARTICLE III – Offices	1
1. Principal Office	1
2. Registered Office	1
ARTICLE IV – Board of Directors.....	1
1. General Powers	1
2. Method of Selection and Appointment	1
3. Length of Term	2
4. Number of Director Positions	2
5. Qualifications of Academy Board Members	2
6. Oath of Public Office	2
7. Tenure	3
8. Removal and Suspension	3
9. Resignation	3
10. Board Vacancies	3
11. Compensation	3
ARTICLE V – Meetings	3
1. Annual and Regular Meetings	3
2. Special Meetings	3
3. Notice; Waiver	3
4. Quorum	4
5. Manner of Acting	4
6. Open Meetings Act	4
7. Presumption of Assent	4
ARTICLE VI - Committees	4
1. Committees	4
ARTICLE VII – Officers of the Board	5
1. Number	5
2. Election and Term of Office	5
3. Removal	5

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

AMENDED BYLAWS
OF
WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

ARTICLE I
NAME

This organization shall be called West Michigan Academy of Environmental Science (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 11th day of May, 2021.
h

Dr. Philip Wheeler

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 West Michigan Academy of Environmental Science ("Academy"), a public school academy.

Preliminary Recitals

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

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

"Agreement" means this Fiscal Agent Agreement.

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

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

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

"State" means the State of Michigan.

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

ARTICLE II

FISCAL AGENT DUTIES

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

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

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

Section 2.4. Academy Board Requests for Direct Intercept of State School Aid Payments. If the Academy Board (i) authorizes a direct intercept of a portion of its State School Aid Payments from the State to a third party account for the payment of Academy debts and liabilities; or (ii) assigns or directs that a portion of its State School Aid Payments be forwarded by the Fiscal Agent to a third party account for the payment of Academy debts and liabilities, then Academy shall submit to The Governor John Engler Center for Charter Schools at Central Michigan University for review and consideration: (i) a copy of the Academy Board's resolution authorizing the direct intercept or the assignment or direction of State School Aid Payments; (ii) a State School Aid Payment Agreement and Direction document that is in a form and manner acceptable to the Fiscal Agent; and (iii) other documents as required. The Center reserves the right to not acknowledge in writing any State School Aid Payment Agreement and Direction that is not in a form and manner acceptable to the Fiscal Agent. The State School Aid Payment and Direction document shall include language that the third party lender or trustee acknowledges and consents to the transfer of State School Aid Payments into the Academy's dissolution account, as set forth in Article X of the Terms and Conditions. Any unspent funds remaining in the Academy dissolution account after payment of all wind-up and dissolution expenses shall be returned to the Academy.

ARTICLE III

STATE DUTIES

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

Section 3.2. State School Aid Payment Overpayments and Penalties. The State, through its Department of Education, has sole responsibility for determining State School Aid Payment overpayments to the Academy and the method and time period for repayment by the Academy. The State, through its Department of Education, has sole responsibility for assessing State School Aid penalties against the Academy for noncompliance with the Code and the State School Aid Act of 1979, as amended.

Section 3.3. Method of Payment. Each State School Aid Payment for the Academy will be made to the Fiscal Agent by the State Treasurer by issuing a warrant and delivering the warrant to the Fiscal Agent by electronic funds transfer into an account specified by the Fiscal Agent, or by such other means deemed acceptable to the Fiscal Agent. The State shall make State School Aid Payments at the times specified in the State School Aid Act of 1979, as amended.

ARTICLE IV **ACADEMY DUTIES**

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

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

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

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

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

ARTICLE V **RECORDS AND REPORTS**

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

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

ARTICLE VI

CONCERNING THE FISCAL AGENT

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

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

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

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

This space left intentionally blank.

ACKNOWLEDGMENT OF RECEIPT

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

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

Date: January 25, 2021

CONTRACT SCHEDULE 4

OVERSIGHT, COMPLIANCE
AND REPORTING AGREEMENT

SCHEDULE 4

OVERSIGHT, COMPLIANCE AND REPORTING AGREEMENT

This Oversight, Compliance, and Reporting Agreement is part of the Contract issued by the Central Michigan University Board of Trustees ("University Board"), an authorizing body as defined by the Revised School Code, as amended (the "Code"), to West Michigan Academy of Environmental Science ("Academy"), a public school academy.

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III **RECORDS AND REPORTS**

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

ARTICLE IV

MISCELLANEOUS

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

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

Section 4.3. Audit and Evaluation. The Academy:

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

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

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

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

Qualifications	5-1
Administrator and Teacher Evaluation Systems	5-1
Performance Evaluation System	5-1
Teacher and Administrator Job Performance Criteria	5-1
Reporting Structure	5-1
Position Responsibilities	5-1
School Administrator(s)	5-1
Instructional Staff	5-2
Non-Instructional Staff	5-2
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 Choice Schools Associates, L.L.C., 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.

MANAGEMENT SERVICES AGREEMENT

AMENDMENT

The Management Services Agreement (the “Agreement”) made and entered into as of the 1st day of July 2021, by and between Choice Schools Associates, L.L.C., a Michigan limited liability company (“CSA”), and the West Michigan Academy of Environmental Science (the “Academy”), a body corporate and public school academy organized under Part 6A of the Michigan Revised School Code (the “Code”), is hereby amended effective as of May 17, 2021.

WHEREAS, the Academy operates pursuant to a charter contract (the “Contract”) issued by Central Michigan University (“CMU”); and

WHEREAS, CSA is a limited liability company providing educational and managerial services to public school academies that has the ability to implement a comprehensive educational program and management methodologies for the Academy; and

WHEREAS, the Academy contracted with CSA on July 1, 2021, to perform certain services related to the Academy’s educational program and operations; and

WHEREAS, CSA and the Academy agree to amend the Management Services Agreement to provide an updated fee schedule for the remainder of the Agreement term; and

WHEREAS, Article XI, Paragraph F of the Management Services Agreement permits written modification of this Agreement if agreed to by both parties.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

The parties agree to amend Article V (Financial Arrangement) C (Compensation for Services) of the contract with the following language:

ARTICLE V

FINANCIAL ARRANGEMENT

C. Compensation for Services. For the term of this Agreement, the Academy shall pay Choice an annual fee. This annual fee shall be as follows:


1. **2021-2022 School Year.** The annual fee to be paid for services performed between July 1, 2021, through June 30, 2022, shall be ten (10.00%) percent of all gross revenues.
2. **2022-2023 School Year.** The annual fee to be paid for services performed between July 1, 2022, through June 30, 2023, shall be ten (10.00%) percent of all gross revenues.

For purposes of this Section, the term "gross revenues" means the sum of (a) the amount of all payments applicable to a school year that the Academy receives directly or indirectly under Article V, Paragraph A (subject to MDE oversight, audit, and adjustment) including amounts retained by CMU plus (b) the amount of all grants received by the Academy under Article V, Paragraph B(2) that were initiated and administered by Choice and which are to be expended during that school year. The parties expressly agree that the management fee paid out of the general fund for grant management services related to ESSER II and ESSER III dollars only will be calculated at a reduced fee of 1%, and CSA will not attempt to recoup the percentage differential in the future years.

Choice's annual fee shall be paid in twelve (12) equal monthly installments beginning in July of each school year. The exact day of the month that each monthly installment payment is to be paid will coincide with the timing of any state aid payment from the State of Michigan to be received in that month. In months where no state school aid payments are to be received, the day of the month when that monthly installment will be due will be mutually agreed upon by the parties after taking into consideration available year-end funds and the timing of funds to be made available from state aid anticipation notes or other sources. All installments of the annual fee for the final year on this Agreement shall be paid by June 30th of the final year of the Agreement if this Agreement is not extended beyond the scheduled termination date. The amount of the annual fee is subject to a reduction in a mutually agreeable amount in any school year if extenuating circumstances make payment of the entire annual fee inappropriate.

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

CHOICE SCHOOLS ASSOCIATES, L.L.C.
ENVIRONMENTAL SCIENCE

By  _____

Chief Executive Officer

WEST MICHIGAN ACADEMY OF

By 

President, Board of Directors

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement (the "Agreement") is made and entered into as of the 1st day of July 1, 2021, by and between Choice Schools Associates, L.L.C., a Michigan limited liability company ("CSA"), and the West Michigan Academy of Environmental Science (the "Academy"), a body corporate and public school academy organized under Part 6A of the Michigan Revised School Code (the "Code").

WHEREAS, the Academy operates pursuant to a charter contract (the "Contract") issued by the Central Michigan University Board of Trustees ("CMU"); and

WHEREAS, the Academy operates as a public school academy under the direction of the Academy Board (the "Board"); and

WHEREAS, CSA is a limited liability company providing educational and managerial services to public school academies that has the ability to implement a comprehensive educational program and management methodologies for the Academy; and

WHEREAS, the Academy desires to engage CSA to perform certain services related to the Academy's educational program and operations.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE I

CONTRACTUAL RELATIONSHIP

A. **Academy Authority.** The Academy has been granted the Contract by CMU to organize and operate a public school academy, together with the powers necessary or desirable for carrying out the educational program set forth in the Contract. The Academy is authorized by law to contract with a private entity to provide educational management services, provided that no provision of such a contract shall be effective if it would prohibit the Board from acting as an independent, self-governing public body, allow public decisions to be made other than in compliance with the Open Meetings Act, or interfere with the Board's constitutional duty to exercise its statutory, contractual and fiduciary obligations governing the operation of the Academy.

B. **Delegated Authority.** Acting under and in the exercise of such authority, the Academy hereby engages CSA, to the extent permitted by law, to perform specified functions relating to the provision of educational services and the management and operation of the Academy; provided, however, that this Agreement is subject to all the

terms and conditions of the Contract. The Contract shall be deemed incorporated herein by this reference. In the event of any inconsistency between provisions of this Agreement and provisions of the Contract, the provisions of the Contract shall prevail.

C. Status of the Parties. CSA is a limited liability company of Michigan and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code and is not a division or part of CSA. The relationship between CSA and the Academy is based solely on the terms of this Agreement. The parties to this Agreement intend that the relationship between them is that of an independent contractor, not an employee-employer relationship. The relationship between the parties was developed and entered into through arm's length negotiations and is based solely on the acts of its agents, employees, and subcontractors.

D. Designation of Agents. No agent or employee of the Academy shall be determined to be an agent or employee of CSA for any reason or purpose. No agent or employee of CSA shall be determined to be an agent or employee of the Academy, except as follows:

1. CSA, and its respective officers, directors, employees and designated agents are each hereby authorized to serve as agents of the Academy having a legitimate educational interest in the Program and its students for purposes of the Family Educational Rights and Privacy Act, 20 U.S.C. §1232g et seq., ("FERPA"), such that they are jointly and severally entitled to access the educational records of the Program for all purposes related to FERPA.
2. During the term of this Agreement, the Academy may disclose confidential data and information to CSA, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation, the Individuals 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 Americans 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.
3. As otherwise expressly designated by written agreement of the parties with consent from anyone whose consent is required by law or contract.

ARTICLE II

TERM

A. **Term.** This Agreement shall become effective July 1, 2021, and shall cover ten (10) academic years commencing on July 1, 2021 and ending on June 30, 2031, subject to a continued Contract from CMU and continued state per capita funding. The Contract from CMU is effective through June 30, 2031 and the parties recognize that during the reauthorization process CMU may condition an extension or reauthorization of the Contract upon modifications to this Agreement or submission of a new agreement.

B. **Revocation or Termination of Contract.** If the Academy's Contract issued by the Central Michigan University Board of Trustees is revoked, terminated or a new charter contract is not issued to the Academy after expiration of the Academy's Contract, this Agreement shall automatically terminate on the same date as the Academy's Contract is revoked, terminated, or expires without further action of the parties. In the event that a reconstitution of the Academy's Contract includes measures that require cancelling of this Agreement, this Agreement shall automatically terminate on the same date as the effective date of the reconstitution of the Academy's Contract.

C. **Reconstitution of Contract.** In the event that the Academy is required (i) to close an Academy site pursuant to notice issued by the Michigan Department of Education under the Code; or (ii) to undergo reconstitution pursuant to the Code, and the Contract, and such a 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 CSA shall have no recourse against the Academy or the University Board for implementing such a site closure or reconstitution.

ARTICLE III

FUNCTIONS OF CSA

A. **Responsibility.** CSA shall be responsible for the management, operation, administration, and education at the Academy, consistent with Board Policy, the Contract and applicable law. Such functions include, but are not limited to:

1. Implementation and administration of the Educational Program and curriculum contained in the Contract;
2. Marketing and communication plan development for board approval; the cost of implementation shall be the Academy's responsibility;
3. Budget preparation and financial management services. The software costs associated with financial record keeping and reporting for the Academy shall be the Academy's responsibility;

4. Management of accounting and bookkeeper services;
5. Risk mitigation;
6. Acquisition of instructional and non-instructional material, equipment and supplies, the cost of which shall be the Academy's responsibility;
7. Selection, employment and supervision of all teachers and staff and the personnel management services (recordkeeping, wage and benefits administration, training and technical assistance) necessary to support those employees;
8. Food service oversight;
9. Transportation oversight;
10. Facilities management, including assistance in securing funding sources and advisors for facility improvement;
11. Preparation and timely submission of required CMU, local, state and federal reports;
12. Information and technology system oversight;
13. Preparation of applications and reports for State and Federal grants;
14. Oversight of school building operations;
15. Administration of extra-curricular and co-curricular activities and programs approved by the Board;
16. Preparation and implementation of administrative guidelines supporting board policy, including student codes of conduct;
17. Provision of special education programs and services to eligible students who attend the Academy in conformity with the requirements of state and federal laws and applicable regulations and policies.

B. Educational Goals and Program. CSA shall implement the educational goals and programs set forth in the Contract, including but not limited to methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade classifications or pupils to be enrolled, and methods to be used to monitor performance towards targeted educational outcomes (collectively the "Educational Program"). In the event that CSA determines that it is advisable to modify the Educational Program set forth in the Contract, CSA will provide written notification to the Board specifying the changes it recommends and the reasons for the proposed changes. No changes

in the Educational Program shall be implemented without the prior written approval of the Board and CMU. CSA shall provide the Board with periodic written reports specifying the level of achievement of each of the Academy's educational goals set forth in the Contract and detailing its plan for meeting any educational goals that are not being attained. These reports will be submitted to the Board immediately prior to the Board's regular meeting in January and July each year, and at such other times as specified in Board policy as the same may be changed from time to time.

C. **Subcontracts.** It is anticipated that CSA will utilize subcontracts to provide some of the services it is required to provide to the Academy, including but not limited to transportation and/or food service. CSA shall not subcontract the management, oversight or operation of the teaching and instructional program, without the prior approval of the Board. Board approval of other subcontracts is not required unless the cost for these subcontracted services is projected to exceed the funds appropriated for that purpose in the Academy's approved budget. CSA will receive no additional fee as a result of subcontracting of any services. CSA remains responsible to the Academy for the services provided through subcontracting agreements. CSA shall ensure that all subcontracts comply with applicable law including the Family Educational Rights and Privacy Act, 20 U.S.C. §1232g et seq., ("FERPA") and the criminal background check provisions of the Code.

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

E. **Acquisitions.** All acquisitions made by CSA for the Academy, including, but not limited to, instructional materials, equipment, supplies, furniture, computers and other technology, shall be owned by and remain the property of the Academy. CSA and its subcontractors will comply with all federal and state laws, rules, and regulations in addition to such policies as the Board may, from time to time adopt, under Section 1267 and Section 1274 of the Code as if the Academy were making these purchases directly from a third party supplier or vendor. CSA will not add any fees or charges to the cost of the equipment, materials and supplies purchased from third parties when it seeks reimbursement for the cost of these acquisitions.

F. **Pupil Performance Standards and Evaluation.** CSA is responsible for and accountable to the Board for the performance of students who attend the Academy. CSA shall implement pupil performance evaluations which permit evaluation of the educational progress of each Academy student, using measures of student and school performance required by the Contract or applicable laws and such additional measures as shall be mutually agreed upon by the Board and CSA including but not limited to parent satisfaction surveys.

G. **Student Recruitment.** CSA shall be responsible for the recruitment of students subject to the provisions of the Contract or applicable laws and the policies adopted

by the Board. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with the Code and other applicable law. CSA shall follow all applicable procedures regarding student recruitment, enrollment and lottery management, and shall be responsible for publication of appropriate public notices.

H. **Student Due Process Hearings.** CSA shall provide students with procedural and substantive due process in conformity with the requirements of applicable law and Board policy regarding discipline, special education, confidentiality and access to records, to an extent consistent with the Academy's own obligations. The Board shall retain the right to provide due process as required by law and to determine whether any student will be expelled.

I. **Legal Requirements.** CSA shall provide educational programs that meet the requirements under the Contract and applicable law, unless such requirements are or have been waived.

J. **Rules and Procedures.** The Board shall consider, adopt and conduct its operation in conformity with policies and procedures applicable to the Academy and CSA is directed to enforce the policies and procedures adopted by the Board. CSA shall assist the Board in its policy making function by recommending the adoption of reasonable policies and procedures applicable to the Academy.

K. **School Year and School Day.** The school year and the school day shall be as provided in the Contract and as defined annually by the Board in compliance with applicable law.

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

M. **Compliance with Academy's Contract.** CSA 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 Central Michigan University Board of Trustees, including all schedules attached thereto and policies references therein, as they may be amended. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement. CSA agrees to assist the Academy in complying with all of the Academy's reporting, recordkeeping, and other obligations under the Academy's Contract. CSA shall not act in a manner which will cause the Academy to be in breach of its Contract. Any action or inaction by CSA that causes the Contract to be in jeopardy of revocation, termination or reconstitution is a material breach of the Agreement. In addition, a failure of CSA to perform reasonably the functions set forth in Article III may be considered a material breach of this Agreement.

N. **Additional Programs.** The services provided by CSA to the Academy

under this Agreement consist of the Educational Program as set forth in the Contract, as the same may change from time to time. The Academy may decide to provide additional programs, including but not limited to summer school. Any revenues collected from such programs will go directly to the Academy. The Academy may also purchase additional services from CSA at mutually agreeable cost. Such additional services shall be documented in writing as an amendment to this Agreement, subject to review by CMU.

O. Annual Budget Preparation. The Board shall by Board resolution appoint the Board Treasurer, or such other officer as determined by the Board, to serve as the chief administrative officer of the School (the "CAO") under the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.* (the "Budgeting and Accounting Act") Notwithstanding any other provision of the Agreement to the contrary, the Board resolution may designate CSA's chief financial officer, or such other CSA employee as is mutually agreed upon by CSA and the Academy, as the designated agent of the CAO to assist the CAO with the performance of the CAO's duties under the Budgeting and Accounting Act. CSA will provide the Board with a proposed annual budget that shall conform to the Michigan Public School Accounting Manual and the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq.* and in a form satisfactory to the Board and in compliance with the Contract. The budget shall contain reasonable detail as requested by the Board and as necessary to comply with the public accounting standards applicable to public schools and applicable law. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Academy and the Educational Program including, but not limited to, the projected cost of all services and educational programs provided to the Academy, rent and lease payments, debt service, maintenance and repairs to Academy facilities, supplies and furnishings necessary to operate the Academy, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Academy. The proposed budget shall be submitted to the Board for approval not later than thirty (30) calendar days prior to the date when the approved budget is required to be submitted to CMU. CSA may not make deviations from the approved budget without the prior written approval of the Board.

Q. Operational Reporting. At least four (4) times per year CSA will provide the Board with comprehensive written reports detailing Academy operations, finances, and student performance. In order to enable the Board to monitor CSA's educational performance and the efficiency of its operation of the Academy, upon the request of the Board, CSA will provide written reports to the Board on any topic of Academy activity or operations and which are consistent with this Agreement. These special reports will be provided in a timely fashion, but not less than one (1) week after the request for the report is received by CSA unless the Board and CSA mutually agree upon an extended timetable.

R. Compliance with Section 503c. On an annual basis, CSA agrees to provide the Board all of the same information that a school district is required to disclose under section 503c of the Code, MCL 380.503c or under section 18(2) of the State Aid Act of 1979, MCL 388.1618(2), for the most recent school fiscal year in which the information is available. Within thirty (30) days of receiving the information under section 18 (2), the Board and CSA shall make this information publicly available on the Academy's 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.

S. Compliance with the Contract. CSA shall make information concerning the operation and management of the Academy, including without limitation the information described in the Contract, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Contract.

T. Suspension and Debarments List. Federal agencies are required to award contracts only to presently responsible sources and cannot award funds to entities that have been suspended or debarred from doing business with the federal government. The Academy is a recipient of federal funding and CSA is required to refrain from any action that will result in being suspended or debarred. CSA certifies and affirms that it is not included on the federal Suspension and Debarments list of Excluded Parties List; nor is CSA affiliated with any party that is included on the federal Suspension and Debarments list of Excluded Parties List.

U. Personally Identifiable Information. CSA agrees to treat all personally identifiable information ("PII") received from the Academy or from students confidentially and securely, in compliance with all applicable laws and regulations related to protecting the privacy of PII, including without limitation the Family Education Rights and Privacy Act (FERPA), the Michigan Revised School Code, and Section 5 of Michigan's Student Online Personal Protection Act, MCL 388.1295. Except as permitted under the Code, CSA shall not sell or otherwise provide to a for-profit business entity any PII that is part of an Academy student's education records. If CSA receives information that is part of an Academy student's education records, CSA shall not sell or otherwise provide the information to any other person except as permitted under the Code. For purposes of this section, the terms "educational records" and "personally identifiable information" shall have the same meaning as those terms in section 1136 of the Code, MCL 380.1136. In addition, CSA will maintain a documented security program that incorporates appropriate, commercially reasonable, and industry-standard security measures to protect such PII. CSA will notify the Academy of any security breach that impacts PII received from the academy or from students within a commercially reasonable time after discovery, and will provide regular status updates until the breach is resolved. After final resolution of the breach, CSA will provide the Academy with a final incident report.

V. Data Security Breach. CSA 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. CSA 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 CSA has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (v) whether, and if so on what grounds, CSA 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 CSA has taken or shall take to prevent future similar unauthorized use or disclosure. CSA shall provide such other information as reasonably requested by the Academy Board. CSA shall take appropriate action, in accordance with MCL 445.72, to notify affected individuals whose CDI may have been compromised.

ARTICLE IV

OBLIGATIONS OF THE BOARD

A. **Board Policy Authority.** The Board is responsible for determining the fiscal and academic policies that will govern the operation of the Academy, including policies relative to the conduct of students while in attendance at the Academy or enroute to and from the Academy and regulations governing the procurement of supplies, materials and equipment. The Board shall exercise good faith in considering the recommendations of CSA on issues including, but not limited to, policies, rules, regulations, procedures, curriculum and budgets subject to the constraints of law and the requirements of the Contract. Failure of CSA and the Board to agree on educational policies is grounds for termination of the Agreement by either party and will be subject to Article VII (D) of this Agreement.

B. **Building Facility.** The Board is responsible for the acquisition by either purchase or lease of a building facility that complies with all of the requirements of the Contract.

C. **Academy Employees.** The Board may employ such employees as it deems necessary, including a Liaison Officer to review the operations of the Academy and the performance of CSA under this Agreement, and to ensure smooth relationships among the Academy, CSA, and CMU. The Board Liaison Officer may be employed full or part-time and will perform the functions established by the Board. The Board may also employ such clerical staff as it deems necessary. CSA shall cooperate with the Board Liaison Officer and will provide that individual with prompt access to records, facilities, and information as if such requests came from the full Board. CSA shall have no authority to select, evaluate, assign, supervise or control the Board Liaison Officer and agrees that it will not bring or threaten to bring any legal action against the Liaison Officer for the performance of the duties and functions established for that position by the Board and which are consistent with this Agreement. The cost to employ a Liaison Officer and necessary clerical employees shall be paid by the Board. The cost to employ Academy employees shall be paid by the Board.

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

which are consistent with this Agreement. The cost to employ an educational consultant shall be paid by the Board.

E. **Legal Counsel.** The Board shall select and retain legal counsel to advise it on any matter, including but not limited to its rights and responsibilities under the Contract, this Agreement and applicable law.

F. **Audit Services.** The Board shall select and retain an independent auditor to perform the annual financial audit in accordance with the Contract and applicable state law.

G. **Budget.** The Board is responsible for adopting a budget in accordance with the provisions of the Uniform Budgeting and Accounting Act, MCL 141.421 *et seq*, that has adequate resources to fulfill its obligations under the Contract, including but not limited to its oversight of CSA, the organization of the Academy, negotiation of the Contract and any amendments, payment of personnel costs, insurance required under the Contract and this Agreement, the annual financial audit and retention of the Board's legal counsel and consultants. CSA may not make expenditures or commitments which deviate from the amounts or purposes of appropriations contained in the approved budget without the prior approval of the Board in the form of an approved amendment to the budget in accordance with applicable law and the Contract. In addition, the Board is responsible for determining the budget reserve amount included as part of the Academy's annual budget, for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount and for approving necessary amendments to the budget to reflect necessary deviations from the adopted budget. The budget may be amended from time to time as deemed necessary by the Board. The Board shall designate an Academy Board member as the Chief Administrative Officer of the Academy.

H. **Academy Funds.** The Board shall determine the depository of all funds received by the Academy. All funds received by the Academy shall be initially deposited in the Academy's depository account. Signatories on all Board accounts shall solely be current Board members properly designated annually by Board resolution. All interest or investment earnings on Academy accounts shall accrue to the Academy. The Board shall provide Academy funding on a consistent and timely basis to CSA in order that CSA may fulfill its obligations under this Agreement.

I. **Governmental Immunity.** The Board shall determine when to assert, waive or not waive its governmental immunity. Nothing in this Agreement is intended to, nor shall it be construed, as a relinquishment or waiver by the Board of any immunity from action or liability.

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

K. **Evaluation of CSA.** The Board will evaluate the performance of CSA each year to provide CSA with an understanding of the Board's view of its performance under this Agreement. The Board will determine the format to conduct this evaluation. Special evaluations may occur at any time.

ARTICLE V

FINANCIAL ARRANGEMENT

A. **Primary Source of Funding.** As a Michigan public school academy, the primary source of funding for the Academy is state school aid payments based upon the number of eligible students enrolled in the Academy combined with such other payments as may be available from state and federal sources for specific programs and services.

B. **Other Revenue Sources.** In order to supplement and enhance the state school aid payments and improve the quality of education at the Academy, the Board and CSA, with prior Board approval, shall endeavor to obtain revenue from other sources. In this regard:

1. The Academy and/or CSA shall solicit and receive donations consistent with the mission of the Academy.
2. The Academy and/or CSA may apply for and receive grant money, in the name of the Academy. CSA shall provide advance notification to the Board of any grant applications it intends to make and receive the approval of the Board for the application prior to filing or submitting any grant.
3. To the extent permitted by law, CSA may charge fees to students for extra services such as summer programs, after school programs and athletics and charge non-Academy students who participate in such programs approved by the Board.

All funds received by CSA or the Academy from such other revenue sources shall inure to and be deemed the property of the Academy, except as otherwise agreed by the parties in writing as an amendment to this Agreement.

C. **Compensation for Services.** For the term of this Agreement, the Academy shall pay CSA an annual fee. This annual fee shall be calculated as follows: The annual fee to be paid for services performed between July 1, 2021 through June 30, 2031 shall be ten (10.00%) percent of all annual gross revenues less the three percent (3%) retained by CMU for its oversight fee.

CSA's annual fee shall be paid in twelve (12) equal monthly installments beginning in July of each school year. The exact day of the month that each monthly installment is to be paid will coincide with the timing of any state school aid payment from the State of Michigan to be received in that month. In months where no state school aid payments are to be received, the day of the month when that monthly installment will be due will be mutually agreed upon by the parties after taking into consideration available year-end funds and the timing of funds to be made available from state school aid anticipation notes or other sources. All installments of the annual fee for the 2030- 2031 school year shall be paid by June 30, 2031 if this Agreement is not extended beyond the scheduled termination date. The amount of the annual fee is subject to reduction in a mutually agreeable amount in any school year if extenuating circumstances make payment of the entire annual fee inappropriate.

D. Reasonable Compensation. The parties wish to satisfy the requirements of Rev. Proc. 97-13 so that the provision of CSA's services under this Agreement does not cause the Academy's facilities to be treated as used in a private business use under Section 141(b) of the Internal Revenue Code of 1986, as amended. CSA's compensation under this Agreement is reasonable compensation for services rendered. CSA's compensation for services under this Agreement will not be based, in whole or in part, on a share of net profits from the operation of the Academy.

E. Payment of Educational Program Costs. In addition to the Academy's obligation to pay or reimburse CSA for the cost to employ CSA employees under Article VI(B), (C) and (D), all costs reasonably incurred within Board approved budget parameters in providing the Educational Program at the Academy shall be paid by the Academy. Such costs shall include, but shall not be limited to, curriculum materials, professional development and training, textbooks, library books, computer and other equipment, software, supplies utilized at the Academy for educational purposes, building payments, maintenance, utilities, capital improvements, and marketing and development costs. Marketing and development costs charged to the Academy shall be limited to those costs specific to the Academy's program, and shall not include any costs for the marketing and development of CSA. The Board shall pay or reimburse CSA monthly for approved fees and expenses, as identified in the board approved annual budget, upon properly presented documentation and approval by the Board at its next regularly scheduled meeting. Alternatively, the Board may advance funds to CSA for the fees and expenses associated with the Academy's operation provided that documentation for the fees and expenses are provided for Board ratification at its next regularly scheduled meeting. In paying costs on behalf of the Academy, CSA shall not charge an added fee. Any costs reimbursed to CSA that are determined by the independent audit not to be reasonably incurred on behalf of the Educational Program of the Academy shall be promptly returned to the Academy by CSA.

F. CSA Costs. The annual fee to be paid to CSA set forth in Article V, Section C is intended to compensate CSA for all expenses it incurs for administrative services it is required to provide under this Agreement, including but not limited to, expenses associated with individuals providing professional and curriculum development services, accounting services, clerical services, management and budgeting services, and administrative services. CSA will provide sufficient professional and non-professional staff in these areas, who shall be compensated by CSA. In addition, the annual fee is intended to compensate CSA for all costs incurred by CSA to provide these services. The annual fee does not include payments for CSA personnel provided pursuant to Article VI (B), (C), and (D), the cost of which will be paid or reimbursed to CSA in accordance with Article VI (A). Any services to be provided by CSA that are included in the annual fee but are performed by a subcontractor shall not be charged to, reimbursed by, or passed through as an additional cost to the Academy. Additionally, no corporate costs of CSA shall be charged to, or reimbursed by, the Academy.

G. CSA Legal Services. The annual fee set forth in Article V, Section C is intended to compensate CSA for routine legal fees it incurs to receive advice regarding the

scope of its obligations under state and federal law to provide the administrative and financial services CSA is required to provide under this Agreement. The annual fee does not cover non-routine legal services, including but not limited to the legal fees and costs associated with the appointment of special education hearing officers and the engagement of counsel to represent the Academy in legal or administrative proceedings, which are the responsibility of the Academy. The Board shall at all times retain the sole authority and discretion to engage independent legal counsel

H. **Other Public School Academies.** The Academy acknowledges that CSA has entered, or will enter into management agreements with other public school academies. CSA shall separately account and provide written detail for reimbursable expenses incurred on behalf of the Academy and other public school academies, and only charge the Academy for expenses incurred on behalf of the Academy.

I. **Financial Reporting.** On not less than a monthly basis, CSA shall provide the Board with monthly financial statements that shall include a balance sheet, an object level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information and an explanation of the variances of expenditures for review and approval by the Board. This report shall explain any variances from the approved budget and shall contain recommendations for necessary budget corrections. The foregoing presentation shall be in a form and format acceptable to the Board and shall be provided to Board members not less than seven (7) business days prior to the Board meeting at which the information will be considered in the Board packets sent to Board members in preparation for Board meetings. CSA shall provide special reports as necessary to keep the Board informed of changing conditions. All finance and other records of the ESP related to the Academy will be made available to the Academy, the Academy's independent auditor and the Authorizer upon request.

J. **Audit Report Information.** CSA will make all of its financial and other records related to the Academy available to the Academy, the Academy's independent auditor selected by the Board and CMU upon request.

K. **Other Financial Relationships.** Any lease, promissory notes or other negotiable instruments, lease-purchase agreements or other financing agreements between the Academy and CSA shall be contained in a document separate from this Agreement and shall comply with applicable law and CMU's Educational Service Provider Policies.

L. **Access to Records.** CSA shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial, educational and student records prepared by or in the possession of CSA, and retain all of these records for a period as required by Bulletin 1022 of Michigan's Record Retention Schedule, or applicable law, whichever period is the longest, from the close of the fiscal year to which such books, accounts and records relate. CSA shall further make information concerning the operation and management of the Academy, including but not limited to, information required to be kept by the Contract with CMU, including all exhibits and schedules, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy

its obligations under the Contract and to CMU upon request. Financial, educational, operational and student records that are now or may in the future come into the possession of CSA remain Academy records and are required to be returned by CSA to the Academy upon demand, provided that CSA may retain copies of records necessary to document the services provided to the Academy and its actions under the Agreement. CSA and the Academy shall maintain the proper confidentiality of personnel, student and other records as required by law. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. The financial, educational, operational and student records pertaining to the Academy are Academy property, and are public documents subject to disclosure in accordance with the provisions of the Michigan Freedom of Information Act. This Agreement shall not be construed to restrict CMU's or the public's access to these records under the Freedom of Information Act or the Contract, except to the extent permitted by law.

M. Access to Confidential Information. The Academy agrees to define "school official" in the Academy's annual notification of rights under 20 U.S.C. § 1232g, 34 C.F.R. § 99, FERPA to include a contractor who performs an institutional service or function for which the Academy would otherwise use its own employees, who is under the direct control of the Academy with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. § 99.33(a) governing the use and redisclosure of personally identifiable information from education records. The Board designates CSA and certain of its employees and subcontractors as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. CSA and its employees and subcontractors agree to comply with FERPA and corresponding regulations applicable to school officials. Except as set forth in this Paragraph or as expressly acknowledged in writing by the Board, no employee of CSA shall be deemed to be an agent of the Academy. During the term of this Agreement, the Academy may disclose, and CSA and its officers, directors, employees and designated agents may have access to, confidential information to the extent permitted by applicable law, including without limitation, the Family Educational Rights and Privacy Act, 20 U.S.C. §1232g et seq., ("FERPA"), the Individuals 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 Americans 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. CSA agrees that it shall comply with all applicable law regarding the safeguarding of the confidentiality of such information.

ARTICLE VI

PERSONNEL AND TRAINING

A. **Personnel Responsibility.** CSA is responsible for providing the Academy with a School Administrator and other qualified administrative, teaching, food service, secretarial, maintenance and transportation staff to operate the Academy within the staffing levels approved by the Board in its annual budget. CSA shall have the responsibility to recruit, select, hire, evaluate, compensate, assign, discipline, transfer and terminate the employment of all individuals that it employs to provide services at or for the Academy, consistent with state and federal law and the provisions of this Agreement. With the exception of the Board employees, if any, CSA shall be the employer of all individuals working at or for the Academy and accepts full liability and is responsible for the payment of all costs incurred by CSA attributable to these employees, including wages, salaries, fringe benefits, payroll taxes, social security contributions, unemployment costs, workers compensation costs, and liability insurance costs irrespective of whether CSA receives an advancement of its costs or the payment of services from the Academy. Unless required by applicable statute, court or administrative decision, or Attorney General's opinion, CSA shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees. CSA will provide the Board with a detailed listing of the actual wages, salaries, fringe benefits, social security contributions, unemployment costs and workers compensation costs for all employees of CSA who will be assigned to provide services at the Academy. The Board will pay or reimburse CSA for the cost of the actual wages, salaries, fringe benefits, social security contributions, unemployment costs, and workers compensation costs of employees assigned to the Academy not later than three (3) business days before that compensation is due to the employees or to other entities to be paid to provide these benefits, provided that these costs are not higher than anticipated and approved in the annual budget. At the request of the Board, CSA will provide payroll services for employees of the Board. CSA will not assign any employee to work at the Academy who has not successfully completed a pre-employment background check (including statutorily required criminal history, criminal background and unprofessional conduct checks) consistent with Michigan State Police guidelines and credential verification, and, a pre-employment physical if appropriate. CSA will not place in the employment contracts with any of its employees assigned to work at the Academy any non-compete agreements of any nature. CSA agrees that any provision of an employment agreement with any of its employees that would be in violation of this provision is void and shall not be enforceable in any forum. CSA will comply with the requirements of applicable law, including but not limited to section 1249 of the Code, MCL 380.1249, regarding the evaluation of its employees based in part upon data on student growth and the establishment of employee compensation levels that include job performance and job accomplishments as a significant factor. In the event that an employee hired by CSA is retired under the Michigan Public School Employees Retirement Act, CSA will comply with any applicable notice and reporting requirement.

B. **School Administrator.** CSA shall provide the Academy with a School Administrator who shall be responsible for the daily operational control of the Academy and to make recommendations to CSA regarding employees to be assigned to the Academy. CSA will have the authority, consistent with applicable law, to select and supervise the School Administrator

and to hold that individual accountable for the success of the Academy. The School Administrator will be a CSA employee, but the individual selected by CSA must be acceptable to the Board. CSA will consult with the Board prior to hiring the School Administrator and will consult with the Board prior to taking any action that would alter the employment status of the School Administrator. At the request of the Board, CSA will review the performance of the School Administrator with the Board. Upon receipt of written notification indicating that the Board is not satisfied with the performance of the School Administrator, CSA will provide a replacement School Administrator if the performance problems are not resolved. The Board will reimburse CSA for any reasonable costs associated with the termination of the School Administrator during a school year, at the Board's request, provided that the amount of the costs to be reimbursed shall not exceed three (3) months of the School Administrator's salary and fringe benefits. The employment contract with the School Administrator, and the duties and compensation of the School Administrator shall be determined by CSA, but that individual must be assigned on a full time basis to the Academy and may not be providing services to any other school or Academy without the prior approval of the Board. If CSA chooses to execute an employment agreement with the School Administrator that has a term longer than one year, the Board reserves the right to have the School Administrator placed elsewhere by CSA if the Board is dissatisfied with that individual's performance at the end of any school year and will be considered a non-renewal rather than a termination for purposes of this Agreement.

C. **Teachers.** As part of the annual budgeting process, CSA shall make a recommendation to the Board regarding the number of teachers required for the operation of the Academy pursuant to the Contract. CSA shall provide the Academy with such teachers, qualified in the grade levels and subjects as are required by the Academy. The curriculum taught by such teachers shall be the curriculum prescribed in the Contract. Such teachers may, at the discretion of CSA, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, such teachers may also work at other schools operated by CSA. Each teacher assigned to or retained by the Academy shall hold a valid teaching certificate or temporary special permit issued by the State Board of Education under the Code, to the extent required under the Code and the Every Student Succeeds Act of 2015 ("ESSA") or other applicable law. If CSA chooses to execute contracts with teaching staff that have a term of longer than one year, the Board reserves the right to have teachers placed elsewhere by CSA if the Board is dissatisfied with their performance at the end of any school year. Teachers employed by CSA shall not be considered teachers for purposes of continuing tenure under MCL Section 38.71 *et. seq.*

D. **Support Staff.** As part of the annual budgeting process, CSA shall make a recommendation to the Board regarding the number of support staff required for the operation of the Academy pursuant to the Contract. CSA shall provide the Academy with such support staff, qualified in the areas required, as are required by the Board. Such support staff may, in the discretion of CSA, work at the Academy on a full or part

time basis. If assigned to the Academy on a part time basis, such support staff may also work at other schools operated by CSA. Each support staff employee assigned to or retained by the Academy shall have received the training and hold the certificates, degrees or licenses legally required for the position to which they are assigned under the Code and ESSA or other applicable law. If CSA chooses to execute contracts with support staff that have a term of longer than one year, the Board reserves the right to have support staff placed elsewhere by CSA if the Board is dissatisfied with their performance at the end of any school year.

E. **Training.** CSA shall provide training to the School Administrator, teachers, paraprofessionals, and other support staff members on a regular and continuing basis and shall insure that they receive all training required by law and the policies of the Board. The School Administrator, teachers, paraprofessionals and other support staff employees shall receive such other training as CSA determines as reasonable and necessary under the circumstances within the board approved budget. CSA will be reimbursed for costs associated with this training provided it is allocated for in the board approved budget.

ARTICLE VII

TERMINATION OF AGREEMENT

A. **Termination by the Academy for Cause.** This Agreement may be terminated by the Academy for cause prior to the end of the term specified in Article II in the event that CSA should fail to remedy a material breach within a period reasonable under the circumstances, which in no event shall be longer than sixty (60) calendar days after notice from the Academy. A material breach is a failure by CSA to carry out its responsibilities under this Agreement and may include, but is not limited to, (1) failure to account for its expenditures or to pay operating costs (providing funds are available to do so), (2) failure to follow policies or procedures duly adopted by the Board, (3) failure to follow the Educational Program, (4) a violation of the Contract or of applicable law, or (5) any action or inaction by CSA that is not cured within 60 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. In order to terminate this Agreement for cause, the Board is required to provide CSA with written notification of the facts it considers to constitute material breach and the period of time within which CSA has to remedy this breach not to exceed sixty (60) calendar days. After the period to remedy the material breach has expired, the Board may terminate this Agreement by providing CSA with written notification of termination. The Academy and CSA will make every effort necessary to remedy a breach of the ESP Agreement in order to continue school operations until completion of the then current school fiscal year.

B. **Termination by CSA for Cause.** This Agreement may be terminated by CSA for cause prior to the end of the term specified in Article II in the event the Academy fails to remedy a material breach within a period reasonable under the circumstances, which in no event shall be longer than sixty (60) calendar days after notice from CSA. A material

breach is a failure by the Academy to carry out its responsibilities under this Agreement and may include, but is not limited to (1) a failure to make timely payments to CSA as required by this Agreement, (2) a failure to give consideration to the recommendations of CSA regarding the operation of the Academy), (3) a violation of the Contract or of applicable law or (4) any action or inaction by the Academy that places the Contact in jeopardy of suspension, revocation, reconstitution or termination. In order to terminate this Agreement for cause, CSA is required to provide the Board with written notification of the facts it considers to constitute material breach and the period of time within which the Academy has to remedy this breach not to exceed sixty (60) days. After the period to remedy the material breach has expired, CSA may terminate this Agreement by providing the Board with written notification of termination. The Academy and CSA will make every effort necessary to remedy a breach of the ESP Agreement in order to continue school operations until completion of the then current school fiscal year.

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

D. Termination by Either Party without Cause. This Agreement is terminable without cause if CSA and the Board are unable to agree on educational programs, curriculum or other educational policies that affect the Academy in a significant way, or if the parties are unable to agree upon the reduction of that annual fee in any school year if extenuating circumstances make payment of the entire annual fee inappropriate, either party may elect to terminate this Agreement at the end of a school year, provided that the terminating party gives the other party written notification of termination at least ninety (90) calendar days prior to the termination date and provides the other party with an opportunity within that period to negotiate an agreement on the educational policies at issue or to negotiate over the amount of the reduction of that year's annual fee.

E. Change in Law. If any federal, state or local law or regulation, or court decision has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice, may request renegotiation of the Agreement; and if the parties are unable or unwilling to renegotiate the terms within ninety (90) calendar days after the notice, the party requiring the renegotiation may terminate this Agreement on thirty (30) calendar days further written notice.

F. Notice of Intention for New Agreement. On or before January 1, 2031, the Academy shall review the performance of CSA and provide notice of intention to approve a new agreement for an additional year or years, subject to the negotiation of the terms for the new agreement and the extension or reauthorization of the Contract. In the event that the Academy does not provide timely notice of intention to continue the contractual relationship with a new agreement, CSA will take appropriate actions to provide for an orderly transition of the management functions performed under this Agreement upon its termination on June 30, 2031. CSA shall perform this transition in a similar manner as

described under Article VII(J) based upon completion of the then-current school period.

G. Effective Date of Termination. In the event this Agreement is terminated by either party prior to the end of the term specified in Article II, paragraph A, absent unusual and compelling circumstances, the termination will not become effective until the end of that school year.

H. Rights to Property Upon Termination. Upon termination of this Agreement all property (real or personal), equipment, materials and supplies whether purchased by the Academy or by CSA with state school aid funds or other funds secured by the Academy, shall remain the exclusive property of the Academy. CSA shall have the right upon proof of ownership to reclaim any usable property or equipment (e.g., including, but not limited to, desks, computers, copying machines, fax machines, telephones) that was purchased by CSA with CSA funds. Fixtures and building alterations shall become the property of the Academy.

I. Mid-Year Transition. The Academy and CSA agree that mid-year terminations should be avoided if possible, and endeavor to take reasonable efforts necessary to remedy a breach of this agreement in order to continue school operations until completion of the then current school fiscal year. If a breach cannot be remedied, the Academy Board and CSA agree to work cooperatively to transition management and operations of the academy without disrupting the Academy's operations. CSA shall perform this transition in a similar manner as described under Article VII (J) based upon completion of the then-current school period.

J. End of Agreement Transition. Upon termination or expiration of this Agreement, or if this agreement is terminated due to a Contract revocation, reconstitution, or termination or non-renewal, CSA shall, without additional charge: (i) close the financial records on the then current school fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting required within the required timelines established by the appropriate local, state or federal authority; (ii) organize and prepare student records for transition to the new educational services provider, 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 educational services provider 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 CSA to the Academy; (iv) organize and prepare the Academy's records, both electronic and hard-copy, for transition to the new educational services provider, self-management or dissolution; and (v) provide for the orderly transition to the new educational services provider, 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 VIII

PROPRIETARY INFORMATION

A. **CSA Proprietary Information and Academy Rights of Use.** CSA shall own all copyright and other proprietary rights to all instructional and educational materials, training materials, curriculum and lesson plans, and any other materials developed by CSA, its employees, agents or subcontractors, or by any individual working for or supervised by CSA, which (i) were not directly developed exclusively by staff working at the Academy; or (ii) were paid for by CSA with CSA funds. The Academy shall have an ongoing right to use, at no cost, all such materials in use as of the termination of this Agreement.

B. **Academy Proprietary Information and CSA Rights of Use.** The Academy shall own all copyright and other proprietary rights to all instructional and educational materials, training materials, curriculum and lesson plans, and any other materials (i) developed exclusively by staff working at the Academy; or (ii) both directly developed and paid for by the Academy ; or (iii) developed by CSA, at the direction of the Board with Academy funds. CSA shall have an ongoing right to use, at no cost, all such materials developed during the term of this Agreement.

C. **Required Disclosure.** Both parties shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching techniques or methods to CMU, the ISD in which the Academy is located and to the State Board of Education, which teaching techniques or methods may thereafter be made available to the public, as provided in Sections 505(3) of the Code, notwithstanding anything contained in this Article VIII to the contrary. Any educational materials and teaching techniques developed by CSA and/or used by the Academy are subject to disclosure under the Code and the Freedom of Information Act.

D. **Marks.** The Academy and CSA shall provide written notice to the other party regarding the existence of any trademarks, service marks, mascot, or other identifying symbols (Marks) that they consider to be proprietary in nature. Execution of the Agreement satisfies this notice requirement as to each party's name and the Academy's tree logo. The Academy and CSA agree not to use Marks of the other party without the prior written approval.

ARTICLE IX

INDEMNIFICATION

A. **Indemnification of CSA.** To the extent permitted by law, the Academy shall indemnify and hold CSA (which term for purposes of this Paragraph A, includes CSA's officers, directors, agents and employees) harmless against any and all claims, demands, suits, or other forms of liability (including reasonable attorney's fees and costs) that may arise out of, or by reason of, any noncompliance by the Academy Board (its officers, directors and employees) with any agreements, covenants, warranties, or undertakings of the Academy Board (its officers, directors and employees) contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of the Board contained in or made pursuant to this Agreement. In addition, the Academy shall reimburse CSA for any and all legal expenses and costs associated with the defense of any

such claim, demand, or suit. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amounts reasonably acceptable to CSA.

B. Limitations of Liabilities. The Academy may assert or not assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement.

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

D. Indemnification for Negligence. To the extent permitted by law, the Academy shall indemnify and hold harmless CSA, and CSA's Board of Directors, officers, employees, agents and representatives, from any and all claims and liabilities which CSA may incur and which arise out of the negligence of the Academy Board or its directors, officers, employees, agents or representatives. To the extent permitted by law, CSA shall indemnify and hold harmless the Academy, and the Academy's Board of Directors, officers, employees, agents or representatives, from any and all claims and liabilities which the Academy may incur and which arise out of the negligence of CSA's directors, officers, employees, agents or representatives.

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

ARTICLE X

INSURANCE

A. **Insurance of the Academy.** The Academy shall purchase its own insurance policy and shall secure and maintain such policies of insurance as required by the Michigan Universities Self Insurance Corporation ("M.U.S.I.C."). This coverage shall include the building and related capital facilities if they are the property of the Academy. The Academy shall maintain such insurance in an amount and on such terms as required by the provisions of the Contract, including the indemnification of CSA required by this Agreement. The Academy shall, upon request, present evidence to CSA that it maintains the requisite insurance in compliance with the provisions of this paragraph. CSA shall comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable.

B. **Insurance of CSA.** CSA shall secure and maintain such policies of insurance as required by the Contract and M.U.S.I.C. In the event the University or M.U.S.I.C. requests any change in coverage by CSA, CSA agrees to comply with the change in the type or amount of coverage, as requested, within thirty (30) days after notice of the insurance coverage change. CSA's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract. CSA shall, upon request, present evidence to the Academy and CMU that it maintains the requisite insurance in compliance with the provisions of this paragraph. The Academy shall comply with any information or reporting requirements applicable to CSA under CSA's policy with its insurer(s), to the extent practicable.

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

ARTICLE XI

MISCELLANEOUS

A. **Sole Agreement.** This Agreement supersedes and replaces any and all prior agreements and understandings between the Academy and CSA on the subject matter hereof.

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

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

If to CSA:

Choice Schools
Associates 5251 Clyde
Park Avenue SW
Wyoming, MI 49509

Attn: Sarah Wildey

If to Academy:

West Michigan Academy of Environmental
Science 4463 Leonard Street Street, NW
Walker, MI 49544

Attention: Board

President

A courtesy copy of the notice should also be provided the legal counsel of the party to be served, if known.

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

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

F. **Entire Agreement.** This Agreement is the entire agreement between the parties relating to the services provided, and the compensation for such services, by the parties. Any modification to this Agreement must be made in writing, approved by the Board and CSA, and signed by a duly authorized officer. In addition, any modification of this Agreement must follow CMU's ESP policies before it can be executed.

G. **Non-Waiver.** No failure of a party in exercising any right, power or privilege under this Agreement shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the parties under this Agreement are cumulative and not exclusive of any rights or remedies which any of them may otherwise have.

H. **Assignment.** CSA may not assign this Agreement without the prior written approval of the Board and without prior notification to CMU. Any such assignment shall be done in a manner consistent with CMU's ESP policies.

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

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

K. **Compliance with Law.** The parties agree to comply with all applicable laws and regulations.

L. **Warranties and Representations.** The Academy and CSA each represent (1) that it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (2) that its actions have been duly and validly authorized, and (3) that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

M. **Dispute Resolution Procedure.** Any and all disputes between the parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the parties' performance of their respective obligations under this Agreement that are unable to be resolved through discussion and negotiation shall be resolved by arbitration, and such an arbitration procedure shall be the sole and exclusive remedy for such matters. The arbitrator shall be selected from a panel provided by and in accordance with the rules of the American Arbitration Association. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association, with such variations as the parties and the arbitrator unanimously accept. Any arbitration hearing shall be conducted in Grand Rapids, Michigan. The arbitrator shall be required to issue a cause opinion with a written explanation as to the final decision. CMU shall be notified of the arbitrator's decision and a copy of the arbitrator's opinion shall be made available to CMU upon request. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction. The cost of arbitration, not including attorney fees, shall be paid by the losing party. It shall be in the discretion of the arbitration panel to award reasonable attorney fees to the prevailing party, to be paid if awarded by the losing party.

N. **Modification to Conform to Changed CMU Policies.** The parties intend that this Agreement shall comply with CMU's Educational Service Provider Policies, as the same may be changed from time to time. In the event that changes in CMU's Educational Service Provider Policies implemented after the date of execution of this Agreement cause any provision of this Agreement to be in conflict the revised Policies, the parties agree to amend this Agreement to eliminate the conflict within thirty (30) calendar days after being advised by CMU of the changes to its policies.

O. **CMU Review.** This Agreement is subject to review and non-disapproval by CMU and shall not become effective until the Academy Board is notified in writing that CMU does not disapprove of this Agreement.

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

CHOICE SCHOOLS ASSOCIATES, L.L.C.

Sarah Wildey

By: _____

Sarah Wildey

Chief Executive Officer

WEST MICHIGAN ACADEMY OF
ENVIRONMENTAL SCIENCE

Matthew P. Smith

By: _____

Matthew P. Smith

Board President

024647171

Final Agreement - WMAES 2021

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
Mortgage (July 29, 2016).....	6-10
Finance Agreement (July 29, 2016).....	6-24
Promissory Note A (July 29, 2016)	6-66
Promissory Note B (July 29, 2016).....	6-72
Promissory Note (August 26, 2019)	6-78
Mortgage (August 26, 2019).....	6-84
Quit Claim Deed	6-99
Office of Fire Safety Approval	6-101
Certificates of Use and Occupancy	6-102

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 West Michigan Academy of Environmental Science (the "Academy") is as follows:

Address: 4463 Leonard Ave. NW
Walker, MI 49534

Description: The Academy's facilities sit on 58 acres in the City of Walker at the corner of Wilson Rd. and Leonard Ave. NW. There are three instructional facilities on this Site that are connected to each other by vestibules. The three facilities provide a combined total of approximately 83,384 square feet of space. Two of the facilities have one level; the other has two. Among the three facilities there are 50 classrooms, 32 restrooms, two multimedia rooms, gymnasium, kitchen, cafeteria, several offices, two teachers' lounges, a study area, several storage areas, and mechanical, janitorial, and technology rooms. The Site also includes a parking lot, playground, and a 42' x 64' pole barn.

Configuration of Grade Levels: Kindergarten through Twelfth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Kenowa Hills Public Schools
ISD: Kent

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.

LEGAL DESCRIPTION (TAX DESCRIPTION)

E 1/2 NE 1/4 SW 1/4 EXTRACT PART OF REMAINING ELY OF W/2 LINE OF
SECTION 16, T42N, R12W, S66E, 1/2 AC. MORE OR LESS, BEING THE
REMAINING ELY OF W/2 LINE OF ST 141 WILSON AVE 100 FT WIDE &
EX COM AT INT OF N LINE OF LEONARD ST 66 FT WIDE & W LINE OF WILSON
AVE 100 FT WIDE TH ALONG W LINE OF SD AVE 20.0 FT S W/2 TO A PT ON
N LINE OF SD ST 20 FT FROM BEG TH E TO BEG + SEC 18 T42N R12W S66E A.

PROJECT DESCRIPTION:

CONSTRUCTION OF A 9872 SQUARE FOOT BUILDING ADDITION, ALONG WITH
DOMESTIC WATER SERVICE, FIRE SUPPRESSION AND SANITARY SEWER
CONSTRUCTION. EXISTING STORM SEWER WILL BE RE-ROUTED WESTERLY
AROUND THE PROPOSED BUILDING.
THE PROPOSED ADDITION WILL PROVIDE SIX (6) ADDITIONAL CLASSROOMS
FOR GRADES TAKING FROM THE SCHOOL 10 KINDERGARTEN TWO (2) OF
THOSE CLASSROOMS ARE BEING MOVED FROM THE MAIN BUILDING INTO THE
NEW BUILDING RESULTING IN AN INCREASE OF APPROXIMATELY 100
STUDENTS AND STAFF TO THE FOUR (4) REMAINING CLASSROOMS.

SITE NOTES:

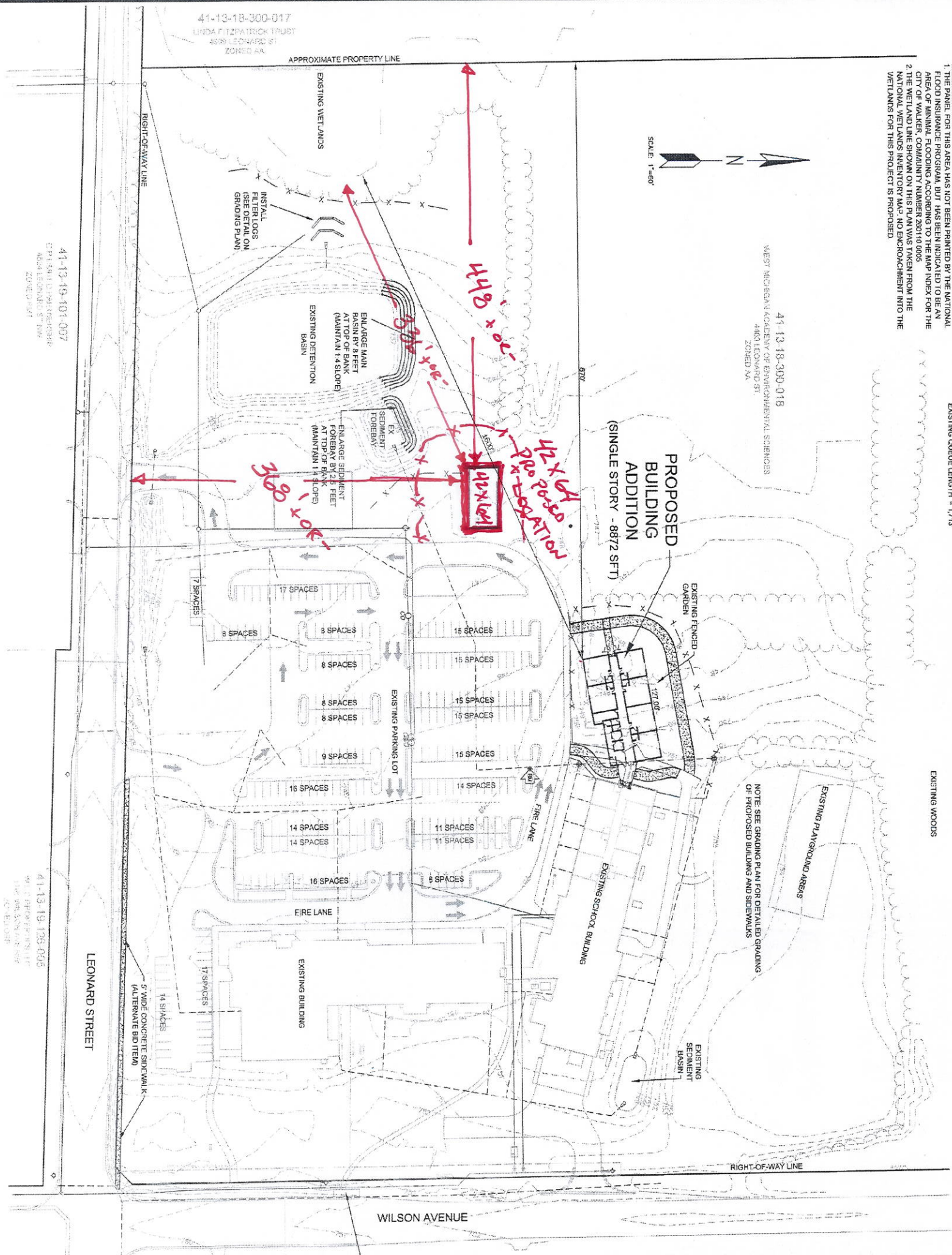
1. THE PANEL FOR THIS AREA HAS NOT BEEN PRINTED BY THE NATIONAL
FLOOD INSURANCE PROGRAM, BUT HAS BEEN INDICATED TO BE AN
AREA OF MINOR FLOODING ACCORDING TO THE MAP INDEX FOR THE
NATIONAL FLOOD INSURANCE PROGRAM.
2. THE WETLAND LINE SHOWN ON THIS PLAN WAS TAKEN FROM THE
NATIONAL WETLANDS INVENTORY MAP. NO ENCROACHMENT INTO THE
WETLANDS FOR THIS PROJECT IS PROPOSED.

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
PROPOSED BUILDING ADDITION

STUDENTS	PROJECTED ENROLLMENT	QUEUE LENGTH	GYMNASIUM AUDITORIUM	REQUIRED PARKING
MIDDLE ELEMENTARY/	726	726 / 10 x 22 = 1.587		
MIDDLE SCHOOL	264	264 / 10 x 22 = 1.15		
HIGH SCHOOL				
TOTAL	990	1.713	1,800 PEOPLE	1,800 - 6 = 267 SPACES

EXISTING PARKING = 281-297 REQUIRED
EXISTING QUEUE LENGTH = 1.713

VEHICLE TRIP GENERATION RATES FOR THE PROPOSED ADDITION:
ADDITIONAL AM PEAK HOUR TRIPS: 81
ADDITIONAL PM PEAK HOUR TRIPS: 54



OWNER/APPLICANT

WEST MICHIGAN ACADEMY
OF ENVIRONMENTAL SCIENCE
1721 WILSON WAGONER ROAD
GRAND RAPIDS, MI 49534
ATTN: STAN RATHBUN

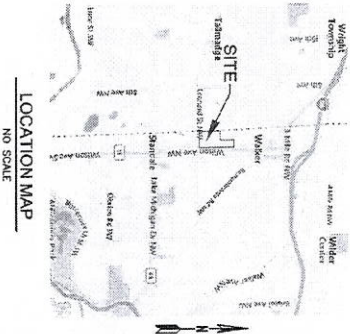
ENGINEER

ENG. INC.
16930 ROBBINS ROAD SUITE 105
GRAND HAVEN, MI 49417
(616) 743-7070

ARCHITECT

BMA ARCHITECTS
1721 WILSON WAGONER ROAD
SPRING LAKE, MI 49455

LOCATION MAP



811 Know what's below.
Call before you dig.

THE LOCATIONS OF EXISTING UNDERGROUND UTILITIES ARE
SHOWN IN AN APPROPRIATE MANNER. THE USER SHALL NOT BE
RESPONSIBLE FOR ANY DAMAGE TO OR DESTRUCTION OF
UNDERGROUND UTILITIES. THE CONTRACTOR SHALL DETERMINE THE
EXACT LOCATION OF ALL EXISTING UTILITIES BEFORE
CONSTRUCTION. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ANY
AND ALL DAMAGES WHICH MAY BE INCURRED BY THE CONTRACTOR'S FAILURE TO EXACTLY
LOCATE AND PREPARE ANY AND ALL UNDERGROUND
UTILITIES.

LEGEND

- EXISTING DECIDUOUS TREE
- EXISTING CONIFEROUS TREE
- EXISTING LIGHT POLE
- EXISTING UTILITY POLE
- EXISTING FIRE HYDRANT
- EXISTING WATER VALVE/WATER MAIN
- EXISTING SANITARY MANHOLE/SEWER
- EXISTING STORM MANHOLE/SEWER
- EXISTING GAS LINE
- EXISTING CLEAN-OUT
- EXISTING PROPERTY OR RIGHT OF WAY LINE
- EXISTING EASEMENT LINE
- EXISTING CATCH BASIN
- EXISTING CURB INLET CATCH BASIN
- BENCH MARK
- EXISTING FENCE LINE
- EXISTING TREE LINE
- EXISTING TRAFFIC FLOW DIRECTIONAL ARROW (NO PROPOSED CHANGE)
- PROPOSED CONTOUR
- SITE FENCE

LIST OF DRAWINGS

- COVER AND TOPOGRAPHIC SURVEY
- SITE LAYOUT AND UTILITY PLAN
- GRADING AND SOIL EROSION & SEDIMENTATION CONTROL PLAN

COVER AND
TOPOGRAPHIC SURVEY

RYAN C. MEERHILL, P.E. #56096

WEST MICHIGAN ACADEMY OF
ENVIRONMENTAL SCIENCE

4463 LEONARD ST NW
GRAND RAPIDS, MI 49534

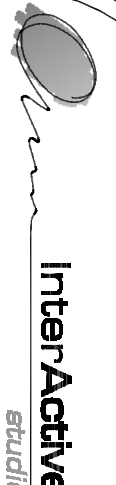
Eng.
Engineering & Surveying

4063 Grand Oak Drive Suite A109
Lansing, MI 48911
517.887.1100
16930 Robbins Road Suite 105
Grand Haven, MI 49417
616.743.7070
engdot.com

NO.	REVISIONS	BY	DATE	Drawn By
1	REVISIONS PER CITY REVIEW	CCD	10/4/18	CCD
2	ENLARGE EX BASINS TO PROVIDE MORE STORAGE AND ADD SIDEWALK ALONG LEONARD PER PLANNING DEPT	CCD	10/16/18	9-14-18
				Approved By
				Date

PROJECT NO.
18033

SHEET NO.
1 OF 3



IntraActive

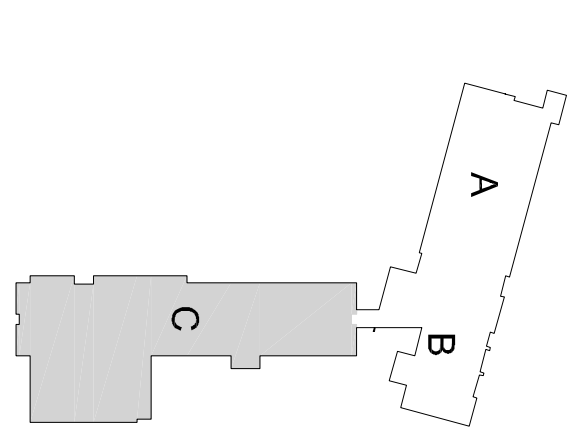
ARCHITECTS

■ Architecture

■ Interior Design

■ User-Centered Consulting

1000 First Ave., NW, Suite 100
Grand Rapids, MI 49503
616.455.2068 ■ www.intraactive.com



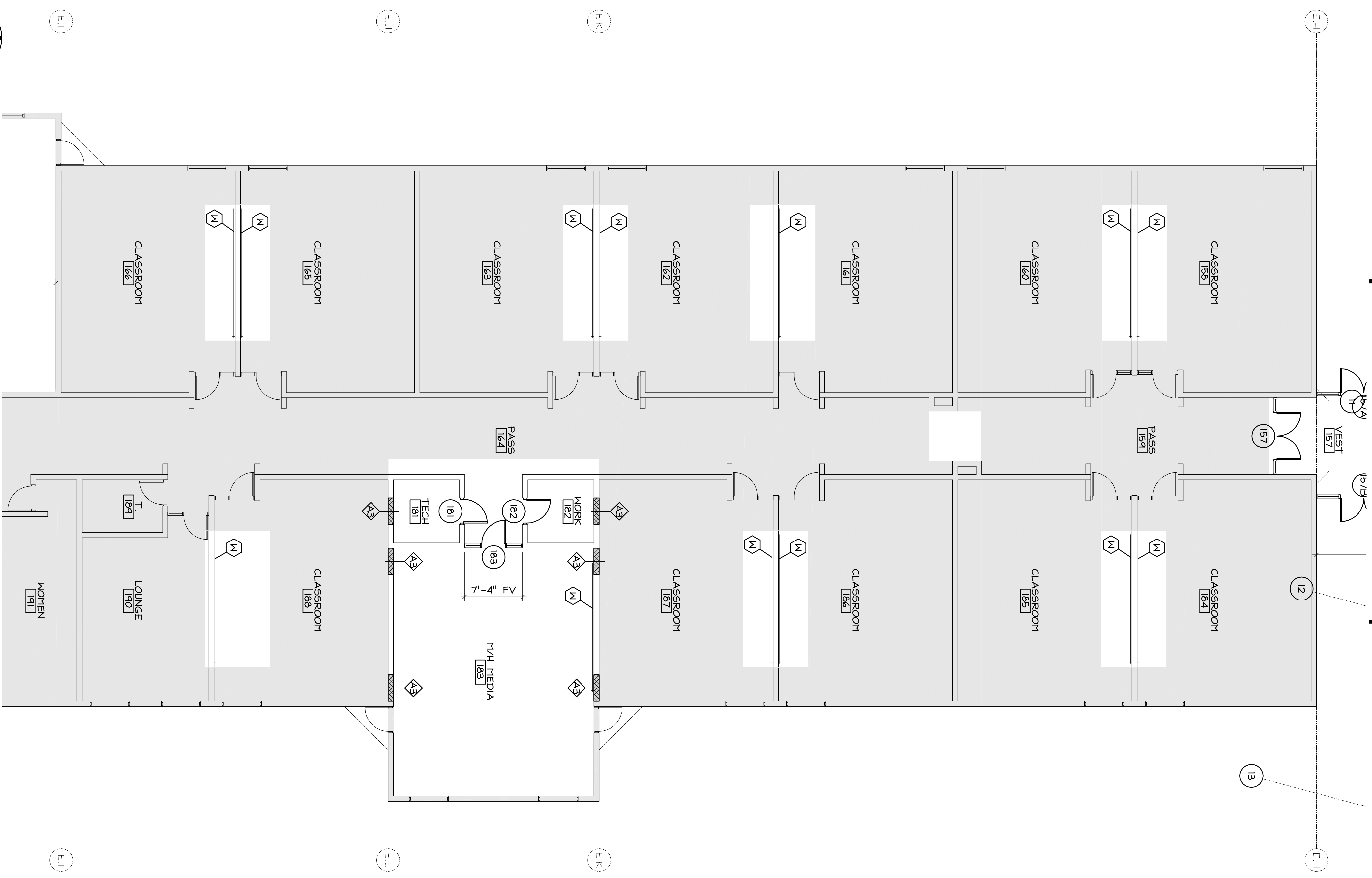
WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
new construction |
renovation for:

West Michigan Academy of Environmental Science
Walker, Michigan

project team:

09.21.14	STATE RESIDENTIAL
09.23.14	BOSET
10.09.14	ADDENDUM #2
10.15.14	ADDENDUM #3
10.28.14	STATE REVIEW COMMENTS
-	-
-	-
-	-
-	-
DATE	ISSUED FOR:
START DATE	11/01/13
PROJECT FILE	131101
DRAWN BY	TSW
PROJECT LEADER	DSM /RLV
THIS DOCUMENT HAS BEEN PREPARED BY ARCHITECTS IN THE FIRM OF INTRAACTIVE ARCHITECTS, INC. AND IS NOT TO BE REPRODUCED OR TRANSMITTED IN ANY FORM OR BY ANY MEANS, ELECTRONIC OR MECHANICAL, WITHOUT THE WRITTEN PERMISSION OF INTRAACTIVE ARCHITECTS, INC.	

A101C
Floor Plan "C"



UPPER LEVEL PLAN "A"
1/8" = 1'-0"

1. ALL DIMENSIONS ARE TO FACE OF MATERIALS UNLESS NOTED OTHERWISE NOTED.
2. ALL PARTITIONS CONSTRUCTED TIGHT TO JOINTS UNLESS OTHERWISE NOTED.
3. ALL EXPOSED CHU CORNERS IN INTERIORS ARE TO BE BULLDOGED.
4. REFER TO EXTERIOR ELEVATIONS FOR CONTROL JOINTS AND REFLECTED CEILING PLANS FOR CEILING CONTROL JOINTS.
5. REFER TO MECHANICAL, PLUMBING, AND ELECTRICAL DRAWINGS FOR OPENINGS AND LOCATIONS OF CHASES, OPENINGS, AND ACCESS, AND RECESSES REQUIREMENTS, COORDINATE ALL WORK WITH MEP CONTRACTORS.
6. REFER TO FLOOR PLAN FOR WALL LOCATIONS.
7. ADDITIONAL NOTES:

1. MEET WITH THE OWNER TO COMPLETELY DISCUSS ALL REQUIREMENTS AND CONDITIONS OF THE PROJECT AND TO AGREE UPON THE COMPLETION DATE. ALL WORK SHALL BE COMPLETED BY THE DATE AGREED UPON AND SHALL BE IN ACCORDANCE WITH ALL APPLICABLE CODES, ORDINANCES, RULES, REGULATIONS, AND SPECIFICATIONS, INCLUDING BUT NOT LIMITED TO THE FOLLOWING:
 - 1.1. INTERNATIONAL BUILDING CODE, 2012
 - 1.2. INTERNATIONAL MECHANICAL CODE, 2010
 - 1.3. INTERNATIONAL PLUMBING CODE, 2010
 - 1.4. INTERNATIONAL PIPELINE CODE, 2012
 - 1.5. NATIONAL ELECTRICAL CODE, 2008
2. CONTRACTOR IS RESPONSIBLE FOR FIELD VERIFYING ALL CONDITIONS AND DISCREPANCIES TO THE ARCHITECT/DESIGNER IMMEDIATELY.
3. ALL DIMENSIONS REQUIRED ARE SHOWN ON THE DRAWINGS. ANY DIMENSION NOT SHOWN OR OTHERWISE QUESTIONABLE IS TO BE COORDINATED WITH THE ARCHITECT. DO NOT SCALE DRAWINGS.
4. CONTRACTOR IS RESPONSIBLE FOR OBTAINING ALL NECESSARY PERMITS AND FOR OBTAINING FOR CONSTRUCTION OF THIS PROJECT.
5. ALL WORK IS TO BE GOVERNED BY THE GENERAL CONTRACTING AND RELATED APPROPRIATE FINISH, SCHEDULE OPERATIONS, AND FULL COMPLIANCE OF WORK, INCLUDING SERVICE CONTRACTS, AND EQUIPMENT.
6. REFER TO SCHEDULES FOR INTERIOR FINISHES.
7. ALL WOOD BLOCKING SHALL BE FIRE RETARDANT-TREATED AND SHALL BE PROTECTED WITH A 1/2" ALUMINUM ANCHOR AND PROTECTIVE, IN THIS CASE, SHALL BE 1/2" ALUMINUM ANCHOR. WOOD BLOCKING SHALL BE TIGHTLY FITTED. IF LOCATED IN AN AREA OF THE BUILDING WHERE THERE IS NO MAJOR CONSTRUCTION, IF WOOD BLOCKING IS NOT PERMITTED BY CODE, THEN METAL STRIP SUPPORTS SHALL BE PROVIDED.
8. MANUFACTURER'S NAME, TRADEMARK, LOGOS, ETC. SHALL NOT BE VISIBLE TO THE PUBLIC. PROTECT ALL TRADEMARKS AND LOGOS FROM BEING VISIBLE TO THE PUBLIC.
9. ALL MATERIALS USED FOR CONSTRUCTION SHALL BE FREE OF ASBESTOS, P.B.I. OR OTHER HAZARDOUS MATERIAL OR ANY TYPE.
10. ALL WALLS TO BE LAYED OUT AT 90-DEGREE ANGLES UNLESS OTHERWISE NOTED.

1. EXISTING BUILDING PLAN AND NOTES ARE BASED ON OWNER PROVIDED DRAWINGS. VERIFY EXACT LOCATIONS AND CONDITIONS IN FIELD. ANY DISCREPANCIES SHOULD BE CLARIFIED WITH ARCHITECT.
 2. ALL DIMENSIONS ARE TO FACE OF FINISH UNLESS OTHERWISE NOTED.
 3. ALL PARTITIONS CONSTRUCTED TIGHT TO DECK UNLESS OTHERWISE NOTED.
- REMARKS**

- (A) LINE OF CEILING ABOVE.
- (B) ACCESSIBLE DRINKING FOUNTAINS, REFER TO PLUMBING
- (C) EQUIPMENT COORDINATE WITH MEP & OWNER
- (D) MILLWORK. REFER TO ELEVATIONS
- (E) TOILET FIXTURE. REFER TO PLUMBING
- (F) URINAL FIXTURE REFER TO PLUMBING.
- (G) SINK. REFER TO PLUMBING.

- 4/ BLOCK MASONRY ON EITHER SIDE OF CAVITY, REFER TO STRUCTURAL DRAWINGS FOR REINFORCING AND GROUT REQUIREMENTS. PROVIDE BLOCK FILLER FOR PAINTED FINISHES. GROUT FILLER FOR INTERIOR ACOUSTICAL WALLS - STC 55.

- 4" PREFINISHED INSULATED METAL PANEL ON STRUCTURAL STEEL GIRTS. REFER TO ARCHITECTURAL AND STRUCTURAL DETAILS.

- | WALL TYPE | EXTERIOR |
|-----------|---|
| | <p>4" PREFINISHED INSULATED METAL PANEL ON 20 GA. METAL STUD FRAMING (1/2" O.C.) WITH 1/2-INCH EXTERIOR SHEATHING/ TYVEK VAPOR BARRIER/21N 1-INCH AIR SPACE. INTERIOR TO BE 5/8" TYPE "X" GYPSUM BD. FILL VOID SOLID WITH FIBERGLAS. BATT INSULATION.</p> |

- 22 GA. METAL STUDS @ 16" O.C. WITH 5/8" TYPE "X" GYPSUM BD. EACH SLIDE FILL VOID SOLID W/ FIBERGLASS BATT INSULATION RUN UP TIGHT TO ROOF DECK ABOVE & SEAL UNLESS OTHERWISE NOTED. DESIGN NO. U404, (ONE HOUR) PER AIOO STC 55-59.

- WALL TYPE 22 GA. METAL STUDS @ 16" O.C. WITH 5/8" TYPE "X" GYPSUM BD. EACH SIDE FILL VOID SOLID W/ FIBERGLASS BATT INSULATION RUN UP TIGHT TO ROOF DECK ABOVE & SEAL UNLESS OTHERWISE NOTED. STC 55-59.

- 22 GA. METAL STUDS @ 16" O.C. WITH
5/8" TYPE "X" GYPSUM BD. ONE SIDE,
FILL VOID SOLID WITH FIBERGLASS
BATT INSULATION

A	LINE OF CEILING ABOVE.
B	ACCESSIBLE DRINKING FOUNTAINS. REFER TO PLUMBING.
C	EQUIPMENT COORDINATE WITH MEP & OWNER.
D	MILLWORK. REFER TO ELEVATIONS
E	TOILET FIXTURE. REFER TO PLUMBING.
F	URINAL FIXTURE. REFER TO PLUMBING.
G	SINK. REFER TO PLUMBING.
H	B.F. FRAMED MIRROR. REFER TO G101
I	GRAB BAR. CONCEALED PLUMBING. TOILET PARTITIONS, BAKED ENAMEL FINISH. COLOR TBD.
J	SURFACE MOUNTED B.F. PAPER TOWEL DISPENSER AND TRASH RECEPTACLE. EYALOCK DOORICK B-370
K	SURFACE MOUNTED TOILET PAPER DISPENSER. EQUAL TO DOORICK B-288
L	POP SINK. REFER TO PLUMBING
M	URINAL PARTITIONS, BAKED ENAMEL FINISH. COLOR TBD.
N	GUARD RAIL. SEE ELEVATIONS.
O	ENTRANCE CANOPY.
P	HAND DRYERS REFER TO ELECTRICAL
Q	B.F. CLEAR FLOOR AREA (TYP.)
R	WALL MOUNTED/COUNTER SOAP DISPENSER
S	OWNER PROVIDED EQUIPMENT. REFER TO PLUMBING AND ELECTRICAL FOR POWER AND WATER CONNECTIONS.
T	COOLER / FREEZER BOX.
U	MARKER BOARD. COORDINATE BLOCKING REG.
V	BOTTLE FILLER STATION MOUNTED TO DRINKING FOUNTAIN.
W	LINE OF ROOF ABOVE.
X	PROJECTION SCREEN
Y	FLOORING TRANSITION LINE
Z	FURNITURE SHOWN FOR COORDINATION ONLY.
AA	RELOCATED FROM EXISTING BUILDING. SEE DEMO PLAN FOR EXISTING
AB	NEW WINDOW TO MATCH EXISTING TO RELOCATED WINDOWS ADJACENT.
AC	MECHANICAL EQUIPMENT SCREEN SEE MECHANICAL SCHEDULE FOR 12" WIDE GATE AT EACH SCREEN AREA.
AD	ENAMEL FINISH. COLOR TO MATCH

DATE	ISSUED FOR:
09/22/14	SITE RE-SUBMITTAL
09/26/14	BID SET
10/09/14	ADDENDUM #2
10/15/14	ADDENDUM #3
10/28/14	SITE REVIEW COMMENTS
-	-
-	-
-	-
-	-
-	-
-	-
START DATE	TYPING
PROJECT FILE	3/17/10
DRAWN BY	TS#
PROJECT LEADER	DSM RLW

project team

22 GA. METAL STUDS @ 16" O.C. WITH 5/8" TYPE "X" GYPSUM BD. ONE SLIDE, BATT VOID SOLID WITH FIBERGLASS BATT INSULATION

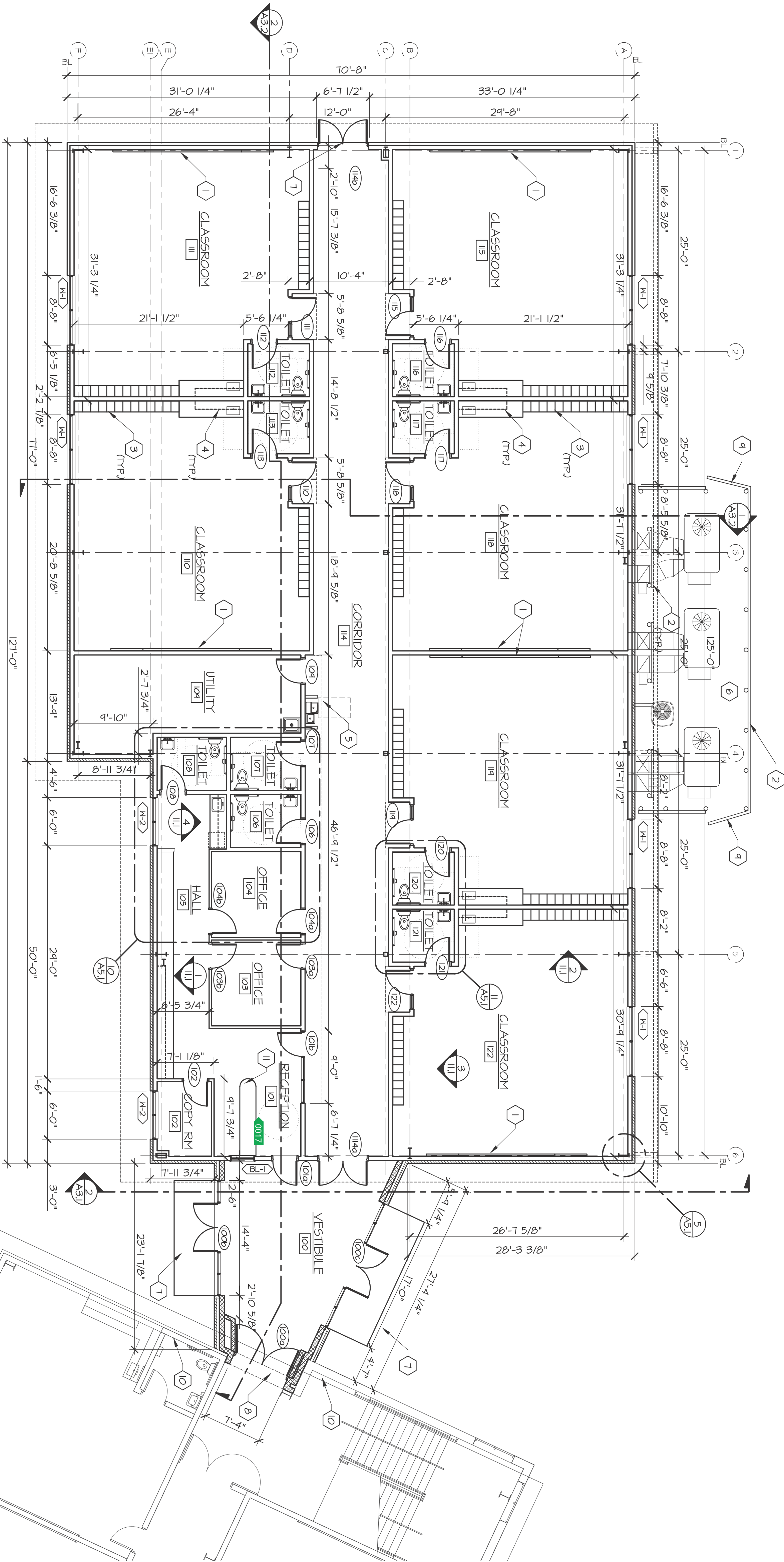
- LOCKERS (12x12), DOUBLE SLACK, BAKED ENAMEL FINISH, COLOR TO MATCH (PT-3).

- LOCKERS (12x12), DOUBLE SLACK, BAKED ENAMEL FINISH, COLOR TO MATCH (PT-3).

A102B

MAIN FLOOR PLAN

SCALE: 1/8" = 1'-0"



02/11/2019 01:41:39 PM
#PR2018BC-002289



GENERAL FLOOR PLAN NOTES

- COORDINATE LOCATIONS OF FLOOR DRAINS, CLEAN OUTS, UNIT VENTILATORS, ETC. WITH APPROPRIATE TRADES.
- ALL PARTITIONS TO RUN TIGHT TO BOTTOM OF STRUCTURE ABOVE UNO.
- INDICATES DOOR REFER TO DOOR SCHEDULE FOR DOOR DETAILS.
- INDICATES BORROWED LIGHT OR WINDOW TYPES FOR DETAILS.
- PROVIDE AND INSTALL SOLID BLOCKING IN WALLS FOR ANCHORING OF BRASS FINISH PLANS FOR SIZE AND LOCATION OF ANY APPLICABLE WALL MOUNTED EQUIPMENT. ALL CABINETS MOUNTED ON WALLS SHALL HAVE SOLID BLOCKING IN FIELD OF GRT, BDL FOR ATTACHMENT.
- INTERIOR DIMENSIONS ARE FROM FACE OF STUD WALL UNO.
- ALL DOORS TO BE MIN. 3" FROM ADJACENT WALL UNO.
- DOOR HANDLES, KILLS, LATCHES, LOCKS AND OTHER OPERATING DEVICES ON DOORS REQUIRED TO BE ACCESSIBLE BY CHAPTER 11 OF THE MICHIGAN BUILDING CODE SHALL NOT REQUIRE TIGHT GRASPING, TIGHT PINCHES OR TURNING OF THE WRIST TO OPERATE.
- ALL ACCESSIBLE EXITS TO HAVE AN EXTERIOR LANDING WITH THE FINISHED FLOOR ELEVATION TO BE THE SAME AS THE INTERIOR FINISHED FLOOR ELEVATION.
- THRESHOLDS AT DOORWAYS SHALL NOT EXCEED 1/2" RAISED THRESHOLDS AND FLOOR LEVEL CHANGES GREATER THAN 1/2" AT DOORWAYS SHALL BE 2" MIN. WITH A SLOPE NOT GREATER THAN ONE INCH VERTICAL IN TWO INCHS HORIZONTAL.
- PAINT ALL EXPOSED STRUCTURAL STEEL & DOOR HEADS TO MATCH ADJACENT SURFACES.
- ALL THROUGH WALL FLASHINGS TO HAVE END DRAWS, COORDINATE WITH ALL APPLICABLE WINDOW AND DOOR DETAILS.

TYPICAL WALL LEGEND

EXISTING WALL TO REMAIN	
METAL STUD EXTERIOR WALL	
SPLIT FACE CMU IN METAL SIDING ABOVE	
BLDG. JACKET	
6" METAL STUD FRAMING	
6" METAL STUD FRAMING AT 16" O.C.	
BATT INSULATION	
6 MIL VAPOR BARRIER	
5/8" GYPS. BD.	
EXTERIOR WALL - FACE BLOCK	
SPLIT FACE CMU IN METAL SIDING ABOVE	
AIR SPACE	
6" EPS INSULATION	
RIGID INSULATION (2" UNO)	
CONCRETE MASONRY UNIT	
TYP. INTERIOR PARTITION	
6" METAL STUD FRAMING AT 16" O.C. UNO.	
WALL TIGHT TO BOTTOM SIDE OF FLOOR OR ROOF DECKING	

- NOTE:
- REFER TO CODE COMPLIANCE PLAN FOR EXISTING FIRE RATED WALLS.
 - EXTERIOR WALL FINISH VARIES, REFER TO ELEVATIONS FOR FINISH SEALANT OR FIRE STOPPING. REFER TO CODE COMPLIANCE PLAN.
 - SEALANT OR FIRE STOPPING. REFER TO CODE COMPLIANCE PLAN.

KEYED FLOOR PLAN NOTES

- TEACHING WALL, PROVIDE (4'-0" TC DB, 12'-0" TC BD, 4'-0" TC BD) VISUAL DISPLAY BOARD (VDB). COORDINATE WITH HGT. WITH 57" AFF. FOR EACH ROOM.
- MECHANICAL EQUIPMENT SCREEN, REFER TO ELEVATIONS FOR DETAILS.
- COORDINATE EXACT SIZE WITH APPLICABLE NEW APPLICATIONS.
- MECHANICAL EQUIPMENT SCREEN, REFER TO FINISH PLANS.
- ADA COMPLIANT HIGH-LOW DRINKING FOUNTAIN.
- MECHANICAL EQUIPMENT.
- CONCRETE STOOD; TO DETAIL 3/AS1.
- PRECAST PORTAL FRAMING, REFER TO CODE COMPLIANCE PLAN AND WALL SECTIONS, STRUCTURAL FOR DETAILS.
- HINGED ACCESS.
- EXISTING CMU WALL.
- FURNITURE BY OWNER ILLC.



West Michigan Academy of Environmental Science



REVISION NOTES:

Construction Documents 10/19/18

CLASSROOM ADDITION FOR:
WEST MICHIGAN ACADEMY
OF ENVIRONMENTAL
SCIENCE

4463 LEONARD ST NW, GRAND RAPIDS, MICHIGAN 49543

PROJECT NO:

1644-18

TITLE:

FLOOR PLANS

SHEET NO:

A1.1

This drawing is the property of Owen Ames Kimball Architects, Inc. and shall remain the property of Owen Ames Kimball Architects, Inc. whether or not the project for which it is prepared is completed. This drawing shall not be used, reproduced, revised, or otherwise distributed without the written consent of Owen Ames Kimball Architects, Inc. Any use of this drawing without the written consent of Owen Ames Kimball Architects, Inc. shall be deemed to be a violation of the copyright laws of the United States and shall be subject to legal action. Owen Ames Kimball Architects, Inc. is not responsible for any errors or omissions in this drawing. Copyright 2018.

MORTGAGE

DATED: JULY 29, 2016

PARTICULAR TERMS - DEFINITIONS

As used herein, the following terms and expressions shall have the respective meanings indicated opposite each of them:

Mortgagor: **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE,**
a Michigan nonprofit corporation
Address: 4463 Leonard Street NW
Walker, Michigan 49534

Mortgagee: **CAPITAL IMPACT PARTNERS,** a non-profit corporation organized
under the laws of the District of Columbia at the direction of the United
States Congress in 12 U.S.C. 3051
Address: 2011 Crystal Drive, Suite 750
Arlington, VA 22202

Notes: Promissory Notes
Amounts: Seven Million and 00/100 Dollars (\$7,000,000.00) &
Four Hundred Thirty Seven Thousand Five Hundred and 00/100 Dollars
(\$437,500.00)
Date of Notes: Dated of Even Date Herewith

Loan
Agreement: Finance Agreement dated of even date herewith

Premises: Land, Premises and Improvements situated in the City of Walker, Kent
County, Michigan
See **Exhibit A** attached hereto

THIS MORTGAGE CONSTITUTES A FUTURE ADVANCE MORTGAGE AND SECURES
FUTURE ADVANCES UNDER ACT 348 OF THE PUBLIC ACTS OF 1990, AS AMENDED
(MCLA §565.901, ET SEQ.) UNDER MICHIGAN LAW.

THIS MORTGAGE (this "**Mortgage**"), above-dated, by Mortgagor to Mortgagee, and is made with reference to the Notes and Loan Agreement hereinabove referenced, and which shall include all of the foregoing as amended, modified, extended, restated or renewed from time to time and all substitutions, consolidations or rollovers thereof, from time to time all of which may be done without amendment of this Mortgage or the consent of Mortgagor.

DEFINITIONS: Unless defined herein, all capitalized terms shall have the meanings set forth in the Loan Agreement.

WITNESSETH:

To secure the performance of the covenants hereinafter contained, and the repayment of a loan by Mortgagee in an amount up to Seven Million Four Hundred Thirty Seven Thousand Five Hundred and 00/100 Dollars (\$7,437,500.00), together with interest thereon, payable in accordance with the terms of the Notes executed by Mortgagor evidencing such loan and advances, and all extensions, renewals, amendments and modifications thereof, including any increases in the principal amounts of the Notes to secure future advances and to secure all other Indebtedness (as defined in the Loan Agreement), and in accordance with the terms of the Loan Agreement, the terms, covenants and conditions of which said Notes and Loan Agreement are herein incorporated as covenants and conditions of Mortgagor, with the same force and effect as though such covenants and conditions were fully set forth herein (the covenants of this Mortgage, the Notes, the Loan Agreement and other Loan Documents are hereinafter collectively referred to as the "**Obligations**"), Mortgagor, hereby mortgages and warrants and grants a security interest to Mortgagee, its successors and assigns, in and to the Premises, together with the appurtenances, improvements, the Building, fixtures, tenements, and hereditaments thereunder belonging and which may hereafter attach thereto and all heretofore or hereafter vacated alleys and streets abutting thereto (collectively, the "**Property**"); together with: (a) all building materials, goods and tangible personal property on the Premises, not affixed or incorporated into the Premises and which are owned by Mortgagor (the "**Personal Property**"); (b) all rights and easements (public or private) which benefit the Premises located off the Premises and all easement agreements, license agreements, permits, parking agreements, tunnel agreements, permits or any other agreements with respect to such rights and easements (public or private) (the "**Easements and Agreements**"); (c) all buildings, improvements, machinery, apparatus, equipment, fittings, fixtures and articles of personal property of every kind and nature whatsoever, other than consumable goods, now or hereafter located in or upon said real estate or any part thereof and used or usable in connection with any present or future operation of said Property and now owned or hereafter acquired or leased by Mortgagor, and all additions and accessions thereto now or hereafter attached to or used in connection therewith or with the Property, and all proceeds of hazard insurance of all of the foregoing, including, but without limiting the generality of the foregoing, all heating, lighting, laundry, incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing apparatus, electrical apparatus (including, but not limited to, all electrical transformers, switches, switch boxes, equipment boxes, cabinets, all whether used in the operation of the Property or any business operated within or upon the Property), lifting, cleaning, fire-prevention, fire-extinguishing, refrigerating, ventilating, and communications apparatus, air-cooling and air-conditioning apparatus, elevators, escalators, shades, awnings, screens, storm doors and windows, stoves, attached cabinets, partitions, furniture, carpeting, plants and shrubbery, ground maintenance equipment, ducts and compressors and all of the right, title and interest of Mortgagor in and to any

equipment which may be subject to any title retention or security agreement superior in lien to the lien of this Mortgage (the "**Equipment**"); (d) all right, title and interest, if any, of Mortgagor to plans and specifications, engineering drawings, architectural renderings, environmental reports, licenses, governmental permits and approvals, soil test reports, proposals or other material now or thereafter existing in any way relating to the Property (the "**Plans, Licenses and Permits**"); (e) all rents, issues and profits derived under present or future leases, or otherwise, which are hereby specifically assigned, transferred and set over to Mortgagee (the "**Rents and Profits**"); (f) all awards or payments, including any interest thereon, and the right to receive same, which may be made for the account of Mortgagor with respect to the Property as a result of the exercise of the right of eminent domain or condemnation, as hereinafter provided (the "**Awards and Payments**"); (g) all rights of Mortgagor to receive the proceeds arising from or in connection with any federal or state historic tax credits or brownfield credits, and any replacement or similar credits or payments made or to be made in connection with the Project as described in the Loan Agreement, including any payments due Mortgagor in the form of distributions from any member of Mortgagor (the "**Credits Payments**"); (h) all rights of Mortgagor to any oil, gas, mineral and water rights (the "**Natural Resources Rights**"); (i) all rights of Mortgagor under any purchase agreements executed with respect to the Property and the proceeds thereof (the "**Purchase Agreements**"); and (j) proceeds and proceeds of hazard insurance of all of the foregoing described in this paragraph (the "**Proceeds**" and with the Property, Personal Property, Easements and Agreements, Equipment, Plans, Licenses and Permits, Rents and Profits, Awards and Payments, Credits Payments, Natural Resources Rights, Purchase Agreements, are collectively the "**Mortgaged Property**"). It is understood and agreed that all Equipment is part and parcel of said real estate and appropriated to the use of said real estate and, whether affixed or annexed or not, shall for the purpose of this Mortgage be deemed conclusively to be real estate and mortgaged hereby. Mortgagor agrees to execute, acknowledge and deliver, from time to time, such financing statements or other instruments as may be reasonably requested by Mortgagee to confirm, protect and perfect the lien of this Mortgage on any Personal Property or Equipment, under the provisions of the Uniform Commercial Code in effect in Michigan or otherwise, and this Mortgage shall also be considered to be and may be construed as a security agreement with reference to any such Equipment, and upon Mortgagor's default, Mortgagee shall, in addition to all other remedies herein provided, have the remedies provided for under the Uniform Commercial Code, as amended, in effect in Michigan.

And the said Mortgagor, for itself, its successors and assigns, does covenant and agree to and with the said Mortgagee, its successors and assigns, as follows:

1. **Performance:** Mortgagor will pay, and otherwise perform, all the terms, conditions and covenants of the Obligations.

2. **Title:** At the time of the execution and delivery of this instrument, Mortgagor is well and truly seized of the Mortgaged Property in fee simple, free of all liens and encumbrances whatsoever, except matters, if any, set forth in the mortgage title insurance policy accepted by Mortgagee and the endorsements thereto issued from time to time and as set forth on **Exhibit B** attached hereto (collectively, the "**Permitted Encumbrances**"). Mortgagor will forever warrant and defend the first priority lien position of this Mortgage against any and all claims whatever, and the lien created hereby is and will be kept a lien having a first priority upon said Mortgaged Property, subject only to the Permitted Encumbrances.

3. **Payment of Taxes and Assessments:** Mortgagor shall pay prior to the date that any penalty or interest for nonpayment would attach, all taxes and assessments that may be levied upon said Mortgaged Property, and shall promptly deliver to Mortgagee receipts showing payment thereof. Mortgagor shall pay when due all water charges and all other amounts which might become a lien upon the Mortgaged Property prior to this Mortgage. Mortgagor shall pay when due all taxes and assessments that may be levied upon or on account of this Mortgage or the Obligations secured hereby or upon the interest or estate in said Mortgaged Property created or represented by this Mortgage, whether levied against Mortgagor or otherwise. In the event payment by Mortgagor of any tax referred to in the foregoing sentence would result in the payment of interest in excess of the rate permitted by law, then Mortgagor shall have no obligation to pay the portion of such tax which would result in the payment of such excess; provided, however, in any such event, at any time after the enactment of the law providing for such tax, Mortgagee, at its election, may declare the entire principal balance of the Obligations secured hereby, together with interest thereon, to be due and payable.

4. **Insurance:** Mortgagor will keep the Mortgaged Property, insured against loss and damage by fire and the perils covered by extended coverage insurance (including public liability insurance), and against such other risks as required by the terms of the Loan Agreement, with proceeds thereof payable to Mortgagee under a standard mortgagee endorsement thereto, and shall contain an agreement by such insurer(s) that such policy(s) shall not be cancelled or materially modified without at least thirty (30) days prior written notice to Mortgagee. In the event of any loss or damage to all or any portion of the Mortgaged Property, at Mortgagee's election, the insurance proceeds shall be used in any one or more of the following ways: (a) apply the same or any part thereof upon the Obligations secured hereby, whether such Obligations are then matured or unmatured; (b) use the same or any part thereof to fulfill any of the covenants contained herein as Mortgagee may determine; (c) use the same or any part thereof to replace or restore the Mortgaged Property to a condition satisfactory to Mortgagee, or (d) release the same to Mortgagor.

Notwithstanding the foregoing, in the absence of an Event of Default beyond any applicable notice and cure period which is not cured at the time of the casualty or damage and at the time insurance proceeds are to be made available to Mortgagee under this provision, and, if requested by Mortgagor in writing, Mortgagee agrees to disburse such insurance proceeds to Mortgagor or, to contractors employed by Mortgagor, less actual costs, fees and expenses, including reasonable attorneys' fees, if any, incurred by Mortgagee in connection with the adjustment of the loss or any action taken by Mortgagee in connection with the adjustment of the loss or incurred by Mortgagee in connection with any of the requirements of this **Section 4** (the "**Net Proceeds**"), consistent with customary practices of Mortgagee in the administration of construction loans and as set forth in the Loan Agreement, for the purpose of restoration, repair and replacement ("**Restoration**") of the Mortgaged Property to the condition and character existing prior to such event giving rise to payment of such proceeds, subject to the following:

(a) Mortgagor shall deliver a detailed budget to Mortgagee, approved in writing by Mortgagor's architect or engineer, inclusive of the entire cost of completing the Restoration, on a trade by trade basis;

(b) the Net Proceeds, together with any additional funds deposited by Mortgagor with Mortgagee, are sufficient, as determined by an estimate prepared by an independent appraiser selected by Mortgagee, to pay for the entire cost of the Restoration;

(c) Mortgagor shall commence the Restoration as soon as reasonably practicable, but in no event later than ninety (90) days after such damage or destruction occurs; notwithstanding the foregoing, Mortgagor shall remove debris and otherwise clean and secure the Mortgaged Property, promptly following any such damage or destruction;

(d) Restoration shall be performed in compliance with all applicable governmental codes, ordinances, statutes and requirements (including, without limitation, all applicable Environmental Laws);

(e) From and after the date of the occurrence of the damage or destruction and continuing during the course of the Restoration, Mortgagor shall continue to timely pay all costs of owning, maintaining and operating the Mortgaged Property, including all debt service under the Notes; and

(f) Mortgagor shall comply with the policies and requirements of the Michigan Construction Lien Act and the Restoration will be completed free of any construction liens. Each disbursement of insurance proceeds shall require an endorsement to Mortgagee's title insurance policy insuring the full amount of advances to date.

If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the sole opinion of Mortgagee, be sufficient to pay in full the balance of the costs which are estimated by Mortgagee to be necessary to complete the Restoration, Mortgagor shall deposit additional funds with Mortgagee in the amount of such deficiency (the "**Net Proceeds Deficiency**") before any other disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Mortgagee shall be held by Mortgagee and shall be disbursed for costs actually incurred in connection with the restoration of the same conditions applicable to the disbursement of the Net Proceeds and, until so disbursed, shall constitute additional security for the Indebtedness. Any funds held by Mortgagee pursuant to this **Section 4** shall be held in a non-interest bearing account and may be commingled with other funds of Mortgagee.

5. **Default in Taxes:** If default is made in the payment of any taxes, liens, charges, assessments or in making repairs or replacements or in procuring and maintaining insurance and paying the premiums therefor or in paying any governmental charges levied or assessed against the Mortgaged Property, or in keeping or performing any other covenants of Mortgagor herein and same is not cured within any applicable notice or cure period, Mortgagee may, at its option, and without any obligation on its part so to do, pay said taxes and assessments, make such repairs and replacements, effect such insurance, pay such premiums or governmental charges, and perform any other covenant of Mortgagor herein. All amounts expended by Mortgagee hereunder shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand, with interest thereon at the Default Rate.

6. **Property Covenants:** Mortgagor will abstain from and will not suffer the commission of waste on said Mortgaged Property and will keep the buildings, improvements,

fixtures and equipment now or hereafter thereon in good repair and will make replacements thereto as and when the same become necessary. Mortgagor shall promptly notify Mortgagee in writing of the occurrence of any material loss or damage to the Mortgaged Property. Mortgagor shall not materially alter the buildings, improvements, fixtures or equipment now or hereafter upon said Mortgaged Property, or remove the same therefrom, without the written consent of Mortgagee, except for such activities as are directly required to complete the Project as described in the Loan Agreement. Mortgagor will not permit any portion of the Mortgaged Property to be used for any unlawful purposes. Mortgagor will comply promptly with all laws, ordinances, regulations and orders of all public authorities having jurisdiction thereof relating to the Mortgaged Property or the use, occupancy and maintenance thereof, including the Americans with Disabilities Act of 1990, as it may be amended, and Mortgagor shall: (a) permit no change in the general nature of the occupancy of the Premises without Mortgagee's prior written consent; and (b) not initiate or acquiesce in any zoning reclassification without Mortgagee's prior written consent.

7. **Waste:** Failure of Mortgagor to pay any taxes, assessments or governmental charges levied or assessed against the Mortgaged Property, or any part thereof, or any installment of any such tax, assessment or charge, or any premium upon any such tax, assessment or charge, or any premium upon any policy of insurance covering any part of the Mortgaged Property, at the time or times such taxes, assessments, charges, installments thereof or insurance premiums are due and payable, shall constitute waste, and in accordance with the provisions of Act No. 236 of the Public Acts of Michigan for 1961, as amended, shall entitle Mortgagee to exercise the remedies afforded by applicable law. Payment by Mortgagee for and on behalf of Mortgagor of any such delinquent tax or insurance premium properly payable by Mortgagor under the terms of this Mortgage, shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand, with interest thereon at the Default Rate and shall not cure the default herein described nor shall it in any manner impair Mortgagee's right to the appointment of a receiver on account thereof. Upon the happening of any such acts of waste and on proper application made therefore by Mortgagee to a court of competent jurisdiction, Mortgagee shall forthwith be entitled to seek the appointment of a receiver of the Mortgaged Property hereby mortgaged and of the earnings, income, issues and profits thereof, with such powers as the court making such appointment shall confer; Mortgagor hereby irrevocably consents to such appointment.

8. **Reimbursement:** In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the Mortgaged Property, other than for Mortgagee's default, Mortgagor shall reimburse Mortgagee for all costs and expenses, including reasonable attorneys' fees, incurred by Mortgagee in connection therewith. All such amounts incurred by Mortgagee hereunder shall be secured hereby and shall be payable by Mortgagor to Mortgagee forthwith on demand, with interest thereon at the Default Rate. Mortgagor hereby assigns to Mortgagee, in their entirety, all judgments, decrees, and awards for injury or damage to the Mortgaged Property and Mortgagor authorizes Mortgagee, at its sole election, to apply the same, or the proceeds thereof, to the Obligations hereby secured in such manner as Mortgagee may elect.

9. **Condemnation:** In the event of the taking of all or any portion of the Mortgaged Property in any proceedings under the power of eminent domain, the entire award rendered in such proceedings shall be paid to Mortgagee, to be applied toward reimbursement of all costs and expenses of Mortgagee in connection with said proceedings, toward the payment of all amounts payable by Mortgagor to Mortgagee hereunder, and at Mortgagee's election, used in any one or

more of the following ways: (a) apply the same or any part thereof upon the Obligations secured hereby, whether such Obligations are then matured or unmatured; (b) use the same or any part thereof to fulfill any of the covenants contained herein as Mortgagee may determine; (c) use the same or any part thereof to replace or restore the Mortgaged Property to a condition satisfactory to Mortgagee; or (d) release the same to Mortgagor.

10. **Rents/Profits:**

(a) As additional security for the payment of the Obligations, insurance premiums, taxes and assessments, at the time and in the manner herein agreed, and for the performance of the covenants and agreements herein contained, pursuant to Act 210 of the Public Acts of Michigan of 1953, as amended, Mortgagor does hereby assign, transfer and set over unto Mortgagee herein, its successors and assigns, all of its right, title and interest to the rents, profits and income under any lease or leases of the Mortgaged Property (including any extensions, amendments or renewals thereof), whether due or to become due, including all such leases in existence or coming into existence during the period this Mortgage is in effect. This assignment of rents shall run with the land and be good and valid as against Mortgagor herein or those claiming by, under or through Mortgagor, from the date of the recording of this instrument. This assignment shall continue to be operative during the foreclosure or any other proceedings taken to enforce this Mortgage. In the event of a sale or foreclosure which shall result in a deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency. This assignment is given as collateral security only and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor contained in any such assigned leases. Mortgagor represents and warrants to Mortgagee that it has not assigned, transferred or set over the rents, profits and income under any lease or leases of the Mortgaged Property except in favor of Mortgagee.

(b) Should an Event of Default exist, Mortgagor shall, upon demand therefor made by Mortgagee, deliver and surrender possession of the Mortgaged Property to Mortgagee (if permitted by law) who shall thereafter collect the rents and income therefrom, rent or lease said Mortgaged Property or portion thereof upon such terms and for such time as it may deem best, based upon commercially reasonable terms prevailing at that time, terminate any tenancy (subject to any subordination, attornment and non-disturbance agreement existing between Mortgagee and any tenant of the Mortgaged Property) and maintain proceedings to recover rents or possession of the Mortgaged Property from any tenant or trespasser, and apply the net proceeds of such rent and income to the following purposes:

- (i) preservation of Mortgaged Property;
- (ii) payment of taxes;
- (iii) payment of insurance premiums;
- (iv) payment of installments of interest due under the terms of the Notes;
or
- (v) payment of the outstanding principal balance due under the Notes.

(c) In the event that Mortgagor fails, refuses or neglects to deliver or surrender such possession, Mortgagee shall be entitled to seek the appointment of a receiver of the Mortgaged Property and of the earnings, income, issue and profits thereof, with such powers as the court making such appointment may confer.

(d) The provisions of this **Section 10** are not intended to evidence an additional recordable event, as may be prohibited by Act 459 of the Public Acts of Michigan of 1996, but rather are included in this Mortgage for purposes of complying with any applicable requirements of Act 210 of the Public Acts of Michigan of 1953, as amended.

11. **Default:** Should an Event of Default exist beyond any applicable notice and cure period set forth in the Loan Agreement, then Mortgagee may at any time after such Event of Default, and without further notice, declare the principal balances of the Notes secured hereby, together with interest thereon and all other Obligations, to be due and payable immediately. The commencement of proceedings to foreclose this Mortgage shall, in any event, be deemed to have occurred upon such declaration.

12. **Title History:** Should an Event of Default exist, Mortgagee may cause the title insurance policy of the Mortgaged Property to be updated or extended, or may procure new or updated title insurance policies in case none were left or kept on deposit with said Mortgagee, and the money so paid shall be a lien on said Mortgaged Property added to the amount secured by this Mortgage and payable forthwith with interest thereon at the Default Rate.

13. **Acceleration:** If foreclosure proceedings of any mortgage (other than the within Mortgage) or any lien of any kind should be instituted against the Mortgaged Property and such proceedings are not either discontinued or bonded in accordance with statutory procedures so as to remove the lien from the real estate records and by a company satisfactory to Mortgagee or title insured (to the satisfaction of Mortgagee, in its reasonable discretion), by the title insurance company insuring this Mortgage, within thirty (30) days, or if any other proceedings, either voluntary or involuntary, are instituted by or against Mortgagor or its successors in title to enforce payment or liquidation of its outstanding obligations, Mortgagee may, at its option and without notice (notwithstanding any provisions to the contrary in the Loan Agreement), immediately declare its lien and the Obligations which it secures due and payable and institute such proceedings as may be necessary to protect its interest in the Mortgaged Property.

14. **Disposition of Property:**

(a) Power is hereby granted to Mortgagee, if an Event of Default exists, to grant, bargain, sell, release and convey the Mortgaged Property at public auction or venue, and on such sale to execute and deliver to the purchasers, his, her, its or their heirs, successors and assigns, good ample and sufficient deed or deeds of conveyance in law, pursuant to the statute in such case made and provided, and to apply the proceeds of such sale in the manner hereinafter provided.

(b) Upon a foreclosure sale of said Mortgaged Property or any part thereof, the proceeds of such sale shall be applied in the following order:

- (i) To the payment of all costs of the suit or foreclosure, including reasonable attorneys' fees and the cost of title searches and abstracts;

- (ii) To the payment of all other expenses of Mortgagee, including all monies expended by Mortgagee and all other amounts payable by Mortgagor to Mortgagee hereunder, with interest thereon;
- (iii) To the payment of the principal and interest of the Notes secured hereby; and
- (iv) To the payment of the surplus, if any, to Mortgagor or to whosoever shall be entitled thereto.

(c) Upon any foreclosure sale of the Mortgaged Property, the same may be sold either as a whole or in parcels, as Mortgagee may elect, and if in parcels, the same may be divided as Mortgagee may elect, and at the election of Mortgagee may be offered first in parcels and then as a whole, that offer producing the highest price for the entire Mortgaged Property to prevail, any law, statutory or otherwise, to the contrary notwithstanding, and Mortgagor hereby waives the right to require any such sale to be made in parcels or the right to select such parcels.

15. **Future Assurances:** At any time and from time to time, upon reasonable request of Mortgagee, Mortgagor will make, execute and deliver or cause to be made, executed and delivered to Mortgagee and where appropriate will cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or filed at such time and in such offices and places as shall be reasonably required by Mortgagee, any and all such other and further mortgages, instruments of further assurance, certificates, financing statements, and other documents as may, in the reasonable opinion of Mortgagee or its counsel, be necessary or reasonably desirable in order to effectuate, complete and perfect and to continue and preserve the obligation of Mortgagor under this Mortgage, and the lien of this Mortgage as a lien of the priority herein set forth upon all the Mortgaged Property and Equipment, except at hereinabove stated, whether now owned or hereinafter acquired by Mortgagor and wheresoever located. Upon any failure by Mortgagor so to do, Mortgagee may execute, record, file, re-record and refile any and all such mortgages, instruments, certificates, financing statements, and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor so to do so long as such documents do not expand Mortgagor's obligations under this Mortgage, the Loan Agreement or Loan Documents. Any expenses of Mortgagee in connection therewith shall be added to the Obligations of Mortgagor and shall be secured hereby. None of the foregoing additional instruments to be executed by Mortgagor shall increase the obligations or liabilities of Mortgagor hereunder, under the Notes, the Loan Agreement or any other Loan Document.

16. **Cumulative Rights and Remedies:** Each and every of the rights, remedies and benefits provided to Mortgagee herein shall be cumulative and shall not be exclusive of any other of said rights, remedies or benefits, or of any other rights, remedies or benefits allowed by law, and may be exercised either successively or concurrently. Any waiver by Mortgagee of any default hereunder or any Event of Default shall not constitute a waiver of any similar or other default or Event of Default.

17. **Alienation; Due on Transfer:** Mortgagee in making the loan evidenced by the Notes secured by this Mortgage is relying upon the integrity of Mortgagor and its undertaking to maintain the Mortgaged Property. If Mortgagor should sell, transfer, convey, assign or further

encumber its interest in the Mortgaged Property, or any part thereof, voluntarily or involuntarily, or should there be a change of the members of Mortgagor, or should there be a change in the ownership or control of any member of Mortgagor, whether by transfer, sale, pledge or assignment, whether voluntarily or involuntarily, Mortgagee shall have the right in its sole option thereafter to declare all sums and the Obligations secured hereby and then unpaid to be due and payable forthwith although the period limited for the payment thereof shall not then have expired, anything contained to the contrary hereinbefore notwithstanding, and thereupon to exercise all of its rights and remedies under this Mortgage.

18. **Binding Effect:** All of the covenants and conditions hereof shall run with the land and shall be binding upon the successors and assigns of Mortgagor, and shall inure to the benefit of the successors and assigns of Mortgagee; any reference herein to "Mortgagee" shall include the successors and assigns of Mortgagee.

19. **Terms:** All nouns, pronouns and relative terms relating to Mortgagor and Mortgagee shall be deemed to be masculine, feminine or neuter, singular or plural, as the context may indicate. If Mortgagor consists of more than one person, their liability hereunder shall be joint and several. The term "**Event of Default**" shall have the meaning attributed to it in the Loan Agreement.

20. **Power of Sale:** WARNING. THIS MORTGAGE CONTAINS A POWER OF SALE, AND, UPON AN EVENT OF DEFAULT, MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT, NO HEARING IS INVOLVED AND THE ONLY NOTICE REQUIRED IS TO PUBLISH NOTICE IN A LOCAL NEWSPAPER AND TO POST A COPY OF THE NOTICE ON THE MORTGAGED PROPERTY.

21. **Waiver:** IF THIS MORTGAGE IS FORECLOSED BY ADVERTISEMENT, MORTGAGOR HEREBY VOLUNTARILY INTELLIGENTLY AND KNOWINGLY WAIVES ALL RIGHTS, UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN AND CONSTITUTION AND LAWS OF THE UNITED STATES, TO ALL NOTICE AND TO ANY HEARING INITIATED BY MORTGAGEE IN CONNECTION WITH THE ABOVE MENTIONED FORECLOSURE BY ADVERTISEMENT, EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

22. **Non-Pledge:** Mortgagor will not, without the prior written consent of Mortgagee, mortgage or pledge as security for any other loans obtained by Mortgagor, the Mortgaged Property. If any such mortgage or pledge is entered into without the prior written consent of Mortgagee, the entire Obligations secured hereby, may, at the option of Mortgagee, be declared immediately due and payable without notice. Further, Mortgagor also shall pay any and all other obligations, liabilities or debts which may become liens, security interest, encumbrances upon or charges against the Mortgaged Property for any repairs or improvements that are now or may hereafter be made thereon, and shall not, without Mortgagee's prior written consent permit any lien, security interest, encumbrance or charge of any kind to accrue and remain outstanding against the Mortgaged Property or any part thereof, or any improvements thereon, irrespective of whether such lien, security interest, encumbrance or charge is junior to the lien of this Mortgage unless bonded in accordance with applicable statutory provisions so as to remove the same from the real estate

records or title insured by the title insurance company insuring the within Mortgage. Notwithstanding the foregoing, if any Personal Property of Mortgagor by way of additions, replacements or substitutions is hereafter purchased and installed, affixed or placed by Mortgagor on the Premises under a security agreement the lien or title of which is superior to the lien created by this Mortgage, all the right, title and interest of Mortgagor in and to any and all such Personal Property, together with the benefit of any deposits or payments made thereon by Mortgagor shall nevertheless be and are hereby assigned to Mortgagee and are covered by the lien of this Mortgage.

23. **Security Agreement and Financing Statements:** Mortgagor (as Debtor) hereby grants to Mortgagee (as Creditor and Secured Party) as security for the payment of the Notes and all other sums secured by this Mortgage, a security interest in all the Equipment and Personal Property and any other Collateral owned by Mortgagor described elsewhere in this Mortgage or in the Loan Agreement.

Mortgagor shall execute any and all such documents, including without limitation, financing statements pursuant to the Uniform Commercial Code of the State of Michigan, as Mortgagee may reasonably request, to perfect, preserve and maintain the priority of the lien created hereby on property which may be deemed personal property or fixtures, and shall pay to Mortgagee on demand any reasonable out-of-pocket expenses incurred by any such Mortgagee in connection with the preparation, execution and filing of documents. Mortgagor hereby authorizes and empowers Mortgagee to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect said lien. This Mortgage shall be deemed a security agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be cumulative and (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in said financing statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Mortgagee's sole election.

24. **Fixture Filing Provisions:** If the security agreement described above covers goods which are or are to become fixtures, then this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of the recording hereof. In connection therewith and for the purposes of Article Nine of the Michigan Uniform Commercial Code, (a) Mortgagor is the "debtor" and is a limited liability company organized under the laws of the State of Michigan, (b) the organization number assigned debtor by the State of Michigan in which debtor is organized is 726989, (c) Mortgagee is the "secured party", (d) information concerning the security interest created hereby may be obtained from Mortgagee at its address set forth on page 1 of this Mortgage, (e) Mortgagor's mailing address is set forth on page 1 hereof; and (f) the financing statement is to be recorded in the real property records for the county in which the Mortgaged Property is located.

25. **Future Advances:** This Mortgage secures the payment of all obligations of Mortgagor to Mortgagee, its successors or assigns, arising out of or in connection with the Obligations, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent or now or hereafter existing or due or to become due, including without limitation of the generality of the foregoing, future advances.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, this Mortgage is executed the day and year first above written.

MORTGAGOR:

**WEST MICHIGAN ACADEMY OF
ENVIRONMENTAL SCIENCE**, a Michigan
nonprofit corporation

By: 
Peter Vandersluis
Its: Board President

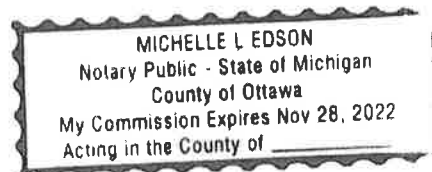
STATE OF MICHIGAN)
) ss
COUNTY OF KENT)

The foregoing instrument was executed before me this ____ day of July, 2016, by Peter Vandersluis, the Board President of **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE**, a Michigan nonprofit corporation, on behalf of said nonprofit corporation.

Michelle L. Edson
MICHELLE L. EDSON, Notary Public
State of Michigan, County of OTTAWA
My Commission Expires: 11-28-2022
Acting in the County of KENT

DRAFTED BY:

Danielle Graceffa, Esq.
Capital Impact Partners
2990 West Grand Boulevard
Suite M-15
Detroit, MI 48202



WHEN RECORDED RETURN TO:

Capital Impact Partners
2011 Crystal Drive, Suite 750
Arlington, VA 22202
Attn: Closing Manager

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

Real estate situated in the City of Walker, County of Kent, State of Michigan, described as follows:

PARCEL A:

The East 1/2 of the Northeast 1/4 of the Southwest 1/4; and also the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 18, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the East 50 feet thereof, AND ALSO EXCEPT commencing on the North right-of-way line of Leonard Street (66.00 feet wide) at its intersection with the West right-of-way line of Wilson Avenue (100.00 feet wide) (a/k/a S.T.L. M-11); thence North along the West right-of-way line of Wilson Avenue 20.00 feet; thence Southwesterly to a point on the North right-of-way line of Leonard Street which is 20.00 feet West of the place of beginning; thence East along the North right-of-way line of Leonard Street 20.00 feet to the place of beginning.

PARCEL B:

The Southeast 1/4 of the Southwest 1/4 of Section 18, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, AND ALSO EXCEPT the East 50.00 feet thereof.

Tax Item No. 41-13-18-300-018

Commonly known as: 4463 Leonard Street NW, Walker, Michigan 49534

EXHIBIT B
PERMITTED ENCUMBRANCES

1. Liens for taxes and assessments which are not yet due and payable.
2. Right of Way in favor of Consumers Power Company and the Covenants, Conditions and Restrictions contained in instrument recorded in Liber 52 MR, page 478.
3. Release of Right of Way in favor of State Highway Commissioner of the State of Michigan and the Covenants, Conditions and Restrictions contained in instrument recorded in Liber 723, page 430.
4. Release of Right of Way in favor of State Highway Commissioner of the State of Michigan and the Covenants, Conditions and Restrictions contained in instrument recorded in Liber 766, page 588.
5. Public Utilities Easement in favor of City of Grand Rapids, a Michigan municipal corporation contained in instrument recorded in Instrument No. 20150915-0081374
6. Terms and Conditions contained in Site Development and Storm Water Runoff Facility Maintenance Agreement as disclosed by instrument recorded in Instrument No. 20150304-0016670.
7. Easement for Electric Facilities in favor of Consumers Energy Company contained in instrument recorded in Instrument No. 20160125-0006855.
8. Notice of Commencement recorded in Instrument No. 20150327-0023854.
9. Any rights, title interest or claim thereof to that portion of the land taken, used or granted for streets, roads or highways.
10. The following matters as disclosed by survey dated November 18, 2014, last revised January 16, 2015, prepared by Roosien & Associates, being Job No. 141280:
 - a. Overhead lines crossing property and property lines.
 - b. Light poles, transformers, phone risers, hydrant, and concrete water chamber on property.
 - c. Metal framed storage tent and concrete pad encroaches from the North.
 - d. Building encroaches into setback line.

FINANCE AGREEMENT¹

Principal Note A: \$7,000,000.00 Note B: \$437,500.00	Loan Date July 29, 2016	Maturity Date Note A: August 1, 2041 Note B: August 1, 2026	Loan Nos. 375513500 375513600	Officer William Robison
References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item.				

THIS FINANCE AGREEMENT (this "**Agreement**") is made and entered into as of the 29th day of July, 2016, by and between (i) **CAPITAL IMPACT PARTNERS**, a nonprofit corporation organized under the laws of the District of Columbia at the direction of the U.S. Congress in 12 U.S.C. Section 3051 (together with its successors and assigns, "**Lender**"), having its principal place of business at 2011 Crystal Drive, Suite 750, Arlington, Virginia 22202, and (ii) **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE**, a Michigan non-profit corporation (together with its permitted successors and assigns, "**Borrower**"), having its principal place of business at 4463 Leonard NW, Walker, Michigan 49534, on the following terms and conditions.

I. DEFINITIONS, CONDITIONS AND ACCOUNTING TERMS.

1.1 Definitions. For purposes of this Agreement, capitalized terms used in the Loan Documents shall have the meanings set forth in this Agreement.

Additional Liability Cap shall have the meaning set forth in **Section 7.13** hereof.

Affiliates means any Person: (i) which directly or indirectly controls, or is controlled by, or is under common control with Borrower; (ii) which directly or indirectly beneficially owns or holds five percent (5%) or more of any class of voting stock of Borrower; or (iii) of which five percent (5%) or more of its voting stock is directly or indirectly beneficially owned or held by Borrower. The term control means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

Agreement shall have the meaning given to that term in the preamble of this Agreement.

Annual Certificate of Performance shall have the meaning set forth in **Section 6.6(b)** hereof and shall be in the form attached hereto as **Exhibit B**.

Annual Financial Statements shall have the meaning set forth in **Section 6.6(b)** hereof.

Attorney shall have the meaning set forth in **Section 22.11** hereof.

Bankruptcy Code means the provisions of Title 11 of the United States Code, 11 U.S.C. §§1101 et seq.

¹ Although referenced as "commercial loans", "Loans" or "Notes" herein, the evidence of indebtedness referred to herein is a bond issued by Borrower, a Michigan public school academy, pursuant to Section 1351a of the Revised School Code, MCL 380.1351a ("**Section 1351a**"). It may be referenced in this and other documentation prepared by Lender and executed by Borrower as a Note, a Loan or a Bond, but in all such instances such references are intended to refer to and shall refer to the obligation issued under Section 1351a. Further, the transactions contemplated herein do not constitute a "line of credit" to Borrower under the provisions of Section 1225 of the Revised School Code, MCL 380.1225.

Board means Central Michigan University Board of Trustees.

Borrower shall have the meaning given to that term in the preamble of this Agreement and its permitted successors and assigns, if any.

Business Day means any day other than a Saturday, a Sunday or any other day on which commercial banks in the State of Michigan and/or Commonwealth of Virginia are required or permitted by law to close.

Closing Date means the date hereof.

Code means the United States Internal Revenue Code of 1986, as amended.

Collateral means all real property, improvements, fixtures, personal property (tangible and intangible) and other assets granted as collateral security for the Loans, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise. Collateral for the Loans shall include without limitation: (i) first position blanket lien on all tangible and intangible business assets of Borrower and all proceeds thereof²; and (ii) a perfected first position mortgage on the Premises.

Commitment Letter means that certain letter from Lender to Borrower dated November 10, 2014, as amended, pursuant to which Lender committed to make the Loans to Borrower on the terms and subject to the conditions set forth therein. In the event of any conflicts between the terms hereof and the terms of the Commitment Letter, the terms hereof shall supersede and govern.

Debt Service Coverage Ratio shall have the meaning set forth in **Section 6.8** hereof.

Debt Service Reserve Account means that certain Disbursement Account with an account number of 830356623 at National Cooperative Bank, N.A., a national bank, which was funded in accordance with **Section 6.30(b)** hereof and pledged to Lender pursuant to that certain Collateral Account Pledge Agreement and controlled by Lender pursuant to that certain Collateral Account Control Agreement, each made by Borrower in favor of Lender.

Debtor Relief Law(s) means the Bankruptcy Code and all other liquidation, conservatorship, bankruptcy, assignment for the benefit of creditors, moratorium, rearrangement, receivership, insolvency, reorganization, or similar debtor relief laws of the United States or other applicable jurisdictions from time to time in effect and affecting the rights of creditors generally.

Default Rate has the meaning set forth in the respective Notes executed in connection with the Loans.

Disbursement Account means any construction disbursement, debt service, interest reserve, collateral reserve or other bank account held in the name of Borrower at National Cooperative Bank, N.A., a national bank, into which Lender shall deposit Loan Proceeds, and out of which account Lender shall disburse or authorize the disbursement of funds for any designated purpose required hereunder or under any other Loan Documents. Disbursement Account shall include the following: (i) the Debt Service Reserve Account and (ii) the Replacement Reserve Account.

Dollars, "\$" or "U.S. Dollars" means the lawful money of the United States of America.

Enrollment means the total number of full time students enrolled and attending West Michigan Academy of Environmental Science as determined on the most recent October Count Day as mandated by, and in accordance with all requirements of, the Michigan Department of Education, as such number is reported by Borrower to the

² To the extent permitted by law

Michigan Department of Education, Kent Intermediate School District, the Board and any other required municipal or governmental authority.

Environmental Indemnity Agreement means that certain Environmental Certificate and Indemnification and Accessibility Indemnification Agreement regarding Hazardous Substances and Accessibility Laws (as such term is defined in said agreement) of even date herewith between Lender and Borrower, as amended from time to time, which shall be satisfactory to Lender in all respects.

Environmental Laws shall have the meaning set forth in the Environmental Indemnity Agreement.

Event of Default shall have the meaning given to that term in **Article XII** of this Agreement.

Financing Statement(s) means UCC-1 financing statement(s) authorized by Borrower hereunder and naming Borrower as debtor and Lender as the secured party, which shall be satisfactory to Lender in all respects.

GAAP means generally accepted accounting principles as in effect from time to time. Unless otherwise expressly specified herein, all accounting terms used in this Agreement shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared, on an accrual basis in accordance with GAAP.

Governmental Authority means any nation or government, any state or other political subdivision thereof, and any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government having the force of law.

Hazardous Substance shall have the meaning set forth in the Environmental Indemnity Agreement.

Improvements means all improvements, structures or buildings and all replacements and alterations thereof or thereto, whether now or hereafter located upon the Premises, including all equipment, apparatus, machinery and fixtures of every kind and nature whatsoever, which form a part of such improvements, structures or buildings.

Indebtedness means, for any Person: (i) all indebtedness or other obligations of such Person for borrowed money or for the deferred purchase price of property or services; (ii) all obligations evidenced by notes, bonds, debentures or similar instruments, including obligations so evidenced incurred in connection with the acquisition of property, assets or businesses; (iii) all indebtedness created or arising under any conditional sale or other title retention agreement with respect to property acquired by such Person (even though the rights and remedies of the seller or lender under such agreement in the event of default are limited to repossession or sale of such property); (iv) all reimbursement or other obligations of such Person under or in respect of letters of credit and bankers acceptances; (v) all reimbursement or other obligations of such Person in respect of any bank guaranties, surety bonds and similar instruments issued for the account of such Person or as to which such Person is otherwise liable for reimbursement of drawings or payments; and (vi) all guaranties of indebtedness of another person and all indebtedness of another Person secured by any Lien upon or in property owned by the Person for whom indebtedness is being determined, whether or not such Person has assumed or become liable for the payment of such indebtedness of such other Person.

Indemnified Party shall have the meaning set forth in **Article XIX** hereof.

Land means the real property owned by Borrower in the City of Walker, County of Kent and State of Michigan, which is commonly known as 4463 Leonard NW, consisting of approximately 57.43 acres, as more particularly described in **Exhibit A** hereto, including the Improvements thereon, all easements, rights, privileges and appurtenances thereunto belonging or in any way appertaining, and all estate, right, title, interest, claim and demand whatsoever of Borrower therein, and in and to any and all streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers adjacent thereto, whether at law or in equity, in possession or expectancy, and whether now owned or hereafter acquired.

Legal Requirements applicable to any property or Person means (i) all decisions, statutes, ordinances, rulings, directions, rules, regulations, orders, writs, decrees, injunctions, permits, certificates, or other requirements of any court or other Governmental Authority in any way applicable to or affecting such property or such Person or its business, operations, or assets having the force of law; and (ii) all such person's operating agreement, bylaws and articles of incorporation or partnership, limited partnership, joint venture, trust or other form of business association agreement. As to the Premises, such term, includes, without limitation, all legal requirements relating to the acquisition, development and construction/renovation of the Improvements, ownership, use, occupancy, possession, operation, maintenance, alteration and repair thereof, as well as all related permits, easements, covenants, restrictions and similar items.

Lender shall have the meaning given to that term in the preamble of this Agreement.

Lien means, with respect to any asset, any mortgage, deed of trust, lien (statutory or otherwise), pledge, charge, security interest, hypothecation, assignment or encumbrance of any kind in respect of such asset, whether or not filed, recorded or otherwise perfected under applicable law, including any conditional sale or other title retention agreement, any lease in the nature thereof, any option or other agreement to give a security interest in and any authorized filing of or agreement to give any financing statement under the UCC (or equivalent statutes) of any jurisdiction.

Loans mean collectively the Senior Loan and the Subordinate Loan made by Lender to Borrower pursuant to this Agreement.

Loan Documents means this Agreement, the Notes, the Mortgage and all other promissory notes, credit agreements, loan agreements, environmental agreements, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, Financing Statements and all other instruments, agreements and documents, whether now or hereafter existing, executed by Borrower in connection with the Loans.

Loan Proceeds means the proceeds of the Loans to be advanced upon and subject to the provisions of this Agreement.

Manager means Choice Schools Associates, L.L.C., a Michigan limited liability company.

Maturity Date means: (i) with respect to the Senior Loan, August 1, 2041; and (ii) with respect to the Subordinate Loan, August 1, 2026.

Minimum Debt Service Coverage Amount shall have the meaning set forth in **Section 6.30(b)** hereof.

Mortgage means that certain mortgage, inclusive of security agreement and fixture filing with assignment of rents and leases, of even date herewith and made by Borrower, as amended from time to time in accordance with its terms, given as security for the Notes, which shall be satisfactory to Lender in all respects.

Municipal Code means the Michigan Revised Municipal Finance Act, 2001 PA 34, as amended.

Notes mean collectively the Senior Note and the Subordinate Note executed by Borrower in favor of Lender pursuant to this Agreement.

Obligations means the Loans and any and all other liabilities and obligations of Borrower to Lender, whether now existing or hereafter created or arising, direct or indirect, matured or unmatured, and whether absolute or contingent, joint, several or joint and several, and no matter how the same may be evidenced including interest and fees that accrue after the commencement by or against Borrower of any proceeding under any Debtor Relief Laws naming such Person as the debtor in such proceeding, regardless of whether such interest and fees are allowed claims in such proceeding. Without limiting the generality of the foregoing the term Obligations shall mean and include the Indebtedness evidenced by the Notes or any of the other Loan Documents, including all principal and interest, fees, costs and expenses for which Borrower is responsible under this Agreement or under any of the other Loan

Documents, and all covenants, agreements, duties and other obligations hereunder and under the other Loan Documents.

October Count Day means the first Wednesday of each October (or such other date later designated by the Michigan Department of Education as the fall date for membership counts of eligible pupils legally enrolled on or before the specified count day).

OFAC shall have the meaning set forth in **Section 4.23(a)** hereof.

Operating Permits means all permits, licenses, approvals, authorizations, consents, franchises, patents, copyrights, trademarks, and trade names, agreements and other instruments, or rights thereto, that are necessary or required for Borrower to operate its business and the Premises.

Organizational Documents shall have the meaning set forth in **Section 2.2(a)(vi)** below.

Patriot Act shall have the meaning set forth in **Section 22.7** hereof.

Permitted Indebtedness means: (i) Indebtedness to Lender; and (ii) except as set forth in **Section 7.13** of this Agreement, only such other Indebtedness expressly approved in writing by Lender in its sole and absolute discretion.

Permitted Liens means: (i) liens and security interests securing Permitted Indebtedness in favor of Lender; and (ii) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith.

Person means an individual, corporation, partnership, limited liability company, trust, unincorporated association, government, governmental authority or other entity, as the context may require.

Premises means the Land and Improvements.

Property Condition Report shall have the meaning set forth in **Section 6.30(a)** hereof.

Property Taxes means any form of real estate or personal property tax or assessment, general, special, ordinary or extraordinary, and any license fee, commercial rental tax, improvement bond or bonds, levy or tax (other than inheritance, personal income or estate taxes) imposed on the Collateral by any authority having the power to tax, including, without limitation, any city, state or federal government, or any school, agricultural, sanitary, fire, street, drainage or other improvement district thereof, as against any legal or equitable interest of Borrower in the Collateral, and any tax, fee, levy, assessment or charge imposed in partial or total substitution for any such tax, fee, levy, assessment or by reason of the transactions contemplated by the Loan Documents.

Public School Agreement shall mean that certain Contract to Charter a Public School Academy and Related Documents between the Board of Trustees of Central Michigan University and Borrower, for the period July 1, 2014 through June 30, 2021, as amended, restated or otherwise modified.

Quarterly Certificate of Performance shall have the meaning set forth in **Section 6.6(c)** hereof and shall be in the form attached hereto as **Exhibit C**.

Quarterly Financial Statements shall have the meaning set forth in **Section 6.6(c)** hereof.

Replacement Reserve Account means that certain Disbursement Account with an account number of 830356649 at National Cooperative Bank, N.A., which shall be funded in accordance with **Section 6.30(a)** hereof and pledged to Lender pursuant to that certain Collateral Account Pledge Agreement and controlled by Lender pursuant to that certain Collateral Account Control Agreement, each made by Borrower in favor of Lender.

Required Insurance means all insurance coverage with respect to the Premises and the Collateral as Lender shall require from time to time. Property insurance coverage required with respect to any Collateral shall not be less than that encompassed by "Fire, Extended Coverage and Vandalism and Malicious Mischief" perils broadened to include the so-call "All Risk of Physical Loss" coverage. Insurance shall be written on a replacement cost basis, and shall be in an amount not less than the amount necessary to comply with any co-insurance percentage stipulated in the policy or policies, but in all events not less than one hundred percent (100%) of insurable value (based on replacement cost). Public liability insurance shall include comprehensive coverage, including "XCU Coverage", provide coverage of not less than One Million and 00/100 Dollars (\$1,000,000.00) per accident or occurrence for personal injury or injury to property and Three Million and 00/100 Dollars (\$3,000,000.00) in the aggregate, and name Lender as an insured, to the extent Lender's interest may appear. Borrower shall also provide Lender with evidence: (1) of workers' compensation insurance, with statutory coverage limits; (2) that all insurance premiums have been paid at least one (1) year in advance; and (3) of such other insurance coverages, or information with respect to the insurance required hereby, as Lender may reasonably request. Each policy of insurance maintained pursuant to the terms hereof shall: (t) name Lender (together with its successors and assigns as their interests may appear) as an additional insured, as its interest may appear with respect to liability insurance coverage, and any additional insured parties shall be subject to Lender's approval in its sole and absolute discretion; (u) contain a standard non-contributory form mortgagee clause endorsement in favor of Lender with respect to hazard insurance coverage; (v) name Lender as loss payee and provide that all insurance proceeds for losses be adjusted and be payable to Lender; (w) include effective waivers (whether under the terms of any such policy or otherwise) by the insurer of all claims for insurance premiums against all loss payees and named insureds other than Borrower (provided that Lender shall have the right to pay premiums and continue any insurance upon the insolvency of Borrower or the foreclosure or other transfer of the Collateral) and all rights of subrogation against any named insured; (x) except in the case of public liability insurance and workers' compensation insurance, provide that any losses shall be payable notwithstanding (i) any act, failure to act, negligence, violation or breach of warranties, declarations or conditions contained in such policy by Borrower or Lender or any other named insured or loss payee, (ii) any foreclosure or other proceeding or notice of sale relating to the insured properties, or (iii) any change in the title to or ownership or possession of the insured properties; (y) provide that if all or any part of such policy is canceled, terminated or expires, the insurer will forthwith give notice thereof to each named insured and loss payee and that no cancellation, termination, expiration or reduction in amount or material change in coverage thereof shall be effective until at least thirty (30) days after receipt by each named insured and loss payee of written notice thereof; and (z) not be subject to a deductible in excess of amounts as shall be reasonably satisfactory to Lender. All insurance policies shall be issued by a company or companies authorized to issue insurance in the jurisdiction in which the Premises is located and all insurers and reinsurers shall have the A.M. Best rating of "A-" and a financial size category of "V" or better, and the originals of these policies shall be deposited with Lender throughout the entire term of the Loans. Not later than twenty (20) days prior to the expiration, termination or cancellation of any insurance policy which Borrower is required to maintain hereunder, Borrower shall obtain a replacement policy or policies (or a binding commitment for such replacement policy or policies), which shall be effective no later than the date of the expiration, termination or cancellation of the previous policy, and shall deliver to Lender a certificate and a true and complete copy of such policy or policies which comply with the requirements of this Agreement or a copy of a binding commitment for such policy or policies.

Sanctions shall have the meaning set forth in **Section 4.23(a)** hereof.

Security Report Documents shall have the meaning set forth in **Section 6.6(i)** hereof.

School Act means the Michigan State School Aid Act of 1974, 1979 PA 94, as amended.

School Code means the Michigan Revised School Code, 1976 PA 451, as amended.

Security Agreement means that certain security agreement made by Borrower for the benefit of Lender on the date hereof, pursuant to which Borrower has pledged to Lender all of Borrower's right, title and interest in and to certain personal property of Borrower more specifically identified therein, including, without limitation, the Collateral.³

Senior Loan means that certain loan in the maximum principal amount of up to Seven Million and 00/100 Dollars (\$7,000,000.00) made by Lender to Borrower pursuant to this Agreement.

Senior Note means those that certain Promissory Note (Note A) of even date herewith made by Borrower and payable to the order of Lender in the maximum principal amount of Seven Million and 00/100 Dollars (\$7,000,000.00), together with all modifications, amendments, renewals, extensions, replacements, and substitutions thereof or therefor.

State shall have the meaning set forth in **Article XVIII** hereof.

Subordinate Loan means that certain loan in the maximum principal amount of up to Four Hundred Thirty Seven Thousand Five Hundred and 00/100 Dollars (\$437,500.00) made by Lender to Borrower pursuant to this Agreement.

Subordinate Note means that certain Promissory Note (Note B) of even date herewith made by Borrower and payable to the order of Lender in the maximum principal amount of Four Hundred Thirty Seven Thousand Five Hundred and 00/100 Dollars (\$437,500.00), together with all modifications, amendments, renewals, extensions, replacements, and substitutions thereof or therefor.

Tax shall have the meaning set forth in **Article XVIII** hereof.

Title Company means the title insurance company selected by Borrower and acceptable in all respects to Lender.

Title Policy means an ALTA loan title insurance policy issued by the Title Company, having liability in the amount of the Loans, and insuring, as of the time and date that the Mortgage is recorded, that fee title to the Premises is vested in Borrower and that the lien of the Mortgage is a valid first priority Lien on the Premises with respect to the Loans, subject only to those Liens and exceptions as shall be acceptable to Lender in its sole discretion and containing such endorsements as Lender shall require.

UCC means the Uniform Commercial Code as the same may from time to time be in effect in the State of Michigan or the Uniform Commercial Code (or similar code or statute) of another jurisdiction, to the extent it may be required to apply to any item or items of Collateral.

1.2 Construction. Unless the context of this Agreement or other Loan Documents otherwise clearly require, reference to the plural include the singular and the singular the plural. The word "Borrower" shall mean "each Borrower and its successors and assigns;" the word "Lender" shall mean "Lender or any subsequent holder of the Notes;" the word "Notes" shall mean "the Notes or other evidence of Obligations secured by the Collateral and the other Loan Documents;" and the terms "include", "including" and similar terms shall be construed as if followed by the phrase "without being limited to." Whenever the context may require, any pronouns used herein shall include the corresponding masculine, feminine or neuter forms, and the singular form of nouns and pronouns shall include the plural and vice versa. All references to dollar amounts shall mean amounts in lawful money of the United States of America. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with GAAP as in effect on the date of this Agreement. Article, Section and Subsection references are to this Agreement unless otherwise specified.

³ To the extent permitted by law.

II. LOAN TRANSACTION.

2.1 Terms of Loans.

(a) Subject to the terms and conditions contained in this Agreement, on the Closing Date, Lender agrees to make the Loans in the maximum aggregate principal amount of Seven Million Four Hundred Thirty Seven Thousand Five Hundred and 00/100 Dollars (\$7,437,500.00) to Borrower. Borrower's obligation to repay the Loans shall be evidenced by the Notes and secured by the first priority Mortgage and by a first priority security interest in and to the Collateral. All sums advanced in connection with the Loans shall be deemed to be advanced under the Notes and Lender is hereby authorized by Borrower to (i) endorse on the Notes the amount of each payment by Borrower of principal and interest; or (ii) enter the amount of such payment in Lender's records, including, if applicable, Lender's computer records, which endorsement or entry shall, in the absence of manifest error, be prima facie evidence of the outstanding balance of the Loans; provided, however, that the failure to make such endorsement or entry with respect to any payment shall not limit or otherwise affect the Obligations of Borrower hereunder and under the Notes and other Loan Documents.

(b) The Loan Proceeds shall be used solely to pay off existing debt and to pay all closing costs, legal fees and any other financing costs related to the Loans approved by Lender. The proceeds of these obligations are being used by Borrower for capital expenditures and to pay costs of issue and are not being used for maintenance costs or other expenditures not permitted by Section 1351a of the Act. The proceeds of the Loans shall not be used by Borrower to carry on propaganda or otherwise attempt to influence legislation, or to participate or intervene in any political campaign on behalf of, or in opposition to, any candidate for public office within the meaning of Section 501(c)(3), 170(c)(2)(D), or 4945(d)(1) of the Code, or to influence the outcome of any specific public election or to carry on, directly or indirectly, any voter registration drive within the meaning of Section 4945(d)(2) of the Code, or for the personal benefit of any officers, directors, or employees of Borrower.

2.2 Conditions to Making the Loans. Lender's obligation to make the Loans is conditioned upon Borrower's satisfaction of all of the following conditions precedent, each of which shall be in the form and substance satisfactory to Lender in its sole and absolute discretion:

(a) **Documents.** Lender shall have received all of the following instruments and documents, in form, content and execution acceptable to Lender:

(i) **Loan Documents.** The following Loan Documents:

- A. this Agreement;
- B. the Notes;
- C. the Mortgage;
- D. the Security Agreement;
- E. the Environmental Indemnity Agreement;
- F. Collateral Account Control Agreement in connection with the Debt Service Reserve Account;
- G. Collateral Account Pledge Agreement in connection with the Debt Service Reserve Account;
- H. Collateral Account Control Agreement in connection with the Replacement Reserve Account;

- Reserve Account;
- I. Collateral Account Pledge Agreement in connection with the Replacement
- County;
- J. Financing Statements to be filed with the State of Michigan and Kent
- and
- K. Subordination of Management Fees executed by Borrower and Manager;
- L. any other Loan Documents required by Lender to be executed.

(ii) **Third-Party Consents.** All consents and approvals required by Lender to be executed by any and all parties to contracts, agreements, entitlements and other arrangements assigned to Lender.

(iii) **Opinion.** The opinion of outside counsel for Borrower covering such matters incident to the transaction contemplated by this Agreement, and which is acceptable in form and substance to Lender, in its sole discretion.

(iv) **Leases.** Copies of any leases or occupancy agreements, if any.

(v) **Other Documents.** Any subordination, assignments or other agreements required by Lender.

(vi) **Organizational Documents.** Copies of all organizational documents of Borrower (which shall include Borrower's bylaws and articles of incorporation and any amendments thereto filed with the Michigan Secretary of State, and such certificates as Lender may require relating to the authority of Borrower and its constituent members to borrow money and to execute, deliver and perform their respective obligations under the Loan Documents; a copy of Borrower's certificate of good standing in the State of Michigan; all in form and content acceptable to Lender, accompanied by such Secretary of State certifications as Lender may require. In addition a copy of the letter issued by the Internal Revenue Service evidencing Borrower's status as a charitable, tax-exempt organization (collectively, the "**Organizational Documents**").

(vii) **Authorization.** A certificate of an authorized officer, member or manager of Borrower as to organizational, authority and incumbency matters, evidencing, among other things, resolutions of Borrower duly authorizing the Loans and the placement of a lien on the assets of Borrower in order to secure the Loans, and such other resolutions, authorizations, documents and instruments as Lender may require as evidence of Borrower's authority to transact business and to enter into the transactions contemplated hereby.

(viii) **Lien Searches.** Receipt of such UCC, judgment, bankruptcy, pending litigation, tax and special searches on Borrower, the Premises and the other Collateral, as Lender may deem appropriate, which shall show the absence of any adverse interests or encumbrances other than the Permitted Liens.

(ix) **Title and Title Insurance.** Title to the Premises shall be satisfactory in all respects to Lender, free and clear of all liens, claims, rights and interests not acceptable to Lender. Furthermore, the Land shall constitute contiguous parcels and have no gaps and/or gores, and have the benefit of all easements (including all easements necessary for access and parking), rights and other agreements that are, in the reasonable judgment of Lender, necessary or appropriate for the current and/or contemplated use or development of the Premises. Borrower shall have furnished to Lender a mortgagee's title insurance policy, on the then current ALTA form, without standard exceptions, from the Title Company (with re-insurance in amounts and from national title insurance companies satisfactory to Lender, if required), insuring that the Mortgage is a valid first lien on the Premises, subject only to exceptions acceptable to Lender. Such policies shall (1) insure title up to the maximum principal amount of the Notes; (2) insure that Borrower owns the Land and all Improvements; (3) provide that the Premises are insured free and clear of all liens, claims and encumbrances not expressly agreed to by Lender in writing; (4) contain no general exception for survey matters, and no exception for (and affirmative insurance

against) construction, mechanics' and materialmen's liens, filed or unfiled; and (5) provide such endorsements as Lender shall require, including the following: access; comprehensive; deletion of the arbitration clause; environmental lien; single tax parcel; survey; usury; and 3.1 zoning and such other endorsements as Lender may require insuring the Mortgage as a first and prior lien upon the Premises (the "**Title Policy**"). The title commitment and Title Policy shall be subject to Lender's approval in all respects.

(x) **Survey.** Borrower shall have furnished to Lender a current survey of the Premises certified to Lender and the Title Company by a surveyor licensed to practice in the state in which the Premises are located, to the most recent standard of the "Minimum Standard Detail Requirements for Land Title Surveys" jointly established and adopted by ALTA and ACSM or such other standards as Lender in its sole discretion shall accept, confirming the legal description of the Premises as set forth on **Exhibit A** hereto. With regard to all site plans, subdivision plats, condominium declarations and survey maps and plans to be recorded, Borrower shall have furnished to Lender evidence acceptable to Lender that the same have been accepted by all necessary governmental agencies, and Borrower shall have also provided to Lender a certification from the architect or engineer preparing the site plan, subdivision plat, condominium declaration and/or survey map and plans confirming that the Premises has been designed to be constructed entirely within the boundary lines of the Land.

(xi) **Insurance.** Evidence that all Required Insurance has been placed (and remains in force) on the Premises and all other Collateral encumbered in connection with the Loans.

(xii) **Environmental Report.** A Phase I environmental assessment and, if warranted by the results of such Phase I environmental assessment, a Phase II environmental assessment, each from an environmental engineering firm acceptable to Lender, prepared or updated not later than sixty (60) days prior to the closing of the Loans, relating to the Premises, together with a letter from each preparer thereof entitling Lender and its successors and assigns to rely upon said environmental assessment(s).

(xiii) **Zoning, Utilities, Permits.** Satisfactory evidence of: (a) permitted zoning of the Premises for the contemplated use of the Premises and compliance with all applicable zoning laws, ordinances, codes, rules and regulations beyond any possible appeal period and without the need for any special exceptions or approvals by any zoning or other board or body; (b) compliance with all laws, ordinances, codes, rules and regulations affecting or relating to the use of the Premises, including all applicable building, safety, ecological and environmental laws, ordinances, codes, rules and regulations; and (c) the issuance of all permits, licenses and approvals necessary in connection with the use or operation of the Improvements, copies of all of which shall be provided to Lender immediately upon Borrower's receipt of same.

(xiv) **Operating Permits.** All Operating Permits.

(xv) **Miscellaneous.** Such other agreements, statements, papers and documents as may be required by this Agreement or as Lender may otherwise require; and such other funds, papers, instructions or documents as Title Company may require to issue the Title Policy.

(b) **Appraisal.** Borrower shall have provided to Lender at Borrower's expense an MAI appraisal, in form, content and from an appraiser acceptable to Lender in its sole discretion, resulting in a maximum loan to value of 85% of the as-completed value of the Premises.

(c) **Financial Statements.** Borrower shall have delivered to Lender true, correct and complete Borrower prepared financial statements as required by Lender. Lender acknowledges receipt of said financing statements and the same are acceptable to Lender.

(d) **Underwriting Materials.** All information and due diligence materials requested by Lender in connection with its underwriting process. The information and materials provided to Lender shall be true and complete in all respects as of the date furnished and on the Closing Date.

(e) **Recordation and Title Policy.** Recordation shall have occurred, and Title Company shall have issued or agreed unconditionally to issue the Title Policy as of recordation.

(f) **Financing Statements.** The Financing Statements shall have been duly filed before or concurrently with the closing of the Loans.

(g) **Loan Fee and Loan Expenses.** Any fees incurred in connection with the Loans, including document preparation fees, Lender's reasonable attorneys' fees and all then-outstanding expenses incurred in connection with the Loans, including recording fees, UCC filing and search fees, plus all other costs and charges associated with the closing of the Loans shall have been paid by Borrower (less any portion of such fees that Borrower has already paid to Lender).

(h) **No Material Adverse Change.** There shall have occurred no material adverse change in the financial condition or operations of Borrower since the date of Borrower's most recent financial statements submitted to Lender.

(i) **No Default.** Borrower shall have complied with all of the terms and conditions set forth in the Commitment Letter, as well as all other reasonable and/or customary requirements of Lender and No Event of Default shall exist under the Commitment Letter or the terms hereof.

(j) **Eligible Borrower.** Borrower shall have furnished sufficient information to Lender to verify that Borrower is an "eligible borrower" under the National Consumer Cooperative Bank Act, as amended, at 12 U.S.C. Section 3001 et seq., in accordance with Lender's policies.

(k) **Representations and Warranties.** The representations and warranties contained herein and in each written document executed and delivered by Borrower to Lender in connection with this Agreement shall be true and correct in all material respects to the same extent as though made on and as of such date.

(l) **Participation.** The General Board of Pensions shall have agreed to participation in the Senior Loan on terms and conditions acceptable to Lender.

(m) **Debt Service Reserve Account.** The Debt Service Reserve Account shall have been funded in the amount of \$276,645.18.

2.3 Change of Law. Notwithstanding any other provision herein, if after the date of this Agreement any change in applicable law or regulation or in the interpretation or administration thereof by any governmental authority charged with the interpretation or administration thereof (whether or not having the force of law) shall change the basis of taxation (including without limitation the imposition of any stamp tax or transaction tax) of payments to Lender of the principal of or interest on the Loans made or any fees or other amounts payable hereunder (other than changes in respect of taxes imposed on the income of Lender by the jurisdiction in which Lender is organized or has its principal office or is operating or doing business or, in either case, by any political subdivision or taxing authority therein), or shall impose, modify or deem applicable any reserve, special deposit or similar requirement against assets of, deposits with or for the account of or credit extended by Lender or shall impose on Lender or the interbank Eurodollar market any other condition affecting this Agreement or the Loans, and the result of any of the foregoing shall be to increase the cost to Lender of making or maintaining the Loans or to reduce the amount of any sum received or receivable by Lender hereunder (whether of principal, interest or otherwise) by an amount deemed by Lender to be material, then Borrower will pay to Lender such additional amount or amounts as will compensate Lender for such additional costs incurred or reduction suffered. Lender will notify Borrower that Lender is entitled to compensation pursuant to this **Section 2.3** as promptly as practicable after it determines to request such compensation.

2.4 School Aid Act Limitations. Notwithstanding any other provision contained in this Agreement or in the Notes, Lender and Borrower acknowledge that the amount to be paid by Borrower under the Loans in any fiscal year of Borrower shall not exceed twenty percent (20%) of the amount of School Aid payable to Borrower

by the State of Michigan in such fiscal year as required by MCL 388.1618. Notwithstanding the foregoing, if Borrower is in default under the Notes, such limitation shall not be a defense to payment under said Notes and Lender shall have all remedies available to it due to such default.

III. [RESERVED.]

IV. REPRESENTATIONS AND WARRANTIES. In order to induce Lender to enter into this Agreement and to make the Loans, Borrower represents and warrants to Lender, as of the date of this Agreement, the date of any renewal, extension or modification of the Loans, and at all times any Obligations exist:

4.1 Organization; Power and Authority; Ownership. Borrower is a public school academy which has been duly established as a public school academy in accordance with Part 6A of the School Code. Borrower is qualified to do business under the laws of all jurisdictions in which the nature of its business or the location of any of its properties requires qualification. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains its principal office at 4463 Leonard NW, Walker, Michigan 49534. Unless Borrower has designated otherwise in writing, the principal office is the office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization, any change in Borrower's name or any change in the location of its principal office. Borrower has obtained all licenses, permits, franchises and other governmental authorizations necessary to the ownership or leasehold interest and use of its properties and the conduct of its business, including the operation of a public school academy on the Premises. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any Governmental Authority or quasi-governmental authority or court applicable to Borrower and/or the Premises.

4.2 Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: none.

4.3 Authorization. The execution, delivery and performance by Borrower of each of the Loan Documents, consummation of the transactions contemplated thereby, and compliance with the provisions thereof have been duly authorized by all necessary action by Borrower and do not and will not: (i) require any consent or approval which has not been obtained; (ii) contravene Borrower's Articles of Incorporation and Bylaws; (iii) violate or cause Borrower to default under any provision of any law, rule, regulation (including, without limitation, Regulation U of the Board of Governors of the Federal Reserve System), order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to Borrower, or Borrower's contract obligations with its authorizing body; (iv) result in a breach of or constitute a default under any indenture or loan or credit agreement or any other agreement, lease or instrument to which Borrower is a party or by which Borrower or its properties may be bound or affected; or (v) result in, or require, the creation or imposition of any Lien, upon or with respect to any of the properties now owned or hereafter acquired by Borrower (except for Permitted Liens). The execution, delivery and performance of Borrower's obligations under this Agreement and the other Loan Documents by Borrower, and the transactions and other documents contemplated thereby are authorized under, and do not and will not contravene, the School Code, School Act or Municipal Code.

4.4 Financial Information. All financial data and financial statements delivered to Lender concerning Borrower or the Collateral present in a complete and accurate manner the financial condition and the prospects of Borrower or the Collateral, as the case may be, and all material liabilities, fixed or contingent, are fully shown or provided for in such financial statements, and there has been no material adverse change which would affect the financial condition of Borrower or the Collateral since the date of the most recent such financial data or statements.

4.5 Legal Effect. This Agreement is, and each of the other Loan Documents and any instrument or agreement Borrower is required to give or execute under this Agreement or any other Loan Documents, when

delivered, as applicable, will be, legal, valid, and binding obligations of Borrower and its successors and assigns, enforceable against Borrower and its successors and assigns in accordance with their respective terms, except to the extent that such enforcement may be limited by applicable Bankruptcy, insolvency, and other similar laws affecting creditors' rights generally.

4.6 Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted in writing by Lender or, with respect to the Premises, the title exceptions that have been expressly accepted by Lender in writing, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties, including the Premises and the other Collateral, free and clear of all security interests, liens or encumbrances, and has not executed any security documents or financing statements relating to such properties, including the Collateral. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used, filed a financing statement or had a financing statement filed, under any other name for at least the last five (5) years.

4.7 Enforceability of Security Interest. To the extent the Collateral consists of accounts, chattel paper, or general intangibles, as defined by the UCC, the security interests in the Collateral granted to Lender is enforceable in accordance with its terms, is genuine, and fully complies with all applicable laws and regulations concerning form, content and manner of preparation and execution, and all persons appearing to be obligated on the Collateral have authority and capacity to contract and are in fact obligated as they appear to be on such Collateral. There shall be no setoffs or counterclaims against any of the Collateral, and no agreement shall have been made under which any deductions or discounts may be claimed concerning the Premises except those disclosed to Lender in writing.

4.8 Insurance. Each insurance policy currently owned or held by Borrower is and satisfies all of the requirements for Required Insurance as set forth herein.

4.9 Interest in Collateral. No person, party, firm or corporation has: (1) any possessory interest in Borrower's rights to the Collateral or right to occupy the Premises except Borrower; or (2) an option to purchase the Collateral or an interest therein. No lease exists on or with respect to the Premises.

4.10 Fire of other Casualty. No portions of the Collateral has been damaged by fire, water, wind or other cause of loss or any previous damage has been fully restored.

4.11 Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) during the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral; (2) Borrower has no knowledge of, or reason to believe that there has been, (a) any breach or violation of any Environmental Laws, (b) any use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral, or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (3) neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral in violation of any Environmental Laws. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for Hazardous Substances. Borrower hereby (1) releases and waives any claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any Environmental Law or other law, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses that Lender may directly or indirectly sustain or suffer resulting from a breach of this Section 4.11 or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a Hazardous Substance on or with respect to the Collateral. This Section 4.11, including the obligation to indemnify and defend, shall survive the payment of the Indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in some or all of the Collateral, whether by foreclosure or otherwise.

4.12 Litigation and Claims. Except as disclosed in the reports delivered pursuant to the terms hereof, no litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower (including its officers or principals thereof), its properties, or any of the Collateral is pending or threatened, and no other event has occurred that may materially adversely affect the financial condition of Borrower, including without limitation, the operation of its business, the ability of Borrower to perform the Obligations, or the validity or enforceability of any of the Loan Documents.

4.13 Taxes. Borrower has filed all tax returns and reports required to be filed with the United States government or with any state or local government, and has paid in full or made adequate provision on its books for the payment of all taxes, assessments, governmental charges, interest, penalties or deficiencies shown to be due or claimed to be due on or in respect of such tax returns and reports, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

4.14 Bankruptcy, Reorganization or Insolvency. Borrower is not currently: (1) the subject of or a party to any completed or pending bankruptcy, reorganization or insolvency proceeding; or (2) the subject of any judgment unsatisfied of record or docketed in any court of the state in which its properties are located or in any court located in the United States.

4.15 Permitted Liens. Except for Permitted Liens, unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any security agreements, or permitted the filing or attachment of any security interests on or affecting the Collateral that would be prior or that may in any way be superior or subordinate to Lender's security interests and rights in and to the Collateral.

4.16 Binding Effect. This Agreement, the Notes and all other Loan Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

4.17 Other Agreements. Borrower is not in default in any respect in the performance, observance, or fulfillment of any of the obligations, covenants, or conditions contained in any agreement or instrument to which it is a party, which default may materially and adversely affect the ability of Borrower to operate its businesses as presently contemplated, including, without limitation, the operation of the Premises, or to perform its obligations under any of the Loan Documents.

4.18 Brokerage Commissions. Borrower has not dealt with any person, firm or corporation who is or may be entitled to any finder's fee, brokerage commission, loan commission or other sum in connection with the Loans.

4.19 Utilities. All utility services necessary for the use of the Land and Improvements thereon, are available, including without limitation all electrical and telephone facilities, water supply, gas, storm and sanitary sewer facilities.

4.20 Accuracy of Submitted Information; Omissions. All documents, certificates, information, materials and financial statements furnished to Lender pursuant to this Agreement or otherwise in connection with the Loans: (1) are true and correct in all material respects; (2) do not contain any untrue statement of a material fact; and (3) do not omit any material fact necessary to make the statements contained therein or herein not misleading. There is no fact known to Borrower which Borrower has not disclosed to Lender in writing which materially adversely affects, or, so far as Borrower can now foresee, could materially adversely affect, the properties, business, prospects, profits or condition (financial or otherwise) of Borrower or the ability of Borrower to perform its obligations under this Agreement or any other Loan Documents to which it is a party.

4.21 Unpaid Materialmen. No person, firm or corporation has performed on behalf of Borrower any construction work or furnished services in connection with any construction carried on or to be carried on at the Premises who or which remains unpaid in excess of thirty (30) days at the time of execution of this Agreement.

4.22 Foreign Person. Borrower is not a foreign corporation, foreign partnership, foreign trust, foreign estate or other foreign person as such terms are defined in the Code. Borrower's U.S. tax identification number is 38-3198590. The representations and certifications made under this **Section 4.22** are made under penalties of perjury.

4.23 Terrorism and Anti-Money Laundering. Borrower warrants and agrees as follows:

(a) As of the date hereof and throughout the term of the Loans, Borrower, and to the knowledge of Borrower, any director, officer, agent, employee or Affiliate of Borrower, is not currently the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Treasury Department ("OFAC"), the U.S. State Department and the United Nations Security Council ("Sanctions") and Borrower will not knowingly directly or indirectly use the proceeds of the Loans or otherwise make available such proceeds to any Person for the purpose of financing the activities of any Person, or in any country or territory, that, at the time of such funding, is the subject of Sanctions with the result that Lender would be in violation of applicable law. Borrower and, to the knowledge of Borrower, no Affiliate of Borrower is in violation of the Patriot Act (as defined in **Section 22.7** below).

(b) To comply with applicable U.S. anti-money laundering laws and regulations, all payments by Borrower to Lender or from Lender to Borrower will only be made in Borrower's name and to and from a bank account of a bank based or incorporated in or formed under the laws of the United States or a bank that is not a "foreign shell bank" within the meaning of the U.S. Bank Secrecy Act (31 U.S.C. § 5311 et seq.), as amended, and the regulations promulgated thereunder by the U.S. Department of the Treasury, as such regulations may be amended from time to time.

(c) To provide Lender at any time and from time to time during the term of the Loans with such information as Lender determines to be necessary or appropriate to comply with the anti-money laundering laws and regulations of any applicable jurisdiction, or to respond to requests for information concerning the identity of Borrower, any Person controlling or controlled by Borrower or any Person having a beneficial interest in Borrower, from any governmental authority, self-regulatory organization or financial institution in connection with its anti-money laundering compliance procedures, or to update such information.

(d) The representations and warranties set forth in this **Section 4.23** shall be deemed repeated and reaffirmed by Borrower as of each date that Borrower makes a payment to Lender under the Notes, this Agreement and the other Loan Documents or receives any payment from Lender. Borrower agrees promptly to notify Lender in writing should Borrower become aware of any change in the information set forth in these representations.

4.24 Utilities. All utility services necessary for the use of the Premises are available, including without limitation all electrical and telephone facilities, water supply, gas, storm and sanitary sewer facilities.

4.25 Zoning. The Premises are zoned to permit the use of the Premises and existing Improvements as a public school academy.

4.26 Eminent Domain. There does not exist any pending or, to Borrower's knowledge, threatened exercise of the power of eminent domain affecting all or any part of the Premises.

4.27 Flood Hazard. To the best of Borrower's knowledge after due inquiry, no portion of the Premises is situated within an area designated as the 100-year flood or special flood hazard area; or alternatively, with written consent of Lender, such flood insurance as may be required to satisfy all governmental requirements has been obtained and is in full force and the conditions of any certificate of occupancy, building or other permit have been satisfied.

4.28 No Structural Defects. To the best of Borrower's knowledge, the Premises are without structural defects and in accordance with the Legal Requirements.

4.29 School Act/School Code/Municipal Code Compliance. In issuing these obligations, Borrower represents and warrants to Lender that it is operating as a public school academy and has and/or will comply in all material respects with any applicable requirements of the School Act, the School Code, the Municipal Code and other applicable law. It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of these obligations have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of Borrower, including these obligations, does not exceed any constitutional or statutory limitation.

4.30 Public School Agreement. Borrower has made available to Lender a correct and complete copy of the Public School Agreement (including, all amendments thereto and any other written agreements or summaries of oral agreements with any party thereto), which is a valid and binding contract to charter Borrower as a public school academy pursuant to the School Code. As of the Closing Date, the Public School Agreement is unmodified and is in full force and effect and no party to the Public School Agreement is in default thereunder.

4.31 Approvals. Borrower's repayment of the Loans, granting of the Mortgage and security interests in the Premises, and the other transactions contemplated under the Loan Documents do not require approval by the State of Michigan.

V. [RESERVED.]

VI. AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, unless otherwise consented to in writing by Lender, until payment in full of all amounts outstanding under the Loan Documents and satisfaction of all other Obligations of Borrower under the Loan Documents, Borrower shall comply with the following affirmative covenants and shall:

6.1 Performance. Duly and punctually pay all sums to be paid to Lender in accordance with the terms and conditions of the Notes, this Agreement and the other Loan Documents and perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, the other Loan Documents, and all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default or any act, event or condition which, with notice or the passage of time, or both, would constitute a default in connection with any such agreement.

6.2 Notices of Claims and Litigation. Promptly inform Lender in writing of (1) any and all material adverse changes in Borrower's financial condition, and (2) any and all existing and threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower that could materially affect the financial condition of Borrower.

6.3 Maintenance of Existence and Principal Place of Business. (1) Maintain its existence and its form of organizational and governance documents previously accepted by Lender, and provide Lender with evidence of the same from time to time upon Lender's written request; (2) furnish to Lender not less than thirty (30) days prior written notice of any contemplated change of its principal place of business or the location where it keeps its books and records with respect to accounts and contracts or any of the Property; (3) maintain its assets in good order and repair; and (4) maintain its chief executive office and principal place of business in Michigan.

6.4 Maintenance of Collateral. Borrower shall maintain, keep, and preserve the Collateral in good working order and condition, ordinary wear and tear excepted. In addition, Borrower shall maintain, keep, and preserve all of its properties (tangible and intangible) necessary or useful in the proper conduct of its business in good working order and condition, ordinary wear and tear excepted.

6.5 Financial Records. Maintain at all times proper books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

6.6 Reporting Requirements. At Borrower's expense, furnish Lender with the following:

(a) **Notice of Default.** As soon as possible, and in any event not later than two (2) Business Days after Borrower is aware of the occurrence of any Event of Default, a statement of an authorized officer or representative of Borrower describing the details of such Event of Default and any curative action Borrower proposes to take.

(b) **Annual Financial Statements.** As soon as available, but in no event later than one hundred twenty (120) days after the end of each fiscal year of Borrower, Borrower shall deliver to Lender: (A) financial statements of Borrower, including an audit report, a balance sheet, statement of profit and loss and cash flow statement, for the prior year then ended, audited by an independent certified public accountant satisfactory to Lender ("**Annual Financial Statements**"); (B) a certificate (each an "**Annual Certificate of Performance**"), issued by an authorized officer, member or manager of Borrower who is active in, and knowledgeable of, the financial operations of Borrower, indicating that: (i) all financial data and financial statements delivered to Lender concerning Borrower completely and accurately disclose the financial condition and operations of Borrower, and all material liabilities, fixed or contingent, are fully shown or provided for in such financial statements; (ii) there has been no change in the business or operations of Borrower, which may adversely affect the financial condition of Borrower; (iii) no Event of Default has occurred or is continuing under the Loan Documents; (iv) Borrower is in compliance with all affirmative and negative covenants, including financial covenants, set forth in the Loan Documents; and (v) all social impact data delivered to Lender concerning Borrower is accurate and complete; and (C) social impact data relating to Borrower's business and operations presented on the Social Impact Management Form provided by Lender for such purpose. If Borrower cannot make any of these required statements as written, then Borrower must provide to Lender in writing, together with the Annual Certificate of Performance, (i) which conditions Borrower cannot meet and (ii) a written explanation as to why it cannot make the required statement.

(c) **Quarterly Financial Statements.** As soon as available, but in no event later than forty-five (45) days after the end of each quarter of each fiscal year of Borrower, Borrower shall deliver to Lender (A) financial statements of Borrower including a balance sheet, statement of profit and loss and cash flow statement, for the prior quarter then ended, each prepared by Borrower, with reasonable detail and on a basis consistently applied, and if requested by Lender, certified as true and correct by the Chief Financial Officer or other authorized officer of Borrower who is active in, and knowledgeable of, the financial operations of Borrower ("**Quarterly Financial Statements**"), and (B) a certificate (each a "**Quarterly Certificate of Performance**") issued by an authorized officer of Borrower who is active in, and knowledgeable of, the financial operations of Borrower indicating that: (i) all financial data and financial statements delivered to Lender concerning Borrower completely and accurately disclose the financial condition and operations of Borrower, and all material liabilities, fixed or contingent, are fully shown or provided for in such financial statements; (ii) there has been no change in the business or operations of Borrower, which may adversely affect the financial condition of Borrower; (iii) no event of default has occurred or is continuing under the Loan Documents; and (iv) Borrower is in compliance with all affirmative and negative covenants, including financial covenants, set forth in the Loan Documents.

(d) **Tax Returns.** Deliver, within one hundred fifty (150) days after the end of each calendar year, the federal and state tax returns (and supporting schedules, if any) of Borrower.

(e) **School Report.** Within one hundred twenty (120) days after the end of each fiscal year of Borrower, a report detailing (i) the school's enrollment for the current academic year; (ii) the per-grade student turnover from the previous year; (iii) the teacher turnover from the previous year; and (iv) the academic performance for the previous school year, certified by an authorized officer of Borrower as to accuracy, completeness and consistency with respect to Enrollment.

(f) **School Information.** Simultaneously with submission to the charter authority, a true, correct and complete copy of any and all reports, documentation and other information required to be furnished by Borrower pursuant to or in connection with the provisions of its charter and the charter school requirements to the extent such information is not legally required to be kept confidential.

(g) **Charter School Certification.** At Closing and within thirty (30) days after the beginning of each fiscal year of Borrower thereafter, a signed Charter School Certification from The U.S. Department of Education;

(h) **Operating Budget.** As soon as available, but in no event later than twenty (20) days prior to the beginning of each fiscal year of Borrower, an annual operating budget for the ensuing fiscal year, approved by the board of directors, board of managers or other governing body of Borrower, which shall include projected revenues and expenses, in such detail and by such categories as may be requested by Lender.

(i) **Security Report Documents.** Within fifteen (15) business days after the Closing Date (i) file with the Michigan Department of Treasury Security Report Form 3892, and all documents required in §141.2319 of the Municipal Code (collectively, the "**Security Report Documents**"); and (ii) deliver to Lender copies of all Security Report Documents.

6.7 Additional Information. Borrower shall also deliver to Lender such additional information and statements regarding Borrower's business, operations and social impact as Lender may request from time to time. All reports, statements and other information required to be submitted by Borrower shall be in form and substance reasonably satisfactory to Lender in all respects and all financial reports, statements and information required in this **Article VI** shall be prepared in accordance with GAAP.

6.8 Financial Covenants. Borrower shall maintain the following financial covenants, compliance with which shall be determined in accordance with GAAP, measured at the end of each of Borrower's fiscal years, commencing with the fiscal year ending on June 30, 2017:

(a) Borrower shall maintain a Debt Service Coverage Ratio of not less than 1.15:1.00. The term "**Debt Service Coverage Ratio**" means Borrower's annual operating EBITDA (earnings before interest expense, taxes, depreciation, and amortization) divided by the sum of Borrower's Current Portion of Long Term Debt (for the prior period) and interest expense on all Borrower's debt;

(b) Borrower shall maintain a Leverage Ratio of Total Liabilities to Tangible Net Worth of not greater than 3.00:1.00; and

(c) Borrower shall maintain a Current Ratio of Current Assets to Current Liabilities of not less than 1.40:1.00.

6.9 Insurance. Carry and maintain in full force all Required Insurance and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts and coverages reasonably acceptable to Lender. Each insurance policy shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such Lender's loss payable or other endorsements as Lender may require. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of the Collateral. The cost of such appraisal shall be paid by Borrower. In the event of any loss or damage to all or any portion of the Collateral, the insurance proceeds shall be used as set forth in the Mortgage; provided, however, any application of such insurance proceeds or any portion thereof to any Obligations shall not be construed to cure or waive any default or notice of default hereunder or invalidate any act done pursuant to any such default or notice.

6.10 Transfer of Ownership/Ownership Interest. Borrower shall provide notice to Lender prior to any change in the membership or voting control of Borrower. There shall be no sale, assignment or other change

or transfer of legal or equitable control of Borrower or the issuance, sale, merger, consolidation, transfer, pledge, assignment or disposition of any ownership interest of Borrower (except in the case of death or disability of a member). In addition, without the prior written consent of Lender, Borrower shall not suffer or permit any sale, assignment or other change or transfer of legal or equitable control of any of Borrower's real property (whether owned or leased), except in the case of a residential lease, if such lease is on a form previously approved by Lender without material deviation.

6.11 Additional Debt. Without the prior written consent of Lender, and except for Permitted Indebtedness, Borrower shall not undertake any additional debt.

6.12 Management. The management of the Premises shall be and, during the term of the Loans, shall remain, under the control of Borrower. Borrower shall notify Lender in writing of any change in the composition of its management team, its members and/or managers or other similar governance body within ten (10) days of becoming aware of such change.

6.13 School Charter. Borrower shall notify Lender in writing of any change in the school's charter contract or in the school's standing with the school's charter authorizer within ten (10) days of becoming aware of such change. The loss of the school charter shall be deemed an Event of Default under this Agreement.

6.14 Other Agreements. Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default or any act, event or condition which, with notice or the passage of time, or both, would constitute a default under any other such agreements.

6.15 Loan Fees, Charges and Expenses. Pay all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any other Loan Document, plus all other costs and charges associated with the closing of the Loans, including Lender's reasonable attorneys' fees, whether or not the Loans are closed or funded.

6.16 Taxes, Charges and Liens. Timely file all tax and information returns and pay and discharge when due all of its Indebtedness and obligations, including, without limitation, all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties or interest would attach or accrue, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits; provided however, (i) Borrower shall have the right to contest any Property Taxes with respect to the Collateral and (ii) Borrower shall have the right to contest all other items so long as such contest (a) is made in good faith; (b) is diligently prosecuted to completion; (c) shall not materially adversely affect the business operations, assets (including the Premises) or condition (financial or otherwise) of Borrower or materially adversely affect Borrower's ability to perform its obligations under the Loan Documents; and (d) shall not materially adversely affect Lender's security interest in or the value of the Collateral. Borrower shall pay all governmental charges or taxes, including interest or penalties, (except income, franchise or other similar taxes imposed on Lender) payable with respect to the existence, execution or delivery of any of the Loan Documents by reason of any existing or future federal, state or local statute.

6.17 Performance of Contracts. Perform in all material respects all obligations under all contracts to which it is a party.

6.18 Title. Borrower shall at all times maintain, protect and defend the rights, title and interest of Borrower in the Collateral, and shall take all actions reasonably necessary to maintain the rights, privileges and benefits of Borrower in connection with the Collateral. Borrower shall at all times protect and defend the rights, title and interest of Lender as secured party and lienor with respect to the Collateral against the claims of all other persons, and shall take all actions reasonably necessary to protect and defend the rights of Lender as holder of a security interest in and assignment of the rights of Borrower in the Collateral.

6.19 Covenants regarding the Collateral.

(a) Borrower shall keep, maintain and preserve, and cause others to keep, maintain and preserve, the Collateral and all of Borrower's other properties (tangible and intangible) necessary or useful in the proper conduct of its business in good order, repair and condition at all times while this Agreement remains in effect, and pay when due all claims for work done on, or services rendered or material furnished in connection with the Collateral so that no lien or encumbrance may ever attach to or be filed against the Collateral.

(b) Borrower hereby authorizes Lender to file Financing Statements, or alternatively, a copy of this Agreement to perfect Lender's security interests; at Lender's request, additionally agree to sign all other documents that are necessary to perfect, protect, and continue Lender's security interests in the Collateral, including, making sure Lender is shown as the only security interest holder on the title covering the Collateral; pay all filing fees, title transfer fees, and other fees and costs involved unless prohibited by law or unless Lender is required by law to pay such fees and costs; irrevocably appoint Lender to execute documents necessary to transfer title if there is a default; and allow Lender to file a copy of this Agreement as a Financing Statement.

(c) Borrower shall, without limiting the prohibitions on mergers involving Borrower contained in this Agreement, not reincorporate or reorganize itself under the laws of any jurisdiction other than the jurisdiction in which it is incorporated as of the date hereof without the prior written consent of Lender.

(d) Borrower shall promptly notify Lender in writing at Lender's address shown above (or such other addresses as Lender may designate from time to time) prior to any: (i) change in Borrower's name; (ii) change in Borrower's assumed business name(s); (iii) change in Borrower's principal office address; (iv) change in Borrower's state of organization; or (v) conversion of Borrower to a new or different type of business entity. No change in Borrower's name or state of organization will take effect until after Lender has received notice.

(e) Borrower shall, upon Lender's request, advise Lender of the exact location of all of the Collateral.

(f) Borrower hereby acknowledges that it is not authorized to file any amendment or termination statement with respect to any financing statement without the prior written consent of Lender and agrees that it will not do so without the prior written consent of Lender, subject to Borrower's rights under Section 9-509(d)(2) of the UCC, or any successor provision of the UCC.

6.20 Further Assurances. Borrower shall at all times defend its interest in the Collateral against all persons and all claims and demands whatsoever, and shall, upon request of Lender: (1) furnish, execute and/or deliver, as appropriate, such further assurance of title and additional documents regarding the Collateral and Lender's security interests therein as Lender may from time to time reasonably request; and (2) do any other act Lender determines necessary to effectuate the purposes and provisions of this Agreement and the other Loan Documents, or as required by law or otherwise in order to perfect, preserve, maintain or continue the security interests of Lender in the Collateral.

6.21 Operations. Borrower shall maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel, provide written notice to Lender of any change in executive and management personnel within ten (10) days of obtaining knowledge of such change and conduct its business affairs in a reasonable and prudent manner.

6.22 Environmental Studies. Borrower shall promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance, or any waste or by-product of any substance defined as or reasonably believed to be a Hazardous Substance at or affecting the Collateral or any other property or any facility owned, leased or used by Borrower.

6.23 Compliance with Governmental Requirements. Borrower shall observe and comply in all material respects with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to Borrower and its properties, businesses and operations, and to the use or occupancy of the Collateral.

6.24 Inspection. Borrower shall permit employees or agents of Lender at any reasonable time to inspect the Collateral for the Loans wherever located and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

6.25 Environmental Compliance and Reports. Borrower shall observe and comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on or with respect to the Collateral or any other property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; and shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentality concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

6.26 Divestiture of Collateral. Except for dispositions or transfers of personal property with a value of less than Five Thousand and 00/100 Dollars (\$5,000.00) occurring in the ordinary course of Borrower's business, Borrower acknowledges and agrees that no Collateral covered by any security interests granted under the Loan Documents may be transferred, abandoned, destroyed, sold, leased, assigned, disposed of or otherwise divested by Borrower without the prior written consent of Lender unless, with respect only to personal property, Borrower shall concurrently replace such Collateral with similar property of equivalent value on which Lender has a valid first, second or third lien, as applicable. Collateral which Borrower removes from the Premises without Lender's prior written consent shall not be released from Lender's security interests.

6.27 Additional Assurances. Borrower shall make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all security interest of Lender in the Collateral.

6.28 Permits, Reports, Etc. Borrower shall also keep and maintain in full force and effect all permits and approvals by any Governmental Authority necessary for the ownership, operation and leasing of the Collateral.

6.29 [Reserved.]

6.30 Reserve Accounts.

(a) **Replacement Reserve Account.** The Replacement Reserve Account shall be funded no later than the fifth (5th) anniversary of the Closing Date and continuing thereafter until the Loans have been irrevocably repaid in full. Borrower shall make monthly contributions into the Replacement Reserve Account on the first (1st) day of each calendar month following funding of said account in an amount equal \$0.0125 per square foot of the Premises. The monthly contribution is currently estimated to be \$1,015.88. The funds in Replacement Reserve Account shall be used for replacement and repairs required to be made to the Premises and for any other work approved by Lender. On or before the fifth (5th) anniversary of the Closing Date, Borrower shall cause a property inspection to be performed on the Premises, and a report (the "**Property Condition Report**") of such

inspection to be prepared, by a contractor satisfactory to Lender in its sole discretion. From and after the date of such Property Condition Report, Borrower shall adjust the amount of the monthly contributions into the Replacement Reserve Account to reflect the recommendations contained in the Property Condition Report. Lender shall make disbursements from the Replacement Reserve Account as requested by Borrower and approved by Lender in its sole discretion, no more frequently than once in any thirty (30) day period, upon delivery by Borrower of Lender's standard form of draw request accompanied by copies of paid invoices for the amounts requested and, if required by Lender for requests in excess of Ten Thousand and No/100 Dollars (\$10,000.00) for a single item, lien waivers, and releases from all parties furnishing materials and/or services in connection with the requested payment. Lender may require an inspection of the Premises at Borrower's expense prior to making a disbursement in order to verify completion of replacements and repairs of items in excess of Ten Thousand and No/100 Dollars (\$10,000.00) for which reimbursement is sought. The Replacement Reserve Account shall be controlled and administered by Lender. Until expended or applied as provided above, funds on deposit in the Replacement Reserve Account shall constitute additional security for the Loans. The depletion of the Replacement Reserve Account shall not relieve Borrower of its obligations with respect to maintenance and repair of the Premises as provided for in this Agreement. Upon repayment of the Loans in full and fulfillment by Borrower of all of its obligations under the documents evidencing the Loans, all funds remaining in the Replacement Reserve Account shall be released to Borrower.

(b) Debt Service Reserve Account. At Closing, the Debt Service Reserve Account shall be funded in an amount equal to \$276,645.18. At any time while the Loans remain outstanding, an amount equal to no less than six (6) months of payments of principal and interest on the Loans (the "**Minimum Debt Service Reserve Amount**") shall be maintained in the Debt Service Reserve Account. Funds from the Debt Service Reserve Account may be released and used by Lender to cure an Event of Default, including a payment default under any of the Loan Documents. Upon withdrawal of funds from the Debt Service Reserve Account, Lender shall notify Borrower of such withdrawal, including the amount withdrawn, the reason for the withdrawal and the amount of funds, if any, that are required to be deposited into the Debt Service Reserve Account to bring the total in the Debt Service Reserve Account to at least the required Minimum Debt Service Reserve Amount. Borrower shall have thirty (30) days to replenish or cause to be replenished any withdrawn funds from the Debt Service Reserve Account so that the total amount of funds in such account shall not be less than the Minimum Debt Service Reserve Amount. Failure to replenish the Debt Service Reserve Account shall result in an Event of Default under the Loans. Until expended or applied as above provided, funds on deposit in the Debt Service Reserve Account shall constitute additional security for the Loans. The depletion of the Debt Service Reserve Account shall not relieve Borrower of its obligations, including its obligation to pay principal and/or interest on the Loans, as and when such payments are due. Upon repayment of the Loans in full and fulfillment of Borrower of all of its other Obligations, all of the funds remaining in the Debt Service Reserve Account shall be released to Borrower.

6.31 Public School Agreement. Borrower shall cause the Premises to be operated pursuant to the Public School Agreement and Borrower shall:

- (a) promptly perform and/or observe (or cause to be performed and/or observed) all of the covenants and agreements required to be performed and observed by it under the Public School Agreement and do all things necessary to preserve and to keep unimpaired its material rights thereunder;
- (b) promptly notify Lender of any default or notice of non-compliance received or delivered in connection with the Public School Agreement;
- (c) promptly deliver to Lender a copy of each financial statement, business plan, capital expenditures plan, property improvement plan and any other notice, report and estimate delivered or received by it under the Public School Agreement; and
- (d) indemnify and hold Lender harmless from and against all claims or liabilities in any way arising in connection with the Public School Agreement.

6.32 Assurance of Governmental Approvals. Borrower shall obtain and maintain all federal, state and local governmental approvals required by law to be obtained by Borrower with respect to Borrower's repayment of the Loans, granting of the Mortgage and security interests in the Premises, and the other transactions contemplated under the Loan Documents.

VII. NEGATIVE COVENANTS. Borrower covenants and agrees with Lender that until payment in full of all amounts outstanding under the Loan Documents and satisfaction of all other Obligations, Borrower shall comply with the following negative covenants:

7.1 Other Indebtedness. Without the prior express written consent of Lender, Borrower will not create, incur, assume, guarantee, permit to exist, or otherwise become directly or indirectly liable for any Indebtedness, except Permitted Indebtedness. Borrower will not dispose, with or without recourse, of any accounts or notes receivable or any sums due or to become due except for fair value in the ordinary course of business.

7.2 Further Encumbrances, Liens, Etc. Other than Permitted Liens specifically contemplated by this Agreement, Borrower shall not: (1) create, incur, assume, or permit to exist any lien upon the Collateral; (2) sell, convey, transfer, lease, assign, pledge or otherwise dispose of the Collateral or any interest it may now or hereafter have in the Collateral except, with respect only to personal property, in the ordinary course of business or in connection with the replacement of Collateral with property having equal or greater value; (3) do or permit anything to impair the security or value of the Collateral; or (4) suffer or permit any lien, attachment or encumbrance that is created with respect to the Collateral to remain unpaid, undischarged, unbonded or undismissed for a period of thirty (30) days. Unless waived by Lender, all proceeds from any disposition of the Collateral (for whatever reason) shall be held in trust for Lender and shall not be commingled with any other funds; provided, however, this requirement shall not constitute consent by Lender to any sale or other disposition. Upon receipt, Borrower shall immediately deliver any such proceeds to Lender. Borrower shall have the right to contest all other liens so long as such contest: (a) is made in good faith; (b) is diligently prosecuted to completion; (c) shall not materially adversely affect the business operations, assets or condition (financial or otherwise) of Borrower or materially adversely affect Borrower's ability to perform its obligations under the Loan Documents; and (d) shall not materially and adversely affect Lender's security interest in or the value of the Collateral.

7.3 Continuity of Operations. Borrower shall not (1) engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, dissolve, or acquire any other entity or change its name, (3) make any distribution with respect to any capital account, whether by reduction of capital or otherwise, or (4) suffer or permit any sale, assignment or other change or transfer of legal or beneficial equity interest in Borrower or suffer or permit the issuance, sale, merger, consolidation, transfer, pledge, assignment or disposition of any membership, equity or other direct or indirect ownership interest of Borrower.

7.4 Loans and Acquisitions and Guaranties. Borrower shall not (1) loan, invest in, extend credit or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) except as provided in Section 7.13 below, incur any obligation as surety or guarantor, in each case other than in the ordinary course of business.

7.5 Limitation on Contingent Liabilities. Borrower will not guarantee or otherwise become directly or indirectly responsible (including under an agreement to purchase any obligations, stock, assets, goods or services or to supply or advance any funds, assets, goods or services) for any Indebtedness or other obligation of any person, except: (i) by endorsement, in the ordinary course of collection, of negotiable instruments; or (ii) in the ordinary course of Borrower's business (subject to any limitations set forth in this Agreement), provided that such endorsement or incurring such obligation in the ordinary course of Borrower's business would not materially adversely affect the Collateral or Borrower's ability to repay the Loans or perform its obligations under this Agreement or any other Loan Documents.

7.6 Acquisition or Sale of Business; Merger or Consolidation. Borrower shall not: (1) acquire all or substantially all of the assets or business of any other Person; (2) liquidate, dissolve, merge or consolidate, or

begin any proceedings to do so; or (3) except as otherwise specifically permitted pursuant to the terms and conditions of the Loan Documents, sell, lease, assign or transfer any substantial part of its business or assets, or any assets (including in sale-leaseback transactions) unless in the ordinary course of business and the assets included are not necessary for its business as conducted prior to such transfer.

7.7 Affect Rights of Lender. Borrower shall not at any time do or perform any act or permit any act to be performed that would be contrary to the interests or rights of Lender under any of the Loan Documents.

7.8 Agreements. Borrower shall not enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith.

7.9 No Management Fees. Borrower shall not pay or permit to be paid any management or other similar fees in connection with the Collateral to Borrower or any Affiliate of Borrower unless each of the following are satisfied: (i) such management or other fee is at a competitive, market rate as charged by independent third parties for the same type of services rendered; and (ii) such management or other fee is paid only for services actually performed. In addition, any such management fees shall be subordinate to the Loans.

7.10 Payments. Following any Event of Default, Borrower shall not, without Lender's prior written consent, declare or pay any dividends, fees, expenses or other sums, or make any distributions in cash or assets to any equity holder, or other person or entity or enterprise directly or indirectly owned in whole or in part by any equity holder, or make any loan, salary advance or other payment to any equity holder or other entity or enterprise directly or indirectly owned in whole or in part by any equity holder.

7.11 Organizational Documents. Without the prior written consent of Lender, permit the amendment or other modification of Borrower's Bylaws.

7.12 Impairment of Collateral. Without the prior written consent of Lender, Borrower shall not make any further assignment, pledge or disposition of any of the Collateral, or do or permit anything to impair the security or value of the Collateral.

7.13 Additional Liability Cap. Borrower may incur additional indebtedness, liabilities or obligations in the ordinary course of business, without the prior written consent of Lender, up to a total maximum amount of One Hundred Thousand and 00/100 Dollars (\$100,000.00) (the "**Additional Liability Cap**"). Except as provided below with respect to the Michigan Finance Authority State Aid Note Loan Program, the prior written consent of Lender shall be required in connection with all additional indebtedness, liabilities and obligations in excess of the Additional Liability Cap; provided, however, that Lender shall not unreasonably withhold its consent to such additional indebtedness provided that Borrower has submitted evidence satisfactory to Lender that such additional indebtedness shall not cause Borrower to violate or default under any of the financial covenants set forth in the Loan Documents. Borrower may continue to participate in the Michigan Finance Authority State Aid Note Loan Program for an annual amount up to Five Hundred Seventy Thousand and 00/100 Dollars (\$570,000.00) without the prior written consent of Lender. In order to apply for any amount above Five Hundred Seventy Thousand and 00/100 Dollars (\$570,000.00), the prior written consent of Lender would be required, which consent shall not be unreasonably withheld, conditioned or delayed, provided that the financial covenants set forth in this Agreement will not be violated due to such increased amount.

7.14 Management. Borrower shall notify Lender in writing of any change in the composition of its management team, and its board of directors, board of managers or other similar governance body, within ten (10) days of becoming aware of such change.

7.15 Construction. Without the prior written consent of Lender, Borrower shall not permit any construction or improvements on the Premises.

7.16 Loan Purpose. Borrower shall not use the proceeds of the Loans for any purpose expressly prohibited by **Section 2**.

7.17 Operation of the Premises. Borrower shall not, without Lender's prior written consent: (a) surrender, terminate or cancel the Public School Agreement; (b) reduce or consent to the reduction of the term of the Public School Agreement; or (c) otherwise modify, change, supplement, alter or amend, or waive or release any of its rights and remedies under the Public School Agreement in any material respect.

VIII. [RESERVED].

IX. LENDER'S EXPENDITURES. If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with or perform any Obligations, Lender, on Borrower's behalf, may (but shall not be obligated to) take any action that Lender deems appropriate, including, discharging or paying all taxes, liens, security interests, encumbrances and other claims at any time levied or placed on the Collateral and paying all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Notes from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the Obligations and, at Lender's option, will: (a) be payable on demand; (b) be added to the balance of the Notes and be apportioned among and be payable with any installment payments to become due during the remaining term of the Notes; or (c) be treated as a balloon payment which will be due and payable at the applicable Notes' maturity.

X. [RESERVED.]

XI. RIGHT TO POSSESSION OF COLLATERAL. Until an Event of Default, Borrower may have possession of the tangible personal property and beneficial use of the Collateral and may use the Collateral in any lawful manner not inconsistent with this Agreement or the other Loan Documents, provided that Borrower's right to possession and beneficial use shall not apply to any Collateral where the possession thereof by Lender is required by law to perfect Lender's security interests therein. If Lender at any time has possession of any Collateral, whether before or after an Event of Default, Lender shall be deemed to have exercised reasonable care in the custody and preservation of such Collateral if Lender takes such action for that purpose as Borrower shall request or as Lender, in Lender's sole discretion, shall deem appropriate under the circumstances, but failure to honor any request by Borrower shall not of itself be deemed to be a failure to exercise reasonable care. Lender shall not be required to take any steps necessary to preserve any rights in the Collateral against prior parties, nor to protect, preserve or maintain any security interest given to secure the Obligations.

XII. DEFAULT. Any of the following events or conditions shall constitute a default under this Agreement and any other Loan Document ("**Event of Default**") :

12.1 Payment Default. Borrower fails to make any installment of interest or principal within ten (10) days after the same becomes due hereunder or under any of the other Loan Documents.

12.2 Other Payment Defaults. Borrower fails to make any other payment (other than payments referred to in **Section 12.1** above) within ten (10) days after written notice from Lender.

12.3 Other Defaults. Borrower fails to comply with or to perform any other Obligation, covenant or condition contained in this Agreement or in any of the other Loan Documents or to comply with or to perform any obligation, covenant or condition contained in any other agreement between Lender and Borrower and any such failure continues for a period of thirty (30) days after written notice from Lender.

12.4 Default in Favor of Third Parties. Borrower defaults under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay the Loans or perform its obligations under this Agreement or any of the other Loan Documents.

12.5 False Statements. Any warranty, representation or statement made in any Loan Document or furnished to Lender by Borrower in any certificate, document, opinion or financial or other statement or on Borrower's behalf under this Agreement or the other Loan Documents at any time is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter.

12.6 Failure to Pay or Perform. Borrower shall: (i) fail to pay any Indebtedness, or any interest or premium thereon, when due after taking into account any applicable grace or cure periods (whether by scheduled maturity, required prepayment, acceleration, demand, or otherwise); or (ii) fail to perform or observe any term, covenant, or condition on its part to be performed or observed under any agreement or instrument relating to any such Indebtedness, when required to be performed or observed after taking into account any applicable grace or cure periods, if the effect of such failure to perform or observe is to accelerate, or to permit the acceleration after the giving of notice or passage of time, or both, of the maturity of such Indebtedness, whether or not such failure to perform or observe shall be waived by the holder of such Indebtedness; or any such Indebtedness shall be declared to be due and payable, or required to be prepaid (other than by a regularly scheduled required prepayment), prior to the stated maturity thereof.

12.7 Dissolution, Insolvency, Bankruptcy. Borrower: (i) shall be unable to, or shall admit in writing its inability to pay its debts as such debts become due; (ii) shall make an assignment for the benefit of creditors, petition or apply to any tribunal for the appointment of a custodian, receiver, or trustee for it or a substantial part of its assets; (iii) shall commence any proceeding under any Bankruptcy, reorganization arrangements, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (iv) shall have any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or adjudication or appointment is made and which remains undismissed for a period of ninety (90) days or more; (v) by any act or omission shall indicate its consent to, approval of, or acquiescence in any such petition, application, or proceeding, or order for relief, or the appointment of a custodian, receiver, or trustee for all or any substantial part of its properties; or (vi) shall suffer any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more.

12.8 Defective Collateralization. This Agreement or any of the other Loan Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason.

12.9 Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any of the Collateral. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim that is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

12.10 Enjoined from Operating Business. Borrower shall be enjoined, restrained or in any way prevented by court order from conducting all or a substantial part of its business, and such proceeding or injunction shall not be stayed or dismissed within ninety (90) days from the date of entry of such injunction or other form of restriction.

12.11 Money Judgment. There is entered against Borrower a final judgment or order for the payment of money in an aggregate amount exceeding Ten Thousand and 00/100 Dollars (\$10,000.00) (to the extent not covered by independent third-party insurance as to which the insurer has been notified of such judgment or order and does not deny coverage) and there is a period of ninety (90) consecutive days during which a stay of enforcement of such judgment, by reason of a pending appeal or otherwise, is not in effect.

12.12 Dissolution of Borrower. Borrower shall dissolve, or any Person shall commence any action or proceeding which seeks as one of its remedies the dissolution of Borrower and such action or proceeding is not dismissed within one hundred twenty (120) days.

12.13 Adverse Change. A material adverse change occurs in Borrower's financial condition.

12.14 Lender's Entry. If Lender or Lender's agents are not permitted to enter upon and/or inspect the Collateral, during normal business hours with reasonable advance notice.

12.15 Lien. The filing of any lien against the Premises or any part thereof without discharge (by payment or bonding over pursuant to applicable law) or satisfaction thereof or provision therefor satisfactory to Lender in accordance with the terms hereof, including in all events, affirmative coverage by the Title Company, within thirty (30) days from the date that Borrower has notice (from any source) of any such filing.

12.16 Casualty. If the Premises, in the sole judgment of Lender, shall be materially injured or destroyed by fire or other casualty or a taking shall have occurred such that Lender reasonably determines that the Premises cannot be completed or repaired or replaced within a reasonable period, or that the Loan Proceeds not yet advanced (plus any insurance proceeds payable as a result of such fire or casualty and all amounts paid to Lender by Borrower pursuant to the terms hereof, excluding amounts paid as interest on the Notes) are insufficient to complete, repair or replace the Improvements and pay all expenses in connection therewith.

12.17 Operation of Public School Academy. The prohibition, enjoining or interruption of Borrower's right to operate or use the Project as a public school academy for a continuous period of more than thirty (30) days.

12.18 Public School Agreement. The occurrence of any default or event of default under the Public School Agreement, permit, and/or license necessary for Borrower to operate the Premises as a public school academy (if the same is not cured within any applicable cure period), the termination or non-renewal of the Public School Agreement, or the replacement of the Public School Agreement if its term ends prior to the Maturity Date unless such replacement Public School Agreement is on terms and conditions reasonably acceptable to Lender.

12.19 Cross-Default. The Loans are cross-defaulted so that if there is a default under any of the loans described herein it shall be considered a default under all of the Loans.

XIII. REMEDIES.

13.1 Remedies. Upon the occurrence of any Event of Default, Lender may, at its option: (i) declare all sums of interest and principal remaining outstanding on the Loans and all other sums outstanding under or in respect of this Agreement or any other Loan Document to be immediately due and payable, without notice of default, presentment, demand, protest, or further notice of any kind, all of which are hereby expressly waived by Borrower; (ii) exercise any additional right or remedy which Lender may have under this Agreement or any other Loan Document; and (iii) exercise any additional right or remedy which Lender may have at law or in equity.

13.2 Borrower's Obligation to Give Notice of Event of Default. Borrower shall give written notice to Lender of the occurrence of any Event of Default or the existence of any event which would, with the passage of time or giving of notice or both, constitute an Event of Default hereunder immediately after discovery of any such event.

13.3 All Rights and Remedies. Lender shall have all the rights and remedies provided in the other Loan Documents or available at law, in equity, or otherwise.

13.4 Default Rate. After maturity of the Loans by acceleration or otherwise, Borrower shall pay interest at the Default Rate.

13.5 Lender's Cure Rights. Lender shall have the right (but shall have no obligation) at any time to take in its name or in the name of Borrower such action as Lender determine is necessary or advisable to cure any default to protect the rights of Borrower or Lender thereunder, or to receive and satisfy the requirements thereof. Lender shall incur no liability if any action so taken shall prove to be inadequate or invalid, and Borrower hereby indemnifies, holds harmless and agrees to defend Lender from and against any loss, cost, liability or expense (including reasonable attorneys' fees and expenses) incurred in connection with any such action. Lender may advance funds for any of the purposes described in this **Section 13.5**, and such advances, even if in excess of the amount of the Loans, shall be payable to Lender on demand and shall be secured by the Loan Documents.

13.6 Right to Advance or Post Funds. Where disputes have arisen which, in the good faith and reasonable opinion of Lender, may endanger fulfillment of any condition precedent or threaten default hereunder, Lender may, without Borrower's approval, but after written notice to Borrower, agree to advance funds for the Premises; provided, that, prior notice to Borrower shall not be required if Lender's Collateral is threatened or in the event of an emergency. Such agreement or agreements may take the form which Lender deem proper, including, but without limiting the generality of the foregoing agreements, to indemnify a title insurer against possible assertion of lien claims in the event Borrower is unable or unwilling to pay the same, and the like. Borrower agrees to reimburse Lender for all sums paid or agreed to be paid pursuant to such undertakings with interest at the Default Rate from the date of payment until date of reimbursement and any sums so advanced shall be secured by the Loan Documents.

13.7 Remedies are Cumulative. All remedies provided for herein are cumulative and shall be in addition to any and all other rights and remedies provided by law, including banker's lien and right of offset. The exercise of any right or remedy by Lender hereunder shall not in any way constitute a cure or waiver of default hereunder or under the Mortgage or invalidate any act done pursuant to any notice of default or prejudice Lender in the exercise of any of their rights hereunder or under the Loan Documents, unless in the exercise of said rights, Lender realize all amounts owed under the Notes, the other Loan Documents and hereunder.

13.8 Right of Contest. Borrower shall have the right to contest in good faith any claim, demand, levy or assessment, the assertion of which would constitute an Event of Default hereunder. Any such contests shall be prosecuted diligently and in a manner which does not prejudice Lender hereunder. Upon written demand by Lender, Borrower shall make suitable provisions by deposit of funds or by bond satisfactory to Lender for the possibility that the contest will be unsuccessful. Such provision shall be made within ten (10) business days after written demand therefor and if made by deposit of funds, the amount so deposited shall be disbursed in accordance with the resolution of the contest either to Borrower or the adverse claimant.

13.9 Waiver of Certain Laws. To the extent permitted by applicable law, Borrower hereby agrees to waive and does hereby absolutely and irrevocably waives and relinquishes the benefit and advantage of the doctrine of marshalling, any non-judicial valuation, stay, appraisalment, extension or right to a judicial hearing prior to foreclosure, pursuant to statute and case made and provided, now existing or which may hereafter exist, which but for this provision, might be applicable to any sale made under the judgment, order or decree or any court, or otherwise, based on any promissory note or Loan Documents contemplated hereby or on any claim for interest on the promissory note or on any security interest contemplated by this Agreement.

13.10 Receiver. Upon the occurrence of an Event of Default, Lender shall be entitled, upon written notice to Borrower, but without contest and completely without regard to the adequacy of any security for the debt, to the appointment of a receiver of the Premises, inclusive of the Premises and of the rents and profits derived therefrom; provided, however, Borrower shall have thirty (30) days after written notice from Lender to cure such Event of Default prior to Lender seeking the appointment of a receiver. This appointment shall be in addition to any other rights, relief or remedies afforded Lender. Such receiver, in addition to any other rights to which it shall be entitled, may exercise the rights granted herein to Lender under this **Section 13**, and shall be authorized to sell, foreclose or complete foreclosure on all mortgages and security interests contemplated by this Agreement for the benefit of Lender pursuant to provisions of applicable Michigan real property law and the UCC. In the event of any deficiency, Borrower shall remain liable therefor.

13.11 Additional Remedies. Lender shall have all rights and remedies of a secured party under the UCC, including without limitation, the right without demand or notice to Borrower, to collect, receive or take possession of the Collateral or any part thereof. Borrower shall be liable for, and shall pay on demand, all expenses of retaking, holding, preparing for sale, sale, or the like, and all reasonable attorneys' fees and other expenses incurred by Lender in connection with the collection of the obligations and the enforcement of Lender's rights under the Loan Documents, all of which expenses and fees shall constitute additional obligations secured by the Loan Documents. Borrower will execute and deliver, or cause to be executed and delivered, such instruments, documents, assignments, waivers, certificates and affidavits and supply or cause to be supplied such further information and take such action as Lender shall require in connection with such sale.

13.12 All Rights and Remedies. Lender shall have all the rights and remedies provided in the other Loan Documents or available at law, in equity, or otherwise.

13.13 Election of Remedies. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude the pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower shall not affect Lender's right to declare a default and to exercise its rights and remedies. Lender shall have full recourse to the assets of Borrower in the enforcement of the Loans.

XIV. WAIVER OF JURY TRIAL. TO THE MAXIMUM EXTENT PERMITTED BY LAW, BORROWER AND LENDER EACH WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF OR RELATED TO THIS AGREEMENT, ANY OF THE OTHER LOAN DOCUMENTS, OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THEREBY, IN ANY ACTION, PROCEEDING OR OTHER LITIGATION OF ANY TYPE BROUGHT BY ANY OF THE PARTIES AGAINST ANY OTHER PARTY OR PARTIES, WHETHER WITH RESPECT TO CONTRACT CLAIMS, TORT CLAIMS, OR OTHERWISE. BORROWER AND LENDER EACH AGREE THAT ANY SUCH CLAIM OR CAUSE OF ACTION SHALL BE TRIED BY A COURT TRIAL WITHOUT A JURY. WITHOUT LIMITING THE FOREGOING, THE PARTIES FURTHER AGREE THAT THEIR RESPECTIVE RIGHT TO A TRIAL BY JURY IS WAIVED BY OPERATION OF THIS SECTION AS TO ANY ACTION, COUNTERCLAIM OR OTHER PROCEEDING WHICH SEEKS, IN WHOLE OR IN PART, TO CHALLENGE THE VALIDITY OR ENFORCEABILITY OF THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS OR ANY PROVISION HEREOF OR THEREOF. THIS WAIVER SHALL APPLY TO ANY SUBSEQUENT AMENDMENTS, RENEWALS, SUPPLEMENTS OR MODIFICATIONS TO THIS AGREEMENT OR ANY OF THE OTHER LOAN DOCUMENTS. **A COPY OF THIS SECTION XIV MAY BE FILED WITH ANY COURT AS WRITTEN EVIDENCE OF THE WAIVER OF THE RIGHT TO TRIAL BY JURY AND CONSENT TO TRIAL BY COURT. THIS SECTION XIV MAY NOT BE AMENDED, MODIFIED, TERMINATED OR WAIVED EXCEPT BY A WRITING WHICH MAKES SPECIFIC REFERENCE TO THIS SECTION XIV.**

XV. WAIVER OF RIGHT OF OFFSET. Borrower hereby acknowledges and agrees that no portion of the indebtedness evidenced by the Notes or any other Obligations payable by Borrower pursuant to any of the Loan Documents shall be or be deemed to be offset or compensated by all or any part of any claim, cause of action, counterclaim, or cross-claim, whether liquidated or unliquidated which Borrower or any Affiliate thereof has, may have or claim to have against Lender.

XVI. RELATIONSHIP OF PARTIES. Neither this Agreement nor any of the other Loan Documents is intended to create any relationship between (a) Lender and (b) Borrower, except as specifically stated herein or in the other Loan Documents, and Lender does not assume and shall not have a fiduciary duty to Borrower.

XVII. PROCESS SERVICE. All parties hereto agree that process may be served upon any party hereto by hand delivery, by certified or registered mail, return receipt requested or by overnight courier that provides written confirmation of receipt, directed to such party at its last known address, and each party waives any defense of insufficiency of service with respect to process so served.

XVIII. STATE TAX. Borrower agrees that if, during the term of the Loans the State of Michigan (the "State") imposes or assesses against Lender any fees or taxes, including, without limitation, financial institutions excise tax, or franchise, gross receipts or other similar tax (collectively, the "Tax") based upon Lender's status as an out-of-state financial institution, unincorporated business association and/or the like doing business in the State solely as a result of making the Loans, Borrower shall pay an amount equal to such Tax to Lender upon presentation by Lender of documentation evidencing the assessment of such Tax against Lender and the amount thereof. Upon payment of such amount, Borrower shall have the right (but not the obligation) at its sole cost and expense and with counsel of its choosing to appeal the imposition of any Tax on Lender, and shall be entitled to any refunds of Tax paid by Borrower to Lender as a result of any appeal whether or not initiated by Borrower. Lender hereby agrees to make a good faith effort to provide Borrower with such information as is commercially reasonable for Lender to provide in connection with any appeal (all of which shall be at Borrower's sole cost and expense).

XIX. INDEMNIFICATION. Borrower hereby indemnifies, defends, and holds Lender, its Affiliates, and their officers, directors, trustees, members, managers and agents (each an "Indemnified Party") harmless for, from, and against any and all actual or threatened liabilities, claims, actions, causes of action, judgments, orders, damages (including foreseeable and unforeseeable consequential damages), costs, expenses, fines, penalties, and losses (including sums paid in settlement of claims and all reasonable consultant, expert and legal fees and expenses of the Indemnified Party's counsel), and any resulting damages, harm or injuries to the person or property of any third parties, directly or indirectly arising out of or resulting from: (a) any brokerage commissions or finder's fees claimed by any broker or other party in connection with the transactions contemplated hereby; (b) Borrower's failure to perform any of Borrower's obligations, as and when required by the Loans, this Agreement or any of the other Loan Documents, including any failure of any representation or warranty of Borrower to be true and correct and any failure of Borrower to satisfy any covenant herein; (c) Lender's performance on the Loans or any of the Loan Documents, including Lender's exercise or failure to exercise any rights, remedies or powers in connection with the Loans, the Collateral or any of the Loan Documents; (d) any claim or cause of action of any kind by any person or entity to the effect that Lender is in any way responsible or liable for any act or omission of Borrower, whether on account of derivative liability or otherwise; (e) any act or omission by Borrower, any of its directors, officers, employees, consultants, representatives or agents, or other person or entity, except Lender or its agents, with respect to the Loans, any of the other Loan Documents, the Collateral; (f) any claim or cause of action of any kind by any person or entity which would have the effect of denying Lender the full benefit or protection of any provision of the Loans, this Agreement or any of the other Loan Documents; (g) any losses, costs, damages or expenses that Lender may incur, directly or indirectly, including reasonable attorneys' fees, as a result of or in connection with the assertion against Lender of any claims relating to the presence or removal of any Hazardous Substances on all or any portion of the Premises, Borrower's other properties, the other Collateral or any adjacent property or any violation of any Environmental Law; (h) the ownership, management, maintenance, operation, marketing, leasing, sale, use or development of, or improvement to, the Premises, whether such claims are based on theories of derivative liability, comparative negligence or otherwise; and (i) any failure to satisfy any requirement of any applicable laws, governmental policies or standards, reports, maps, development agreements, or regulatory agreements that apply or pertain to the Collateral; excepting those arising out of, or resulting, solely from the applicable Indemnified Party's gross negligence or willful misconduct. Notwithstanding anything to the contrary in any other Loan Document, the provisions of this **Article XIX** shall survive the termination of this Agreement, repayment of the Loans and foreclosure or sale of the Collateral or security interests of Lender, or similar proceedings.

XX. [RESERVED.]

XXI. TRANSACTION EXPENSES.

21.1 On the Closing Date, Borrower shall pay the out-of-pocket fees payable and other charges incurred by Lender in connection with this Agreement, the transaction contemplated by this Agreement, and the documents entered into in connection therewith, including, without limitation:

(a) title insurance premiums, appraiser fees, environmental audit fees and insurance consulting fees; and

(b) all legal and accounting fees and expenses, including, without limitation, Lender's reasonable attorneys' fees and expenses for services performed and sums advanced or disbursed in connection with the transactions contemplated by this Agreement, plus reimbursement of all out-of-pocket expenses incurred in connection therewith, including without limitation any applicable internal documentation fees.

21.2 Borrower shall pay, on an annual basis within ten (10) business days following written notice from Lender of the amount thereof, the annual out-of-pocket fees payable and other charges incurred in connection with servicing, special servicing, asset management, tax returns of Lender and audits of Lender and Lender's reporting obligations; provided, however, that Borrower shall be responsible for paying such fees and charges only to the extent that debt service on the Loans is insufficient to cover such fees and charges.

XXII. MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

22.1 Amendments. This Agreement, together with any other Loan Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

22.2 Attorneys' Fees; Expenses. Borrower agrees that if Lender hires an attorney to help enforce this Agreement, Borrower shall pay, subject to any limits under applicable law, Lender's reasonable attorneys' fees and all of Lender's other collection expenses, whether or not there is a lawsuit and including additional legal expenses for bankruptcy proceedings.

22.3 Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

22.4 Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loans to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers, or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loans, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loans and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of a participation interest in the Loans and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loans irrespective of the failure or insolvency of any holder of any interest in the Loans. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

22.5 Information Sharing. Lender may provide, to the fullest extent permitted by law, any financial or other information or knowledge Lender may have about Borrower or any matter relating to this Agreement, the Loan Documents and/or any related documents or relating to the Loans, to any of its subsidiaries, Affiliates or successors, and Borrower waives any right to privacy Borrower may have with respect to such matters. Without limitation of the foregoing, such information may be shared with the attorneys, accountants, inspectors, architects, engineers, contractors and others retained by Lender in connection with the Loans or as may be required by law.

22.6 Governing Law; Consent to Jurisdiction. To the extent permitted by law, this Agreement shall be governed by, and construed in accordance with the laws of the State of Michigan. To the extent permitted by

law, Borrower and Lender hereby consent to the personal jurisdiction over Borrower and Lender, respectively, of the Circuit Court for the County of Kent, the United States District Court for the Western District of Michigan, and waive all objections to the venue of such courts, for the adjudication of any case or controversy arising under or relating to this Agreement or any of the other Loan Documents. To the extent permitted by law, Borrower and Lender further consent to service of process upon each of them in such manner as shall be permitted by the laws of the State of Michigan if litigation or other legal process is commenced in the courts of the State of Michigan or by applicable federal law (including reference to state law) if litigation or legal process is commenced in the United States District Court for the Western District of Michigan.

22.7 USA PATRIOT Act Notice. Lender hereby notifies Borrower that pursuant to the requirements of the USA PATRIOT Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "Patriot Act"), it is required to obtain, verify and record information that identifies Borrower, which information includes the name and address of Borrower and other information that will allow Lender, as applicable, to identify Borrower in accordance with the Patriot Act. Borrower shall, promptly following a request by Lender, provide all documentation and other information that Lender requests in order to comply with its ongoing obligations under applicable "know your customer" and anti-money laundering rules and regulations, including the Patriot Act.

22.8 Preference Payments. To the extent that any payment by or on behalf of Borrower is made to Lender or Lender exercises its right of set-off, and such payment or the proceeds of such set-off or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required (including pursuant to any settlement entered into by Lender in its discretion) to be repaid to a trustee, receiver or any other party, in connection with any proceeding under the Debtor Relief Laws, or otherwise, then (a) to the extent of such recovery, the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such set-off had not occurred.

22.9 No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Borrower, or between Lender and any Borrower, shall constitute a waiver of any of Lender's rights or of any of Borrower's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender.

22.10 Notices. All notices and other communications provided for under this Agreement shall be in writing and shall be personally delivered or sent by first class United States mail, by nationally recognized overnight courier such as Federal Express or DHL, or by telecopy or by other means of telecommunication, to the following addresses:

to Borrower: West Michigan Academy of Environmental Science
4463 Leonard NW
Walker, Michigan 49534
Attn: Julia Kozminski, Board Secretary and Stan Rathbun, Board Agent
Email: Julia.kozminski@ci.walker.mi.us
Email: stanrathbun@choiceschools.com
Telephone No.: (989) 506-1841
Telecopy No.: (616) 785-8455

with a copy to: Mika Meyers Beckett & Jones PLC
900 Monroe Avenue NW
Grand Rapids, Michigan 49503

Attn: Daniel J. Parmeter Jr., Esq.
Telephone No.: (616) 632-8020
Telecopy No.: (616) 632-8002

to Lender: Capital Impact Partners
2011 Crystal Drive, Suite 750
Arlington, Virginia 22202
Attn: Loan Servicing Department
Telecopy No.: (703) 647-3490

or, as to each party, at such other address as shall be designated by such party in a written notice to the other party complying as to delivery with the terms of this **Section 22.10**. All such notices and communications shall be deemed received: (i) if personally delivered, upon delivery; (ii) if sent by first class United States mail, following deposit in the mail with first class postage prepaid, upon receipt; (iii) if sent by courier service with next Business Day delivery charges prepaid, upon receipt; and (iv) if sent by telex, telecopy or similar form of telecommunications, upon receipt.

22.11 Power of Attorney. Borrower hereby appoints Lender as Borrower's irrevocable attorney-in-fact (the "Attorney") with full power and substitution for the purpose of (A) executing any documents necessary to perfect, amend, or to continue the security interest granted in this Agreement and any other Loan Document or to demand termination of filings of other secured parties and (B) following any material breach or noncompliance by Borrower with respect to any Loan Document, taking any other action and executing any document or instrument, in the name of Borrower or otherwise, which the Attorney may at any time deem necessary or appropriate in order to protect Lender's security interests in the Collateral or any part thereof or to foreclose said security interests in accordance herewith or otherwise fulfill the Obligations of Borrower under the Loan Documents, including, without limitation, any action permitted under the Security Agreement. Lender may at any time, and without further authorization from Borrower, file a carbon, photographic or other reproduction of any Financing Statement or of this Agreement for use as a Financing Statement. Borrower will reimburse Lender upon demand for any costs and expenses, including, without limitation, (Y) reasonable attorneys' fees and (Z) all expenses for the perfection and the continuation of the perfection of Lender's security interests in the Collateral, that Lender may incur while acting as Borrower's attorney-in-fact hereunder, all of which costs and expenses are included in the Obligations. Lender may at any time terminate the appointment of Lender as the Attorney hereunder and designate a successor Attorney hereunder, upon written notice to Borrower of the designation of such successor Attorney. **THE POWER-OF-ATTORNEY GRANTED HEREBY IS COUPLED WITH AN INTEREST AND SHALL BE IRREVOCABLE TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW.**

22.12 Severability. Any provision of any Loan Document which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of such Loan Documents or affecting the validity or enforceability of such provision in any other jurisdiction. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

22.13 Subsidiaries and Affiliates of Borrower. Under no circumstances shall this Agreement be construed to require Lender to make any loan or other financial accommodation to any of Borrower's subsidiaries or Affiliates.

22.14 Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any of the other Loan Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

22.15 Survival of Representations and Warranties. Borrower understands and agrees that in making the Loans, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the other Loan Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loans and delivery to Lender of the Loan Documents. Further, all covenants shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's Obligations shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

22.16 Disclosure. Borrower agrees to permit Lender to disclose and publicize Borrower's identity and the amount and purpose of the Loans. Borrower further agrees not to post signs or otherwise identify Lender's participation without Lender's prior written approval.

22.17 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which, when taken together, shall constitute one and the same instrument.

22.18 Entire Agreement. This Agreement, together with the other Loan Documents, constitutes the entire agreement among the parties with respect to the subject matter contained herein and therein, and supersedes any prior agreements or understanding among the parties, whether written or oral.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT AND BORROWER AGREES TO ITS TERMS.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, Borrower and Lender have executed and delivered this Agreement as of the day and year first above written.

BORROWER:

**WEST MICHIGAN ACADEMY OF
ENVIRONMENTAL SCIENCE**, a Michigan
non-profit corporation

By: 

Peter Vandersluis

Title: Board President

LENDER:

CAPITAL IMPACT PARTNERS, a
Congressionally chartered District of
Columbia non-profit corporation

By: _____

Carolyn Bauer

Title: Chief Risk Officer

IN WITNESS WHEREOF, Borrower and Lender have executed and delivered this Agreement as of the day and year first above written.

BORROWER:

**WEST MICHIGAN ACADEMY OF
ENVIRONMENTAL SCIENCE**, a Michigan
non-profit corporation

By: _____
Peter Vandersluis
Title: Board President

LENDER:

CAPITAL IMPACT PARTNERS, a
Congressionally chartered District of
Columbia non-profit corporation

By: Carolyn Bauer
Carolyn Bauer
Title: Chief Risk Officer

EXHIBIT A

Legal Description

Real estate situated in the City of Walker, County of Kent, State of Michigan, described as follows:

PARCEL A:

The East 1/2 of the Northeast 1/4 of the Southwest 1/4; and also the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 18, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the East 50 feet thereof, AND ALSO EXCEPT commencing on the North right-of-way line of Leonard Street (66.00 feet wide) at its intersection with the West right-of-way line of Wilson Avenue (100.00 feet wide) (a/k/a S.T.L. M-11); thence North along the West right-of-way line of Wilson Avenue 20.00 feet; thence Southwesterly to a point on the North right-of-way line of Leonard Street which is 20.00 feet West of the place of beginning; thence East along the North right-of-way line of Leonard Street 20.00 feet to the place of beginning.

PARCEL B:

The Southeast 1/4 of the Southwest 1/4 of Section 18, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, AND ALSO EXCEPT the East 50.00 feet thereof.

Tax Item No. 41-13-18-300-018

Commonly known as: 4463 Leonard Street NW, Walker, Michigan 49534

EXHIBIT B

Form of Annual Certificate of Performance

ANNUAL CERTIFICATE OF PERFORMANCE

To: Capital Impact Partners ("Lender")
From: _____ ("Borrower")
Date: _____, 20__

Lender has made a certain loan (the "Loan") to Borrower in the original principal amount of _____ and 00/100 Dollars (\$_____.00) pursuant to a certain Financing Agreement dated as of _____, 20____ (the "Loan Agreement") and evidenced and secured by other instruments and agreements set forth in and required under the Loan Agreement (the Loan Agreement and such other instruments and agreements, the "Loan Documents"). All terms used but not defined in this Certificate shall have the meaning ascribed to the same terms in the Loan Agreement.

Pursuant to the terms of the Loan Agreement, Borrower is required to submit to Lender (a) certain Annual Financial Statements, and (b) an Annual Certificate of Performance setting forth and certifying certain information, both as more particularly described in the Loan Agreement. This Certificate constitutes the Annual Certificate of Performance required under the Loan Agreement as of the date written above.

The undersigned, acting for and on behalf of Borrower, hereby certifies, represents and warrants to and for the benefit of Lender as of the date written above, as follows:

1. The undersigned is an officer of Borrower who is active in, and knowledgeable of, the financial operations of Borrower and authorized to execute and deliver this Certificate.
2. All financial data contained in the Annual Financial Statements of Borrower delivered to Lender herewith completely and accurately disclose the financial condition and operations of Borrower, and all material liabilities, fixed or contingent, are fully shown or provided for in such Annual Financial Statements.
3. There has been no change in the business or operations of Borrower, which may adversely affect the financial condition of Borrower.
4. No default or Event of Default has occurred or is continuing under the Loan Documents.
5. All representations and warranties made by Borrower to Lender in the Loan Documents are and remain true, accurate and complete on and as of the date written above.
6. All social impact data delivered to Lender concerning Borrower is accurate and complete.
7. Borrower is in compliance with all affirmative and negative covenants, including financial covenants, set forth in the Loan Documents and has submitted to Lender herewith such information and detail reasonably necessary to support the calculations of Borrower set forth below.
8. The calculations of Borrower attached hereto as Schedule 1 with respect to the financial covenants are true, accurate and complete in all material respects.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate for and on behalf of Borrower as of the date first written above.

BORROWER:

a _____

By: _____
Name: _____
Title: _____

Schedule 1 - Calculation of Financial Covenants

Name of Borrower: _____ Effective Date of Calculation: _____

Financial Ratios

Ratio (a) Debt Service Coverage Ratio	
Net Income	
+ Interest Expense	
+ Taxes	
+ Depreciation	
+ Amortization	
- Capital Grants	
- Changes in Net Assets related to Reversionary Equipment	
- Capitalization	
= [a]	0.00

Current Portion of Long Term Debt (for the prior period)	
+ Interest Expense	
= [b]	0.00

[a]	0.00
/ [b]	0.00
= No less than 1.2/1	#DIV/0!

Ratio (b) Leverage Ratio	
Total Liabilities	
/ Tangible Net Worth	
= Not greater than 2.5:1	#DIV/0!

Ratio (c) Current Ratio	
Current Assets	
/ Current Liabilities	
= No less than 1.15:1	#DIV/0!

EXHIBIT C

Form of Quarterly Certificate of Performance

QUARTERLY CERTIFICATE OF PERFORMANCE

To: Capital Impact Partners ("Lender")
From: _____ ("Borrower")
Date: _____, 20__

Lender has made a certain loan (the "Loan") to Borrower in the original principal amount of _____ Dollars (\$_____) pursuant to a certain Finance Agreement dated as of _____, 20__ (the "Loan Agreement") and evidenced and secured by other instruments and agreements set forth in and required under the Loan Agreement (the Loan Agreement and such other instruments and agreements, the "Loan Documents"). All terms used but not defined in this Certificate shall have the meaning ascribed to the same terms in the Loan Agreement.

Pursuant to the terms of the Loan Agreement, Borrower is required to submit to Lender (a) certain Quarterly Financial Statements, and (b) a Quarterly Certificate of Compliance setting forth and certifying certain information, both as more particularly described in the Loan Agreement. This Certificate constitutes the Quarterly Certificate of Compliance required under the Loan Agreement as of the date written above.

The undersigned, acting for and on behalf of Borrower, hereby certifies, represents and warrants to and for the benefit of Lender as of the date written above, as follows:

1. The undersigned is an officer of Borrower who is active in, and knowledgeable of, the financial operations of Borrower and authorized to execute and deliver this Certificate.
2. All financial data contained in the Quarterly Financial Statements of Borrower delivered to Lender herewith completely and accurately disclose the financial condition and operations of Borrower, and all material liabilities, fixed or contingent, are fully shown or provided for in such Quarterly Financial Statements.
3. There has been no change in the business or operations of Borrower, which may adversely affect the financial condition of Borrower.
4. No default or Event of Default has occurred or is continuing under the Loan Documents.
5. All representations and warranties made by Borrower to Lender in the Loan Documents are and remain true, accurate and complete on and as of the date written above.
6. All social impact data delivered to Lender concerning Borrower is accurate and complete.
7. Borrower is in compliance with all affirmative and negative covenants set forth in the Loan Documents and has submitted to Lender herewith such information and detail reasonably necessary to support the calculations of Borrower set forth below.

IN WITNESS WHEREOF, the undersigned has executed and delivered this Certificate for and on behalf of Borrower as of the date first written above.

BORROWER:

_____,
a _____

By: _____
Name: _____
Title: _____

PROMISSORY NOTE¹

[Note A]

PRINCIPAL AMOUNT: \$7,000,000.00

July 29, 2016

For Value Received, **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE**, a Michigan non-profit corporation ("**Borrower**"), with an address of 4463 Leonard NW, Walker, Michigan 49534 promises to pay to the order of **CAPITAL IMPACT PARTNERS**, a non-profit corporation organized under the laws of the District of Columbia at the direction of the U.S. Congress in 12 U.S.C. Section 3051 (together with any future holders of this Promissory Note, collectively, "**Lender**"), with an address of 2011 Crystal Drive, Suite 750, Arlington, Virginia 22202, the principal sum of Seven Million and 00/100 Dollars (\$7,000,000.00) (the "**Loan**"), or so much thereof as shall be advanced, plus interest on the unpaid principal balance ("**Principal Amount**"), from the date of advance hereunder until paid in full, at the interest rate set forth below. This Promissory Note is the "Note A" referred to in that certain Finance Agreement of even date herewith (as amended from time to time, "**Loan Agreement**") between Borrower and Lender and is entitled to all of the benefits of the Loan Agreement. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.²

1. **Interest.** Interest shall accrue on this Promissory Note at an annual rate equal to 5.54% (the "**Fixed Rate**") on the outstanding principal balance of this Promissory Note; provided, however, if any payment of principal or interest due hereunder is not received by Lender within ten (10) calendar days when due, Borrower shall immediately pay to Lender a late charge equal to five percent (5%) of such overdue amount and the aggregate unpaid amount shall bear interest from the due date until paid at a rate equal to three percent (3%) per annum above the Fixed Rate or the maximum amount allowed by law, whichever is lesser (the "**Default Rate**"). The late charge shall not apply to any acceleration under Section 6 hereof; however, the Default Rate shall apply to any sums due upon acceleration in accordance with Section 6 hereof. To the extent that an Event of Default continues and there is an interest rate adjustment that would have applied had there been no Event of Default, the increase of three percent (3%) in the interest rate shall apply and accrue (if unpaid) until either the Principal Amount, together with all interest accrued thereon, is paid in full or until the Event of Default is cured. Interest shall at all times be calculated based upon a 360-day year and actual number of days elapsed in any period for which interest is payable.

2. **Payments.** This Promissory Note shall be repaid as follows:

(a) The Principal Amount outstanding under this Promissory Note shall be payable in successive monthly installments of principal and interest calculated pursuant to a

¹ Although entitled "Promissory Note" this evidence of indebtedness is a bond issued by Borrower, a Michigan public school academy, pursuant to Section 1351a of the Revised School Code, MCL 380.1351a ("**Section 1351a**"). It may be referenced in this and other documentation prepared by Lender and executed by Borrower as a Note, or a Bond, but in all such instances such references are intended to refer to and shall refer to this obligation issued under Section 1351a. Further, the transactions contemplated herein do not constitute a "line of credit" to Borrower under the provisions of Section 1225 of the Revised School Code, MCL 380.1225.

² This obligation is a full faith and credit general obligation of Borrower. This obligation and interest hereon are payable, as a first budget obligation, from any funds of Borrower available therefor.

twenty five (25) year amortization schedule, commencing with the payment due on September 1, 2016 and continuing on the first (1st) day of each and every calendar month thereafter until August 1, 2041 (the "**Maturity Date**"); provided that interest shall accrue on the outstanding principal balance of this Promissory Note through and including the last day of the applicable month; provided, further, that Borrower's first payment due will include interest incurred from the date of this Promissory Note through August 31, 2016.

(b) Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest due hereunder.

(c) All payments on this Promissory Note shall be applied first to late charges and other fees payable hereunder, if any, then to accrued and unpaid interest and then in reduction of the Principal Amount.

(d) All principal and interest shall be payable in lawful money of the United States of America. Payment shall be deemed made at the time Lender receives such payment, subject to the condition subsequent that any check or similar instrument is honored as drawn on sufficient funds.

(e) Borrower hereby irrevocably directs Lender to transfer and/or debit, from an account designated by Borrower, through the automated clearinghouse funds ("ACH") system, an amount sufficient to pay to Lender amounts that become due and payable to Lender from time to time hereunder. In order to facilitate such ACH payments, Borrower has executed and delivered to Lender at closing an ACH form. Lender may, from time to time, update or supplement its ACH instructions by providing to Borrower a new ACH form which Borrower shall promptly execute and deliver to Lender. Upon notice to Borrower, Lender shall have the right to direct that Borrower discontinue payments through the ACH system and in lieu thereof immediately commence making payments through other recognized means designated by Lender, including, without limitation, electronic transfer and/or debit.

(f) The entire outstanding Principal Amount, together with all accrued and unpaid interest thereon and all other sums payable hereunder, shall mature and be due and payable in full to Lender, unless sooner accelerated pursuant to **Section 6** below or otherwise, on the Maturity Date. The loan evidenced by this Promissory Note is non-revolving and re-advances will not be permitted.

3. **Prepayments.**

(a) For the period commencing on the date hereof and ending on the fifteenth (15th) anniversary thereof, this Promissory Note may be prepaid at any time in whole or part, provided that Borrower furnishes Lender with at least thirty (30) days' prior written notice of prepayment, and such prepayment (together with and in addition to all accrued and unpaid interest on the Loan and any other charges which may be due and payable hereunder to the date of payment) is accompanied by a prepayment premium equal to an amount calculated according to Lender's standard yield maintenance formula. Any partial prepayments shall not relieve

Borrower of the obligation to pay periodic installments of principal and/or interest hereunder as and when the same would otherwise fall due.

(b) Thereafter, this Promissory Note may be prepaid in whole or in part at any time, provided that Borrower furnishes Lender with at least thirty (30) days' prior written notice of prepayment and such prepayment (together with and in addition to all accrued and unpaid interest on the Loan and any other charges which may be due and payable hereunder to the date of payment) is accompanied by a prepayment premium equal to one percent (1%) of the outstanding Principal Amount of this Promissory Note being prepaid.

(c) Notwithstanding Sections 3(a) and 3(b) above to the contrary, no prepayment premium shall be payable in connection with prepayment of this Promissory Note if made during the one hundred eighty (180) day period preceding the Maturity Date.

(d) All calculations and determinations by Lender of the amounts payable pursuant to the preceding subsections or of any element thereof, if made in accordance with Lender's then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error. Borrower acknowledges that the prepayment provisions contained in this Promissory Note are a material part of the consideration of the Loan.

4. **Security.** Payment of the indebtedness evidenced by this Promissory Note is secured by certain instruments described in the Loan Agreement, including, but not limited to, that certain Mortgage of even date herewith and made by Borrower for the benefit of Lender, which encumbers real property located in the City of Walker, Kent County, Michigan, as more particularly described therein, together with the improvements located thereon.

5. **Waiver.** Except as provided herein, Borrower, for itself and its legal representatives, successor and assigns and any endorsers, guarantors and sureties of this Promissory Note expressly waives presentment, protest, demand, notice of dishonor, notice of nonpayment, notice of maturity, notice of protect, presentment for the purpose of accelerating maturity and diligence in collection. The pleading of any statute of limitations as a defense to any demand against the makers, endorsers, guarantors and sureties is expressly waived by each and all of said parties.

6. **ACCELERATION.** UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE LOAN AGREEMENT, THE UNPAID PRINCIPAL BALANCE OF THIS PROMISSORY NOTE AND ANY ACCRUED BUT UNPAID INTEREST SHALL THEREUPON BE IMMEDIATELY DUE AND PAYABLE AT THE OPTION OF LENDER, WITHOUT FURTHER PRESENTMENT, DEMAND, PROTEST OR NOTICE OF PROTEST OF ANY KIND, ALL OF WHICH ARE HEREBY EXPRESSLY WAIVED.

Borrower agrees to pay reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lender in connection with or related to any action taken to collect this Promissory Note, whether or not suit is brought.

7. **Release.** This Promissory Note shall be the joint and several obligations of Borrower and all makers, sureties, guarantors and endorsers, and shall be binding upon them and

their successors and assigns. No release of any person liable for the indebtedness evidenced hereby, and no release of any security for the indebtedness evidenced by this Promissory Note, or any portion thereof, and no extension, alteration, amendment, subordination or waiver of any provision of this Promissory Note or of any other Loan Document made by agreement between Lender and any other person or party shall release, discharge, modify, change or affect the liability of Borrower or any other person now or hereafter liable under this Promissory Note or under such other Loan Document. The remedies provided Lender in this Promissory Note and the other Loan Documents shall be cumulative and concurrent, and shall be in addition to every other right or remedy now or hereafter provided by law or equity. Such remedies may be pursued singly, successively or together against Borrower, any of the Collateral, or any other security interests at the option of Lender.

8. **Governing Law.** This Promissory Note shall be governed, construed and interpreted in accordance with the internal laws of the State of Michigan applicable to contracts made and to be performed in such state.

9. **Notices.** Any notices respecting this Promissory Note shall be delivered in accordance with the notice provisions of the Loan Agreement, the terms of which are incorporated herein by this reference.

10. **Rights of Endorsee.** Borrower agrees that the rights granted to Lender pursuant to this Promissory Note shall accrue to any endorsee of this Promissory Note who is lawfully in possession of this Promissory Note.

11. **Invalidity.** In the event any one or more of the provisions contained in this Promissory Note or any other Loan Document shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Promissory Note or such other Loan Document, but this Promissory Note and the other Loan Documents shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

11. **Recourse.** This Promissory Note is recourse to Borrower. Borrower's liability under this Promissory Note is not limited by any security interests provided by Borrower to Lender to secure the indebtedness evidenced under this Promissory Note and the other Loan Documents.

12. **Savings Clause.** Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the obligations hereunder, including all charges or fees in connection therewith deemed in the nature of interest under applicable law, shall not exceed the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow (the "**Highest Lawful Rate**"). If the rate of interest (determined without regard to the preceding sentence) under this Promissory Note at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loan made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would

have been due hereunder if the stated rates of interest set forth in this Promissory Note had at all times been in effect. In addition, if when the Loan made hereunder is repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Promissory Note had at all times been in effect, then to the extent permitted by law, Borrower shall pay to Lender an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lender and Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loan made hereunder or be refunded to Borrower.

PRIOR TO SIGNING THIS PROMISSORY NOTE, BORROWER READ AND UNDERSTOOD ALL PROVISIONS OF THIS PROMISSORY NOTE. BORROWER AGREES TO THE TERMS OF THE PROMISSORY NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE PROMISSORY NOTE.

In issuing this obligation, Borrower represents and warrants to Lender that it has and/or will comply in all material respects with any applicable requirements of the Revised School Code, Michigan Public Act 451 of 1976, as amended, and the Revised Municipal Finance Act, Michigan Public Act 34 of 2001, as amended, and other applicable law. It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this obligation have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of Borrower, including this obligation, does not exceed any constitutional or statutory limitation.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Promissory Note to be executed as of the date and year first above written.

BORROWER:

**WEST MICHIGAN ACADEMY OF
ENVIRONMENTAL SCIENCE,**
a Michigan non-profit corporation

By: _____

Peter Vandersluis

Its:

Board President

COPY

PROMISSORY NOTE¹

[Note B]

THIS PROMISSORY NOTE IS SUBJECT AND SUBORDINATE TO THAT CERTAIN PROMISSORY NOTE OF EVEN DATE HERewith IN THE PRINCIPAL AMOUNT OF \$7,000,000 EXECUTED BY BORROWER IN FAVOR OF LENDER.

PRINCIPAL AMOUNT: \$437,500.00

July 29, 2016

For Value Received, **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE**, a Michigan non-profit corporation ("**Borrower**"), with an address of 4463 Leonard NW, Walker, Michigan 49534 promises to pay to the order of **CAPITAL IMPACT PARTNERS**, a non-profit corporation organized under the laws of the District of Columbia at the direction of the U.S. Congress in 12 U.S.C. Section 3051 (together with any future holders of this Promissory Note, collectively, "**Lender**"), with an address of 2011 Crystal Drive, Suite 750, Arlington, Virginia 22202, the principal sum of Four Hundred Thirty Seven Thousand Five Hundred and 00/100 Dollars (\$437,500.00) (the "**Loan**"), or so much thereof as shall be advanced, plus interest on the unpaid principal balance ("**Principal Amount**"), from the date of advance hereunder until paid in full, at the interest rate set forth below. This Promissory Note is the "Note B" referred to in that certain Finance Agreement of even date herewith (as amended from time to time, "**Loan Agreement**") between Borrower and Lender and is entitled to all of the benefits of the Loan Agreement. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.²

1. **Interest.** Interest shall accrue on this Promissory Note at an annual rate equal to 6.50% (the "**Fixed Rate**") on the outstanding principal balance of this Promissory Note; provided, however, if any payment of principal or interest due hereunder is not received by Lender within ten (10) calendar days when due, Borrower shall immediately pay to Lender a late charge equal to five percent (5%) of such overdue amount and the aggregate unpaid amount shall bear interest from the due date until paid at a rate equal to three percent (3%) per annum above the Fixed Rate or the maximum amount allowed by law, whichever is lesser (the "**Default Rate**"). The late charge shall not apply to any acceleration under **Section 6** hereof; however, the Default Rate shall apply to any sums due upon acceleration in accordance with **Section 6** hereof. To the extent that an Event of Default continues and there is an interest rate adjustment that would have applied had there been no Event of Default, the increase of three percent (3%) in the interest rate shall apply and accrue (if unpaid) until either the Principal Amount, together with all interest accrued thereon, is paid in full or until the Event of Default is cured. Interest shall at all times be calculated based upon a 360-day year and actual number of days elapsed in any period for which interest is payable.

¹ Although entitled "Promissory Note" this evidence of indebtedness is a bond issued by Borrower, a Michigan public school academy, pursuant to Section 1351a of the Revised School Code, MCL 380.1351a ("**Section 1351a**"). It may be referenced in this and other documentation prepared by Lender and executed by Borrower as a Note, or a Bond, but in all such instances such references are intended to refer to and shall refer to this obligation issued under Section 1351a. Further, the transactions contemplated herein do not constitute a "line of credit" to Borrower under the provisions of Section 1225 of the Revised School Code, MCL 380.1225.

² This obligation is a full faith and credit general obligation of Borrower. This obligation and interest hereon are payable, as a first budget obligation, from any funds of Borrower available therefor.

2. **Payments.** This Promissory Note shall be repaid as follows:

(a) The Principal Amount outstanding under this Promissory Note shall be payable in successive monthly installments of principal and interest calculated pursuant to a twenty five (25) year amortization schedule, commencing with the payment due on September 1, 2016 and continuing on the first (1st) day of each and every calendar month thereafter until August 1, 2026 (the "**Maturity Date**"); provided that interest shall accrue on the outstanding principal balance of this Promissory Note through and including the last day of the applicable month; provided, further, that Borrower's first payment due will include interest incurred from the date of this Promissory Note through August 31, 2016. The final payment due on the Maturity Date will be a balloon payment of all then outstanding principal and accrued interest.

(b) Whenever any payment to be made hereunder shall be stated to be due on a day that is not a Business Day, the payment may be made on the next succeeding Business Day and such extension of time shall be included in the computation of the amount of interest due hereunder.

(c) All payments on this Promissory Note shall be applied first to late charges and other fees payable hereunder, if any, then to accrued and unpaid interest and then in reduction of the Principal Amount.

(d) All principal and interest shall be payable in lawful money of the United States of America. Payment shall be deemed made at the time Lender receives such payment, subject to the condition subsequent that any check or similar instrument is honored as drawn on sufficient funds.

(e) Borrower hereby irrevocably directs Lender to transfer and/or debit, from an account designated by Borrower, through the automated clearinghouse funds ("ACH") system, an amount sufficient to pay to Lender amounts that become due and payable to Lender from time to time hereunder. In order to facilitate such ACH payments, Borrower has executed and delivered to Lender at closing an ACH form. Lender may, from time to time, update or supplement its ACH instructions by providing to Borrower a new ACH form which Borrower shall promptly execute and deliver to Lender. Upon notice to Borrower, Lender shall have the right to direct that Borrower discontinue payments through the ACH system and in lieu thereof immediately commence making payments through other recognized means designated by Lender, including, without limitation, electronic transfer and/or debit.

(f) The entire outstanding Principal Amount, together with all accrued and unpaid interest thereon and all other sums payable hereunder, shall mature and be due and payable in full to Lender, unless sooner accelerated pursuant to **Section 6** below or otherwise, on the Maturity Date. The loan evidenced by this Promissory Note is non-revolving and re-advances will not be permitted.

3. **Prepayments.**

(a) This Promissory Note may be prepaid at any time in whole or part, provided that Borrower furnishes Lender with at least thirty (30) days' prior written notice of

prepayment, and such prepayment (together with and in addition to all accrued and unpaid interest on the Loan and any other charges which may be due and payable hereunder to the date of payment) is accompanied by a prepayment premium equal to an amount calculated according to Lender's standard yield maintenance formula. Any partial prepayments shall not relieve Borrower of the obligation to pay periodic installments of principal and/or interest hereunder as and when the same would otherwise fall due.

(b) Notwithstanding **Section 3(a)** above to the contrary, no prepayment premium shall be payable in connection with prepayment of this Promissory Note if made during the one hundred eighty (180) day period preceding the Maturity Date.

(c) All calculations and determinations by Lender of the amounts payable pursuant to the preceding subsections or of any element thereof, if made in accordance with Lender's then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error. Borrower acknowledges that the prepayment provisions contained in this Promissory Note are a material part of the consideration of the Loan.

4. **Security.** Payment of the indebtedness evidenced by this Promissory Note is secured by certain instruments described in the **Loan Agreement**, including, but not limited to, that certain Mortgage of even date herewith and made by Borrower for the benefit of Lender, which encumbers real property located in the **City of Walker, Kent County, Michigan**, as more particularly described therein, together with the **improvements** located thereon.

5. **Waiver.** Except as provided herein, Borrower, for itself and its legal representatives, successor and assigns and any endorsers, guarantors and sureties of this Promissory Note expressly waives presentment, protest, demand, notice of dishonor, notice of nonpayment, notice of maturity, notice of protest, presentment for the purpose of accelerating maturity and diligence in collection. The pleading of any statute of limitations as a defense to any demand against the makers, endorsers, guarantors and sureties is expressly waived by each and all of said parties.

6. **ACCELERATION.** UPON THE OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE **LOAN AGREEMENT**, THE UNPAID PRINCIPAL BALANCE OF THIS PROMISSORY NOTE AND ANY ACCRUED BUT UNPAID INTEREST SHALL THEREUPON BE IMMEDIATELY DUE AND PAYABLE AT THE OPTION OF LENDER, WITHOUT FURTHER PRESENTMENT, DEMAND, PROTEST OR NOTICE OF PROTEST OF ANY KIND, ALL OF WHICH ARE HEREBY EXPRESSLY WAIVED.

Borrower agrees to pay reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lender in connection with or related to any action taken to collect this Promissory Note, whether or not suit is brought.

7. **Release.** This Promissory Note shall be the joint and several obligations of Borrower and all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns. No release of any person liable for the indebtedness evidenced hereby, and no release of any security for the indebtedness evidenced by this Promissory Note, or any portion thereof, and no extension, alteration, amendment, subordination or waiver of any

provision of this Promissory Note or of any other Loan Document made by agreement between Lender and any other person or party shall release, discharge, modify, change or affect the liability of Borrower or any other person now or hereafter liable under this Promissory Note or under such other Loan Document. The remedies provided Lender in this Promissory Note and the other Loan Documents shall be cumulative and concurrent, and shall be in addition to every other right or remedy now or hereafter provided by law or equity. Such remedies may be pursued singly, successively or together against Borrower, any of the Collateral, or any other security interests at the option of Lender.

8. **Governing Law.** This Promissory Note shall be governed, construed and interpreted in accordance with the internal laws of the State of Michigan applicable to contracts made and to be performed in such state.

9. **Notices.** Any notices respecting this Promissory Note shall be delivered in accordance with the notice provisions of the Loan Agreement, the terms of which are incorporated herein by this reference.

10. **Rights of Endorsee.** Borrower agrees that the rights granted to Lender pursuant to this Promissory Note shall accrue to any endorsee of this Promissory Note who is lawfully in possession of this Promissory Note.

11. **Invalidity.** In the event any one or more of the provisions contained in this Promissory Note or any other Loan Document shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Promissory Note or such other Loan Document, but this Promissory Note and the other Loan Documents shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

11. **Recourse.** This Promissory Note is recourse to Borrower. Borrower's liability under this Promissory Note is not limited by any security interests provided by Borrower to Lender to secure the indebtedness evidenced under this Promissory Note and the other Loan Documents.

12. **Savings Clause.** Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the obligations hereunder, including all charges or fees in connection therewith deemed in the nature of interest under applicable law, shall not exceed the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now allow (the "**Highest Lawful Rate**"). If the rate of interest (determined without regard to the preceding sentence) under this Promissory Note at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loan made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Promissory Note had at all times been in effect. In addition, if when the Loan made hereunder is repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total

amount of interest which would have been due hereunder if the stated rates of interest set forth in this Promissory Note had at all times been in effect, then to the extent permitted by law, Borrower shall pay to Lender an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lender and Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender's option be applied to the outstanding amount of the Loan made hereunder or be refunded to Borrower.

PRIOR TO SIGNING THIS PROMISSORY NOTE, BORROWER READ AND UNDERSTOOD ALL PROVISIONS OF THIS PROMISSORY NOTE. BORROWER AGREES TO THE TERMS OF THE PROMISSORY NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE PROMISSORY NOTE.


In issuing this obligation, Borrower represents and warrants to Lender that it has and/or will comply in all material respects with any applicable requirements of the Revised School Code, Michigan Public Act 451 of 1976, as amended, and the Revised Municipal Finance Act, Michigan Public Act 34 of 2001, as amended, and other applicable law. It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this obligation have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of Borrower, including this obligation, does not exceed any constitutional or statutory limitation.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Promissory Note to be executed as of the date and year first above written.

BORROWER:

**WEST MICHIGAN ACADEMY OF
ENVIRONMENTAL SCIENCE,**
a Michigan non-profit corporation

By: 
Peter Vandersluis
Its: Board President

COPY

PROMISSORY NOTE¹

PRINCIPAL AMOUNT: \$1,300,000.00

AUGUST 26, 2019

For Value Received, **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE**, a Michigan non-profit corporation, as maker (“**Borrower**”), having its principal place of business at 4463 Leonard Street NW, Walker, Michigan 49534, promises unconditionally to pay to the order of **CAPITAL IMPACT PARTNERS**, a non-profit corporation organized under the laws of the District of Columbia at the direction of the United States Congress in 12 U.S.C. § 3051 (together with any future holders of this Note, collectively, “**Lender**”), having an address at 1400 Crystal Drive, Suite 500, Arlington, Virginia 22202, the principal sum of One Million Three Hundred Thousand and 00/100 Dollars (\$1,300,000.00) or so much thereof as shall be advanced, in lawful money of the United States of America, plus interest on the unpaid principal balance (“**Principal Amount**”), from the date of advance hereunder until paid in full, at the interest rate set forth below, and in accordance with the terms of this Note and that certain Construction and Supplemental Finance Agreement (defined below).² This Promissory Note is the “Note” referred to in that certain Construction and Supplemental Finance Agreement of even date herewith (as amended, restated, replaced, supplemented or otherwise modified from time to time, the “**Loan Agreement**”) between Borrower and Lender, and Lender is entitled to all of the benefits of the Loan Agreement. All capitalized terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

1. **Interest.** Interest shall accrue on this Note at an annual rate equal to six and twenty five one hundredths percent (6.25%) (the “**Fixed Rate**”) on the outstanding principal balance of this Note; provided, further, however, if any payment of principal or interest due hereunder is not received by Lender within ten (10) calendar days when due, including, Borrower shall immediately pay to Lender a late charge equal to five percent (5%) of such overdue amount and the aggregate unpaid amount shall bear interest from the due date until paid at a rate equal to three percent (3%) per annum above the Fixed Rate or the maximum amount allowed by law, whichever is lesser (the “**Default Rate**”). The late charge shall not apply to any acceleration under **Section 5** hereof; however, the Default Rate shall apply to any sums due upon acceleration in accordance with **Section 5** hereof. To the extent that an Event of Default continues and there is an interest rate adjustment that would have applied had there been no Event of Default, the increase of three percent (3%) in the interest rate shall apply and accrue (if unpaid) until either the Principal Amount, together with all interest accrued thereon, is paid in full or until the Event of Default is cured. Interest shall at all times be calculated based upon a 360-day year and actual number of days elapsed in any period for which interest is payable. On

¹ Although entitled “Promissory Note” this evidence of indebtedness is a bond issued by Borrower, a Michigan public school academy, pursuant to Section 1351a of the Revised School Code, MCL 380.1351a (“**Section 1351a**”). It may be referenced in this and other documentation prepared by Lender and executed by Borrower as a Note, or a Bond, but in all such instances such references are intended to refer to and shall refer to this obligation issued under Section 1351a. Further, the transactions contemplated herein do not constitute a “line of credit” to Borrower under the provisions of Section 1225 of the Revised School Code, MCL 380.1225.

² This obligation is a full faith and credit general obligation of Borrower. This obligation and interest hereon are payable, as a first budget obligation, from any funds of Borrower available therefor.

the date which is sixty (60) months from the date of this Note, the interest rate shall be adjusted to equal the then current weekly average yield for United States Treasury securities with five (5) year maturities, plus four percent (4%) per annum, said rate to be rounded up to the nearest one-eighth of one percent (1/8%); provided, however, in no event shall the interest rate be less than six and twenty five one hundredths percent (6.25%).

2. **Payments.** This Note shall be repaid as follows:

(a) During the period commencing on the date of this Note and for six (6) months thereafter, accrued and unpaid interest only on the Principal Amount outstanding under the Note shall be payable in successive monthly installments on the first (1st) day of each month commencing with the first payment due on October 1, 2019, and continuing thereafter until the payment due on March 1, 2020 (the “**Conversion Date**”); provided that “odd days” interest accrued from the date of this Note through August 31, 2019 shall be payable on September 1, 2019. The interest payments due under this subsection (a) shall be withdrawn from the Interest Holdback (as defined in the Loan Agreement).

(b) From and after the Conversion Date, the Principal Amount outstanding under the Note shall be payable in successive monthly installments of principal and interest calculated pursuant to a three hundred (300) month amortization period, commencing with the payment due on April 1, 2020 and continuing on the first (1st) day of each and every calendar month thereafter until September 1, 2029 (the “**Maturity Date**”).

(c) All payments on this Note shall be applied first to late charges and other fees payable hereunder, if any, then to accrued and unpaid interest and then in reduction of the Principal Amount.

(d) All principal and interest shall be payable in lawful money of the United States of America. Payment shall be deemed made at the time Lender receives such payment, subject to the condition subsequent that any check or similar instrument is honored as drawn on sufficient funds.

(e) Borrower hereby irrevocably directs Lender to transfer and/or debit, from an account designated by Borrower, through the automated clearinghouse funds (“**ACH**”) system, an amount sufficient to pay to Lender amounts that become due and payable to Lender from time to time hereunder. In order to facilitate such ACH payments, Borrower has executed and delivered to Lender at closing an ACH form. Lender may, from time to time, update or supplement its ACH instructions by providing to Borrower a new ACH form which Borrower shall promptly execute and deliver to Lender. Upon notice to Borrower, Lender shall have the right to direct that Borrower discontinue payments through the ACH system and in lieu thereof immediately commence making payments through other recognized means designated by Lender, including, without limitation, electronic transfer and/or debit.

(f) The entire outstanding Principal Amount, together with all accrued and unpaid interest thereon and all other sums payable hereunder, shall mature and be due and payable in full to Lender, unless sooner accelerated pursuant to **Section 5** below or otherwise, on

the Maturity Date. The loan evidenced by this Note is non-revolving and re-advances will not be permitted.

(g) If this Note is being refinanced by a separate loan from Lender, this Note may be prepaid, in whole or in part, at any time without payment of any fee or penalty for the term of the Note. If refinancing or paying down by any other means, this Note may be prepaid, in whole or in part, at any time provided Borrower pays a prepayment fee equal to one percent (1%) of the Principal Amount being prepaid until the fifth (5th) anniversary of the date of this Note. After the fifth (5th) anniversary of the date of this Note, this Note may be prepaid, in whole or in part, at any time without the payment of any fee or penalty. Any partial prepayments under this Note shall not relieve Borrower of the obligation to pay periodic installments of principal and/or interest hereunder as and when the same would otherwise fall due. All calculations and determinations by Lender of the amounts payable hereunder or of any element thereof, if made in accordance with Lender's then standard procedures for so calculating or determining such amounts, shall be conclusive absent manifest arithmetic error. Borrower acknowledges that the prepayment provisions contained in this Note are a material part of the consideration of the loan evidenced by this Note.

3. **Security.** Payment of the indebtedness evidenced by this Note is secured by certain instruments described in the Loan Agreement, including, but not limited to, that certain Mortgage of even date herewith and made by Borrower for the benefit of Lender, which encumbers real property located in the City of Walker, County of Kent, State of Michigan, as more particularly described therein, together with the improvements located thereon.

4. **Waiver.** Except as provided herein, Borrower, for itself and its legal representatives, successors and assigns and any endorsers, guarantors and sureties of this Note expressly waives presentment, protest, demand, notice of dishonor, notice of nonpayment, notice of maturity, notice of protest, presentment for the purpose of accelerating maturity and diligence in collection. The pleading of any statute of limitations as a defense to any demand against the makers, endorsers, guarantors and sureties is expressly waived by each and all of said parties.

5. **ACCELERATION.** UPON THE MATURITY DATE OR OCCURRENCE OF AN EVENT OF DEFAULT UNDER THE LOAN AGREEMENT, THE UNPAID PRINCIPAL BALANCE OF THIS NOTE AND ANY ACCRUED BUT UNPAID INTEREST SHALL WITHOUT NOTICE THEREUPON BE IMMEDIATELY DUE AND PAYABLE AT THE OPTION OF LENDER, WITHOUT FURTHER PRESENTMENT, DEMAND, PROTEST OR NOTICE OF PROTEST OF ANY KIND, ALL OF WHICH ARE HEREBY EXPRESSLY WAIVED.

Borrower agrees to pay reasonable costs and expenses (including, without limitation, reasonable attorneys' fees) incurred by Lender in connection with or related to any action taken to collect this Note, whether or not suit is brought.

6. **Release.** This Note shall be the joint and several obligations of Borrower and all makers, sureties, guarantors and endorsers, and shall be binding upon them and their successors and assigns. No release of any person liable for the indebtedness evidenced hereby, and no release of any security for the indebtedness evidenced by this Note, or any portion thereof, and

no extension, alteration, amendment, subordination or waiver of any provision of this Note or of any other Loan Document made by agreement between Lender and any other person or party shall release, discharge, modify, change or affect the liability of Borrower or any other person now or hereafter liable under this Note or under such other Loan Document. The remedies provided Lender in this Note and the other Loan Documents shall be cumulative and concurrent, and shall be in addition to every other right or remedy now or hereafter provided by law or equity. Such remedies may be pursued singly, successively or together against Borrower, any of the Collateral, or any other security interests at the option of Lender.

7. **Governing Law.** This Note shall be governed, construed and interpreted in accordance with the internal laws of the State of Michigan applicable to contracts made and to be performed in such state.

8. **Notices.** Any notices respecting this Note shall be delivered in accordance with the notice provisions of the Loan Agreement, the provisions of which are incorporated herein by this reference.

9. **Rights of Endorsee.** Borrower agrees that the rights granted to Lender pursuant to this Note shall accrue to any endorsee of this Note who is lawfully in possession of this Note. Upon the transfer of this Note, which Lender shall give Borrower written notice of any such transfer, Lender may deliver all the collateral mortgaged, granted, pledged or assigned pursuant to the Loan Documents, or any part thereof, to the transferee who shall thereupon become vested with all the rights herein or under applicable law given to Lender with respect to the assignment, and Lender shall thereafter forever be relieved and fully discharged from any liability or responsibility first arising after the date of such transfer; but Lender shall retain all rights hereby given to it with respect to any liabilities and the collateral not so transferred.

10. **Invalidity.** In the event any one or more of the provisions contained in this Note or any other Loan Document shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Note or such other Loan Document, but this Note and the other Loan Documents shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein.

11. **Recourse.** This Note is recourse to Borrower. Borrower's liability under this Note is not limited by any security interests provided by Borrower to Lender to secure the indebtedness evidenced under this Note and the other Loan Documents. If Borrower consists of more than one Person, the obligations and liabilities of each such Person shall be joint and several.

11. **Savings Clause.** Notwithstanding any other provision herein, the aggregate interest rate charged with respect to any of the obligations hereunder, including all charges or fees in connection therewith deemed in the nature of interest under applicable law, shall not exceed the maximum lawful interest rate, if any, that at any time or from time to time may be contracted for, charged, or received under the laws applicable to Lender which are presently in effect or, to the extent allowed by law, under such applicable laws which may hereafter be in effect and which allow a higher maximum nonusurious interest rate than applicable laws now

allow (the “**Highest Lawful Rate**”). If the rate of interest (determined without regard to the preceding sentence) under this Note at any time exceeds the Highest Lawful Rate, the outstanding amount of the Loan made hereunder shall bear interest at the Highest Lawful Rate until the total amount of interest due hereunder equals the amount of interest which would have been due hereunder if the stated rates of interest set forth in this Note had at all times been in effect. In addition, if when the Loan made hereunder is repaid in full the total interest due hereunder (taking into account the increase provided for above) is less than the total amount of interest which would have been due hereunder if the stated rates of interest set forth in this Note had at all times been in effect, then to the extent permitted by law, Borrower shall pay to Lender an amount equal to the difference between the amount of interest paid and the amount of interest which would have been paid if the Highest Lawful Rate had at all times been in effect. Notwithstanding the foregoing, it is the intention of Lender and Borrower to conform strictly to any applicable usury laws. Accordingly, if any Lender contracts for, charges, or receives any consideration which constitutes interest in excess of the Highest Lawful Rate, then any such excess shall be cancelled automatically and, if previously paid, shall at such Lender’s option be applied to the outstanding amount of the Loan made hereunder or be refunded to Borrower.

12. **No Oral Change.** This Note may not be modified, amended, waived, extended, changed, discharged or terminated orally or by any act or failure to act on the part of Borrower or Lender, but only by an agreement in writing signed by the party against whom enforcement of any modification, amendment, waiver, extension, change, discharge or termination is sought.

The proceeds of this obligation are being used by Borrower for capital expenditures and to pay costs of issue and are not being used for maintenance costs or other expenditures not permitted by Section 1351a. In issuing this obligation, Borrower represents and warrants to Lender that it has and/or will comply in all material respects with any applicable requirements of the Revised School Code, Michigan Public Act 451 of 1976, as amended, and the Revised Municipal Finance Act, Michigan Public Act 34 of 2001, as amended, and other applicable law. It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this obligation have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of Borrower, including this obligation, does not exceed any constitutional or statutory limitation.


PRIOR TO SIGNING THIS NOTE, BORROWER READ AND UNDERSTOOD ALL PROVISIONS OF THIS NOTE. BORROWER AGREES TO THE TERMS OF THE NOTE AND ACKNOWLEDGES RECEIPT OF A COMPLETED COPY OF THE NOTE.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, the undersigned has caused this Note to be executed as of the date and year first above written.

BORROWER:

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE,
a Michigan non-profit corporation

By: _____

Peter Vandersluis
Its: Board President

MORTGAGE

DATED: AUGUST 26, 2019

THIS MORTGAGE CONSTITUTES A FUTURE ADVANCE MORTGAGE AND SECURES FUTURE ADVANCES UNDER ACT 348 OF THE PUBLIC ACTS OF 1990, AS AMENDED (MCLA §565.901, ET SEQ.) UNDER MICHIGAN LAW.

THE MAXIMUM PRINCIPAL AMOUNT, EXCLUDING PROTECTIVE ADVANCES, THAT MAY BE SECURED BY THIS MORTGAGE IS \$1,300,000.00.

THIS MORTGAGE IS A “CONSTRUCTION MORTGAGE” WITHIN THE MEANING OF MCL §440.9334.

PARTICULAR TERMS - DEFINITIONS

As used herein, the following terms and expressions shall have the respective meanings indicated opposite each of them:

Mortgagor: **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE,**

a Michigan nonprofit corporation

Address: 4463 Leonard Street NW
Walker, Michigan 49534

Mortgagee: **CAPITAL IMPACT PARTNERS,** a non-profit corporation organized under the laws of the District of Columbia at the direction of the United States Congress in 12 U.S.C. §3051

Address: 1400 Crystal Drive, Suite 500
Arlington, VA 22202

Note: Promissory Note

Amounts: One Million Three Hundred Thousand and 00/100 Dollars
(\$1,300,000.00)

Date of Note: Dated of Even Date Herewith

Loan

Agreement: Construction and Supplemental Finance Agreement dated of even date herewith

Premises: Land, Premises and Improvements situated in the City of Walker, Kent County, Michigan

See **Exhibit A** attached hereto

THIS CONSTRUCTION MORTGAGE (this “**Mortgage**”), above-dated, by Mortgagor to Mortgagee, and is made with reference to the Note and Loan Agreement hereinabove referenced, and which shall include all of the foregoing as amended, modified, extended, restated or renewed from time to time and all substitutions, consolidations or rollovers thereof, from time to time all of which may be done without amendment of this Mortgage or the consent of Mortgagor.

DEFINITIONS: Unless defined herein, all capitalized terms shall have the meanings set forth in the Loan Agreement.

WITNESSETH:

To secure the performance of the covenants hereinafter contained, and the repayment of a loan by Mortgagee in an amount up to One Million Three Hundred Thousand and 00/100 Dollars (\$1,300,000.00), together with interest thereon, payable in accordance with the terms of the Note executed by Mortgagor evidencing such loan and advances, and all extensions, renewals, amendments and modifications thereof, including any increases in the principal amounts of the Note to secure future advances and to secure all other Indebtedness (as defined in the Loan Agreement), and in accordance with the terms of the Loan Agreement, the terms, covenants and conditions of which said Note and Loan Agreement are herein incorporated as covenants and conditions of Mortgagor, with the same force and effect as though such covenants and conditions were fully set forth herein (the covenants of this Mortgage, the Note, the Loan Agreement and other Loan Documents are hereinafter collectively referred to as the “**Obligations**”), Mortgagor, hereby mortgages and warrants and grants a security interest to Mortgagee, its successors and assigns, in and to the Premises, together with the appurtenances, improvements, the Building, fixtures, tenements, and hereditaments thereunder belonging and which may hereafter attach thereto and all heretofore or hereafter vacated alleys and streets abutting thereto (collectively, the “**Property**”); together with: (a) all building materials, goods and tangible personal property on the Premises, not affixed or incorporated into the Premises and which are owned by Mortgagor (collectively, the “**Personal Property**”); (b) all rights and easements (public or private) which benefit the Premises located off the Premises and all easement agreements, license agreements, permits, parking agreements, tunnel agreements, permits or any other agreements with respect to such rights and easements (public or private) (collectively, the “**Easements and Agreements**”); (c) all buildings, improvements, machinery, apparatus, equipment, fittings, fixtures and articles of personal property of every kind and nature whatsoever, other than consumable goods, now or hereafter located in or upon said real estate or any part thereof and used or usable in connection with any present or future operation of said Property and now owned or hereafter acquired or leased by Mortgagor, and all additions and accessions thereto now or hereafter attached to or used in connection therewith or with the Property, and all proceeds of hazard insurance of all of the foregoing, including, but without limiting the generality of the foregoing, all heating, lighting, laundry, incinerating and power equipment, engines, pipes, pumps, tanks, motors, conduits, switchboards, plumbing apparatus, electrical apparatus (including, but not limited to, all electrical transformers, switches, switch boxes, equipment boxes, cabinets, all whether used in the operation of the Property or any business operated within or upon the Property), lifting, cleaning, fire-prevention, fire-extinguishing, refrigerating, ventilating, and communications apparatus, air-cooling and air-conditioning apparatus, elevators, escalators, shades, awnings, screens, storm doors and windows, stoves,

attached cabinets, partitions, furniture, carpeting, plants and shrubbery, ground maintenance equipment, ducts and compressors and all of the right, title and interest of Mortgagor in and to any equipment which may be subject to any title retention or security agreement superior in lien to the lien of this Mortgage (collectively, the “**Equipment**”); (d) all right, title and interest, if any, of Mortgagor to plans and specifications, engineering drawings, architectural renderings, environmental reports, licenses, governmental permits and approvals, soil test reports, proposals or other material now or thereafter existing in any way relating to the Property (collectively, the “**Plans, Licenses and Permits**”); (e) all rents, issues and profits derived under present or future leases, or otherwise, which are hereby specifically assigned, transferred and set over to Mortgagee (collectively, the “**Rents and Profits**”); (f) all awards or payments, including any interest thereon, and the right to receive same, which may be made for the account of Mortgagor with respect to the Property as a result of the exercise of the right of eminent domain or condemnation, as hereinafter provided (collectively, the “**Awards and Payments**”); (g) all rights of Mortgagor to receive the proceeds arising from or in connection with any federal or state historic tax credits or brownfield credits, and any replacement or similar credits or payments made or to be made in connection with the Project as described in the Loan Agreement, including any payments due Mortgagor in the form of distributions from any member of Mortgagor (collectively, the “**Credits Payments**”); (h) all rights of Mortgagor to any oil, gas, mineral and water rights (collectively, the “**Natural Resources Rights**”); (i) all rights of Mortgagor under any purchase agreements executed with respect to the Property and the proceeds thereof (collectively, the “**Purchase Agreements**”); and (j) proceeds and proceeds of hazard insurance of all of the foregoing described in this paragraph (collectively, the “**Proceeds**” and with the Property, Personal Property, Easements and Agreements, Equipment, Plans, Licenses and Permits, Rents and Profits, Awards and Payments, Credits Payments, Natural Resources Rights, Purchase Agreements, are collectively the “**Mortgaged Property**”). It is understood and agreed that all Equipment is part and parcel of said real estate and appropriated to the use of said real estate and, whether affixed or annexed or not, shall for the purpose of this Mortgage be deemed conclusively to be real estate and mortgaged hereby. Mortgagor agrees to execute, acknowledge and deliver, from time to time, such financing statements or other instruments as may be reasonably requested by Mortgagee to confirm, protect and perfect the lien of this Mortgage on any Personal Property or Equipment, under the provisions of the Uniform Commercial Code in effect in Michigan or otherwise, and this Mortgage shall also be considered to be and may be construed as a security agreement with reference to any such Equipment, and upon Mortgagor’s default, Mortgagee shall, in addition to all other remedies herein provided, have the remedies provided for under the Uniform Commercial Code, as amended, in effect in Michigan.

And the said Mortgagor, for itself, its successors and assigns, does covenant and agree to and with the said Mortgagee, its successors and assigns, as follows:

1. **Performance:** Mortgagor will pay, and otherwise perform, all the terms, conditions and covenants of the Obligations.
2. **Title:** At the time of the execution and delivery of this instrument, Mortgagor is well and truly seized of the Mortgaged Property in fee simple, free of all liens and encumbrances whatsoever, except for a prior Mortgage from Mortgagor in favor of Mortgagee and other matters, if any, set forth in the mortgage title insurance policy accepted by Mortgagee and the endorsements thereto issued from time to time and as set forth on **Exhibit B** attached hereto (collectively, the “**Permitted Encumbrances**”). Mortgagor will forever warrant and defend the second priority lien

position of this Mortgage against any and all claims whatever, and the lien created hereby is and will be kept a lien having a second priority upon said Mortgaged Property, subject only to the Permitted Encumbrances.

3. **Payment of Taxes and Assessments:** Mortgagor shall pay prior to the date that any penalty or interest for nonpayment would attach, all taxes and assessments that may be levied upon said Mortgaged Property, and shall promptly deliver to Mortgagee receipts showing payment thereof. Mortgagor shall pay when due all water charges and all other amounts which might become a lien upon the Mortgaged Property prior to this Mortgage. Mortgagor shall pay when due all taxes and assessments that may be levied upon or on account of this Mortgage or the Obligations secured hereby or upon the interest or estate in said Mortgaged Property created or represented by this Mortgage, whether levied against Mortgagor or otherwise. In the event payment by Mortgagor of any tax referred to in the foregoing sentence would result in the payment of interest in excess of the rate permitted by law, then Mortgagor shall have no obligation to pay the portion of such tax which would result in the payment of such excess; provided, however, in any such event, at any time after the enactment of the law providing for such tax, Mortgagee, at its election, may declare the entire principal balance of the Obligations secured hereby, together with interest thereon, to be due and payable.

4. **Insurance:** Mortgagor will keep the Mortgaged Property, insured against loss and damage by fire and the perils covered by extended coverage insurance (including public liability insurance), and against such other risks as required by the terms of the Loan Agreement, with proceeds thereof payable to Mortgagee under a standard mortgagee endorsement thereto, and shall contain an agreement by such insurer(s) that such policy(s) shall not be cancelled or materially modified without at least thirty (30) days prior written notice to Mortgagee. In the event of any loss or damage to all or any portion of the Mortgaged Property, at Mortgagee's election, the insurance proceeds shall be used in any one or more of the following ways: (a) apply the same or any part thereof upon the Obligations secured hereby, whether such Obligations are then matured or unmatured; (b) use the same or any part thereof to fulfill any of the covenants contained herein as Mortgagee may determine; (c) use the same or any part thereof to replace or restore the Mortgaged Property to a condition satisfactory to Mortgagee, or (d) release the same to Mortgagor.

Notwithstanding the foregoing, in the absence of an Event of Default beyond any applicable notice and cure period which is not cured at the time of the casualty or damage and at the time insurance proceeds are to be made available to Mortgagee under this provision, and, if requested by Mortgagor in writing, Mortgagee agrees to disburse such insurance proceeds to Mortgagor or, to contractors employed by Mortgagor, less actual costs, fees and expenses, including reasonable attorneys' fees, if any, incurred by Mortgagee in connection with the adjustment of the loss or any action taken by Mortgagee in connection with the adjustment of the loss or incurred by Mortgagee in connection with any of the requirements of this Section 4 (the "**Net Proceeds**"), consistent with customary practices of Mortgagee in the administration of construction loans and as set forth in the Loan Agreement, for the purpose of restoration, repair and replacement ("**Restoration**") of the Mortgaged Property to the condition and character existing prior to such event giving rise to payment of such proceeds, subject to the following:

(a) Mortgagor shall deliver a detailed budget to Mortgagee, approved in writing by Mortgagor's architect or engineer, inclusive of the entire cost of completing the Restoration, on a trade by trade basis;

(b) the Net Proceeds, together with any additional funds deposited by Mortgagor with Mortgagee, are sufficient, as determined by an estimate prepared by an independent appraiser selected by Mortgagee, to pay for the entire cost of the Restoration;

(c) Mortgagor shall commence the Restoration as soon as reasonably practicable, but in no event later than ninety (90) days after such damage or destruction occurs; notwithstanding the foregoing, Mortgagor shall remove debris and otherwise clean and secure the Mortgaged Property, promptly following any such damage or destruction;

(d) Restoration shall be performed in compliance with all applicable governmental codes, ordinances, statutes and requirements (including, without limitation, all applicable Environmental Laws);

(e) From and after the date of the occurrence of the damage or destruction and continuing during the course of the Restoration, Mortgagor shall continue to timely pay all costs of owning, maintaining and operating the Mortgaged Property, including all debt service under the Note; and

(f) Mortgagor shall comply with the policies and requirements of the Michigan Construction Lien Act and the Restoration will be completed free of any construction liens. Each disbursement of insurance proceeds shall require an endorsement to Mortgagee's title insurance policy insuring the full amount of advances to date.

If at any time the Net Proceeds or the undisbursed balance thereof shall not, in the sole opinion of Mortgagee, be sufficient to pay in full the balance of the costs which are estimated by Mortgagee to be necessary to complete the Restoration, Mortgagor shall deposit additional funds with Mortgagee in the amount of such deficiency (the "**Net Proceeds Deficiency**") before any other disbursement of the Net Proceeds shall be made. The Net Proceeds Deficiency deposited with Mortgagee shall be held by Mortgagee and shall be disbursed for costs actually incurred in connection with the restoration of the same conditions applicable to the disbursement of the Net Proceeds and, until so disbursed, shall constitute additional security for the Indebtedness. Any funds held by Mortgagee pursuant to this Section shall be held in a non-interest bearing account and may be commingled with other funds of Mortgagee.

5. **Default in Taxes:** If default is made in the payment of any taxes, liens, charges, assessments or in making repairs or replacements or in procuring and maintaining insurance and paying the premiums therefor or in paying any governmental charges levied or assessed against the Mortgaged Property, or in keeping or performing any other covenants of Mortgagor herein and same is not cured within any applicable notice or cure period, Mortgagee may, at its option, and without any obligation on its part so to do, pay said taxes and assessments, make such repairs and replacements, effect such insurance, pay such premiums or governmental charges, and perform any other covenant of Mortgagor herein. All amounts expended by Mortgagee hereunder shall be

secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand, with interest thereon at the Default Rate.

6. **Property Covenants:** Mortgagor will abstain from and will not suffer the commission of waste on said Mortgaged Property and will keep the buildings, improvements, fixtures and equipment now or hereafter thereon in good repair and will make replacements thereto as and when the same become necessary. Mortgagor shall promptly notify Mortgagee in writing of the occurrence of any material loss or damage to the Mortgaged Property. Except for the work and construction activities in connection with the Project (as described in the Loan Agreement), Mortgagor shall not materially alter the buildings, improvements, fixtures or equipment now or hereafter upon said Mortgaged Property, or remove the same therefrom, without the written consent of Mortgagee, except for such activities as are directly required to complete the Project as described in the Loan Agreement. Mortgagor will not permit any portion of the Mortgaged Property to be used for any unlawful purposes. Mortgagor will comply promptly with all laws, ordinances, regulations and orders of all public authorities having jurisdiction thereof relating to the Mortgaged Property or the use, occupancy and maintenance thereof, including the Americans with Disabilities Act of 1990, as it may be amended, and Mortgagor shall: (a) permit no change in the general nature of the occupancy of the Premises without Mortgagee's prior written consent; and (b) not initiate or acquiesce in any zoning reclassification without Mortgagee's prior written consent.

7. **Waste:** Failure of Mortgagor to pay any taxes, assessments or governmental charges levied or assessed against the Mortgaged Property, or any part thereof, or any installment of any such tax, assessment or charge, or any premium upon any such tax, assessment or charge, or any premium upon any policy of insurance covering any part of the Mortgaged Property, at the time or times such taxes, assessments, charges, installments thereof or insurance premiums are due and payable, shall constitute waste, and in accordance with the provisions of Act No. 236 of the Public Acts of Michigan for 1961, as amended, shall entitle Mortgagee to exercise the remedies afforded by applicable law. Payment by Mortgagee for and on behalf of Mortgagor of any such delinquent tax or insurance premium properly payable by Mortgagor under the terms of this Mortgage, shall be secured hereby and shall be due and payable by Mortgagor to Mortgagee forthwith on demand, with interest thereon at the Default Rate and shall not cure the default herein described nor shall it in any manner impair Mortgagee's right to the appointment of a receiver on account thereof. Upon the happening of any such acts of waste and on proper application made therefore by Mortgagee to a court of competent jurisdiction, Mortgagee shall forthwith be entitled to seek the appointment of a receiver of the Mortgaged Property hereby mortgaged and of the earnings, income, issues and profits thereof, with such powers as the court making such appointment shall confer; Mortgagor hereby irrevocably consents to such appointment.

8. **Reimbursement:** In the event that Mortgagee is made a party to any suit or proceedings by reason of the interest of Mortgagee in the Mortgaged Property, other than for Mortgagee's default, Mortgagor shall reimburse Mortgagee for all costs and expenses, including reasonable attorneys' fees, incurred by Mortgagee in connection therewith. All such amounts incurred by Mortgagee hereunder shall be secured hereby and shall be payable by Mortgagor to Mortgagee forthwith on demand, with interest thereon at the Default Rate. Mortgagor hereby assigns to Mortgagee, in their entirety, all judgments, decrees, and awards for injury or damage to the Mortgaged Property and Mortgagor authorizes Mortgagee, at its sole election, to apply the same, or the proceeds thereof, to the Obligations hereby secured in such manner as Mortgagee may elect.

9. **Condemnation:** In the event of the taking of all or any portion of the Mortgaged Property in any proceedings under the power of eminent domain, the entire award rendered in such proceedings shall be paid to Mortgagee, to be applied toward reimbursement of all costs and expenses of Mortgagee in connection with said proceedings, toward the payment of all amounts payable by Mortgagor to Mortgagee hereunder, and at Mortgagee's election, used in any one or more of the following ways: (a) apply the same or any part thereof upon the Obligations secured hereby, whether such Obligations are then matured or unmatured; (b) use the same or any part thereof to fulfill any of the covenants contained herein as Mortgagee may determine; (c) use the same or any part thereof to replace or restore the Mortgaged Property to a condition satisfactory to Mortgagee; or (d) release the same to Mortgagor.

10. **Rents/Profits:**

(a) As additional security for the payment of the Obligations, insurance premiums, taxes and assessments, at the time and in the manner herein agreed, and for the performance of the covenants and agreements herein contained, pursuant to Act 210 of the Public Acts of Michigan of 1953, as amended, Mortgagor does hereby assign, transfer and set over unto Mortgagee herein, its successors and assigns, all of its right, title and interest to the rents, profits and income under any lease or leases of the Mortgaged Property (including any extensions, amendments or renewals thereof), whether due or to become due, including all such leases in existence or coming into existence during the period this Mortgage is in effect. This assignment of rents shall run with the land and be good and valid as against Mortgagor herein or those claiming by, under or through Mortgagor, from the date of the recording of this instrument. This assignment shall continue to be operative during the foreclosure or any other proceedings taken to enforce this Mortgage. In the event of a sale or foreclosure which shall result in a deficiency, this assignment shall stand as security during the redemption period for the payment of such deficiency. This assignment is given as collateral security only and shall not be construed as obligating Mortgagee to perform any of the covenants or undertakings required to be performed by Mortgagor contained in any such assigned leases. Mortgagor represents and warrants to Mortgagee that it has not assigned, transferred or set over the rents, profits and income under any lease or leases of the Mortgaged Property except in favor of Mortgagee.

(b) Should an Event of Default exist, Mortgagor shall, upon demand therefor made by Mortgagee, deliver and surrender possession of the Mortgaged Property to Mortgagee (if permitted by law) who shall thereafter collect the rents and income therefrom, rent or lease said Mortgaged Property or portion thereof upon such terms and for such time as it may deem best, based upon commercially reasonable terms prevailing at that time, terminate any tenancy (subject to any subordination, attornment and non-disturbance agreement existing between Mortgagee and any tenant of the Mortgaged Property) and maintain proceedings to recover rents or possession of the Mortgaged Property from any tenant or trespasser, and apply the net proceeds of such rent and income to the following purposes:

- (i) preservation of Mortgaged Property;
- (ii) payment of taxes;
- (iii) payment of insurance premiums;

- (iv) payment of installments of interest due under the terms of the Note; or
- (v) payment of the outstanding principal balance due under the Note.

(c) In the event that Mortgagor fails, refuses or neglects to deliver or surrender such possession, Mortgagee shall be entitled to seek the appointment of a receiver of the Mortgaged Property and of the earnings, income, issue and profits thereof, with such powers as the court making such appointment may confer.

(d) The provisions of this Section 10 are not intended to evidence an additional recordable event, as may be prohibited by Act 459 of the Public Acts of Michigan of 1996, but rather are included in this Mortgage for purposes of complying with any applicable requirements of Act 210 of the Public Acts of Michigan of 1953, as amended.

11. **Default:** Should an Event of Default exist beyond any applicable notice and cure period set forth in the Loan Agreement, then Mortgagee may at any time after such Event of Default, and without further notice, declare the principal balance of the Note secured hereby, together with interest thereon and all other Obligations, to be due and payable immediately. The commencement of proceedings to foreclose this Mortgage shall, in any event, be deemed to have occurred upon such declaration.

12. **Title History:** Should an Event of Default exist, Mortgagee may cause the title insurance policy of the Mortgaged Property to be updated or extended, or may procure new or updated title insurance policies in case none were left or kept on deposit with said Mortgagee, and the money so paid shall be a lien on said Mortgaged Property added to the amount secured by this Mortgage and payable forthwith with interest thereon at the Default Rate.

13. **Acceleration:** If foreclosure proceedings of any mortgage (other than the within Mortgage) or any lien of any kind should be instituted against the Mortgaged Property and such proceedings are not either discontinued or bonded in accordance with statutory procedures so as to remove the lien from the real estate records and by a company satisfactory to Mortgagee or title insured (to the satisfaction of Mortgagee, in its reasonable discretion), by the title insurance company insuring this Mortgage, within thirty (30) days, or if any other proceedings, either voluntary or involuntary, are instituted by or against Mortgagor or its successors in title to enforce payment or liquidation of its outstanding obligations, Mortgagee may, at its option and without notice (notwithstanding any provisions to the contrary in the Loan Agreement), immediately declare its lien and the Obligations which it secures due and payable and institute such proceedings as may be necessary to protect its interest in the Mortgaged Property.

14. **Disposition of Property:**

(a) Power is hereby granted to Mortgagee, if an Event of Default exists, to grant, bargain, sell, release and convey the Mortgaged Property at public auction or venue, and on such sale to execute and deliver to the purchasers, his, her, its or their heirs, successors and assigns, good ample and sufficient deed or deeds of conveyance in law, pursuant to the statute in such case made and provided, and to apply the proceeds of such sale in the manner hereinafter provided.

(b) Upon a foreclosure sale of said Mortgaged Property or any part thereof, the proceeds of such sale shall be applied in the following order:

- (i) To the payment of all costs of the suit or foreclosure, including reasonable attorneys' fees and the cost of title searches and abstracts;
- (ii) To the payment of all other expenses of Mortgagee, including all monies expended by Mortgagee and all other amounts payable by Mortgagor to Mortgagee hereunder, with interest thereon;
- (iii) To the payment of the principal and interest of the Note secured hereby; and
- (iv) To the payment of the surplus, if any, to Mortgagor or to whosoever shall be entitled thereto.

(c) Upon any foreclosure sale of the Mortgaged Property, the same may be sold either as a whole or in parcels, as Mortgagee may elect, and if in parcels, the same may be divided as Mortgagee may elect, and at the election of Mortgagee may be offered first in parcels and then as a whole, that offer producing the highest price for the entire Mortgaged Property to prevail, any law, statutory or otherwise, to the contrary notwithstanding, and Mortgagor hereby waives the right to require any such sale to be made in parcels or the right to select such parcels.

15. **Future Assurances:** At any time and from time to time, upon reasonable request of Mortgagee, Mortgagor will make, execute and deliver or cause to be made, executed and delivered to Mortgagee and where appropriate will cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or filed at such time and in such offices and places as shall be reasonably required by Mortgagee, any and all such other and further mortgages, instruments of further assurance, certificates, financing statements, and other documents as may, in the reasonable opinion of Mortgagee or its counsel, be necessary or reasonably desirable in order to effectuate, complete and perfect and to continue and preserve the obligation of Mortgagor under this Mortgage, and the lien of this Mortgage as a lien of the priority herein set forth upon all the Mortgaged Property and Equipment, except at hereinabove stated, whether now owned or hereinafter acquired by Mortgagor and wheresoever located. Upon any failure by Mortgagor so to do, Mortgagee may execute, record, file, re-record and refile any and all such mortgages, instruments, certificates, financing statements, and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and attorney-in-fact of Mortgagor so to do so long as such documents do not expand Mortgagor's obligations under this Mortgage, the Loan Agreement or Loan Documents. Any expenses of Mortgagee in connection therewith shall be added to the Obligations of Mortgagor and shall be secured hereby. None of the foregoing additional instruments to be executed by Mortgagor shall increase the obligations or liabilities of Mortgagor hereunder, under the Note, the Loan Agreement or any other Loan Document.

16. **Cumulative Rights and Remedies:** Each and every of the rights, remedies and benefits provided to Mortgagee herein shall be cumulative and shall not be exclusive of any other of said rights, remedies or benefits, or of any other rights, remedies or benefits allowed by law, and may be exercised either successively or concurrently. Any waiver by Mortgagee of any default

hereunder or any Event of Default shall not constitute a waiver of any similar or other default or Event of Default.

17. **Alienation; Due on Transfer:** Mortgagee in making the loan evidenced by the Note secured by this Mortgage is relying upon the integrity of Mortgagor and its undertaking to maintain the Mortgaged Property. If Mortgagor should sell, transfer, convey, assign or further encumber its interest in the Mortgaged Property, or any part thereof, voluntarily or involuntarily, or should there be a change of the members of Mortgagor, or should there be a change in the ownership or control of any member of Mortgagor, whether by transfer, sale, pledge or assignment, whether voluntarily or involuntarily, Mortgagee shall have the right in its sole option thereafter to declare all sums and the Obligations secured hereby and then unpaid to be due and payable forthwith although the period limited for the payment thereof shall not then have expired, anything contained to the contrary hereinbefore notwithstanding, and thereupon to exercise all of its rights and remedies under this Mortgage.

18. **Binding Effect:** All of the covenants and conditions hereof shall run with the land and shall be binding upon the successors and assigns of Mortgagor, and shall inure to the benefit of the successors and assigns of Mortgagee; any reference herein to "Mortgagee" shall include the successors and assigns of Mortgagee.

19. **Terms:** All nouns, pronouns and relative terms relating to Mortgagor and Mortgagee shall be deemed to be masculine, feminine or neuter, singular or plural, as the context may indicate. If Mortgagor consists of more than one person, their liability hereunder shall be joint and several. The term "**Event of Default**" shall have the meaning attributed to it in the Loan Agreement.

20. **Power of Sale:** WARNING. THIS MORTGAGE CONTAINS A POWER OF SALE, AND, UPON AN EVENT OF DEFAULT, MAY BE FORECLOSED BY ADVERTISEMENT. IN FORECLOSURE BY ADVERTISEMENT, NO HEARING IS INVOLVED AND THE ONLY NOTICE REQUIRED IS TO PUBLISH NOTICE IN A LOCAL NEWSPAPER AND TO POST A COPY OF THE NOTICE ON THE MORTGAGED PROPERTY.

21. **Waiver:** IF THIS MORTGAGE IS FORECLOSED BY ADVERTISEMENT, MORTGAGOR HEREBY VOLUNTARILY INTELLIGENTLY AND KNOWINGLY WAIVES ALL RIGHTS, UNDER THE CONSTITUTION AND LAWS OF THE STATE OF MICHIGAN AND CONSTITUTION AND LAWS OF THE UNITED STATES, TO ALL NOTICE AND TO ANY HEARING INITIATED BY MORTGAGEE IN CONNECTION WITH THE ABOVE MENTIONED FORECLOSURE BY ADVERTISEMENT, EXCEPT AS SET FORTH IN THE MICHIGAN STATUTE PROVIDING FOR FORECLOSURE BY ADVERTISEMENT.

22. **Non-Pledge:** Mortgagor will not, without the prior written consent of Mortgagee, mortgage or pledge as security for any other loans obtained by Mortgagor, the Mortgaged Property. If any such mortgage or pledge is entered into without the prior written consent of Mortgagee, the entire Obligations secured hereby, may, at the option of Mortgagee, be declared immediately due and payable without notice. Further, Mortgagor also shall pay any and all other obligations, liabilities or debts which may become liens, security interest, encumbrances upon or charges against

the Mortgaged Property for any repairs or improvements that are now or may hereafter be made thereon, and shall not, without Mortgagee's prior written consent permit any lien, security interest, encumbrance or charge of any kind to accrue and remain outstanding against the Mortgaged Property or any part thereof, or any improvements thereon, irrespective of whether such lien, security interest, encumbrance or charge is junior to the lien of this Mortgage unless bonded in accordance with applicable statutory provisions so as to remove the same from the real estate records or title insured by the title insurance company insuring the within Mortgage. Notwithstanding the foregoing, if any Personal Property of Mortgagor by way of additions, replacements or substitutions is hereafter purchased and installed, affixed or placed by Mortgagor on the Premises under a security agreement the lien or title of which is superior to the lien created by this Mortgage, all the right, title and interest of Mortgagor in and to any and all such Personal Property, together with the benefit of any deposits or payments made thereon by Mortgagor shall nevertheless be and are hereby assigned to Mortgagee and are covered by the lien of this Mortgage.

23. **Security Agreement and Financing Statements:** Mortgagor (as Debtor) hereby grants to Mortgagee (as Creditor and Secured Party) as security for the payment of the Note and all other sums secured by this Mortgage, a security interest in all the Equipment and Personal Property and any other Collateral owned by Mortgagor described elsewhere in this Mortgage or in the Loan Agreement.

Mortgagor shall execute any and all such documents, including without limitation, financing statements pursuant to the Uniform Commercial Code of the State of Michigan, as Mortgagee may reasonably request, to perfect, preserve and maintain the priority of the lien created hereby on property which may be deemed personal property or fixtures, and shall pay to Mortgagee on demand any reasonable out-of-pocket expenses incurred by any such Mortgagee in connection with the preparation, execution and filing of documents. Mortgagor hereby authorizes and empowers Mortgagee to execute and file, on Mortgagor's behalf, all financing statements and refilings and continuations thereof as Mortgagee deems necessary or advisable to create, preserve and protect said lien. This Mortgage shall be deemed a security agreement as defined in said Uniform Commercial Code and the remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be cumulative and (i) as prescribed herein, or (ii) by general law, or (iii) as to such part of the security which is also reflected in said financing statement by the specific statutory consequences now or hereafter enacted and specified in the Uniform Commercial Code, all at Mortgagee's sole election.

24. **Construction Mortgage:** The within Mortgage is a construction mortgage pursuant to Article 9 of the Michigan Uniform Commercial Code and secures the construction loan from Mortgagee to Mortgagor to provide Mortgagor with funds to construct the Building on the Premises.

25. **Fixture Filing Provisions:** If the security agreement described above covers goods which are or are to become fixtures, then this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of the recording hereof. In connection therewith and for the purposes of Article Nine of the Michigan Uniform Commercial Code, (a) Mortgagor is the "debtor" and is a limited liability company organized under the laws of the State of Michigan, (b) the organization number assigned debtor by the State of Michigan in which debtor is organized is 800809597, (c) Mortgagee is the "secured party", (d) information concerning the security interest

created hereby may be obtained from Mortgagee at its address set forth on page 1 of this Mortgage, (e) Mortgagor's mailing address is set forth on page 1 hereof; and (f) the financing statement is to be recorded in the real property records for the county in which the Mortgaged Property is located.

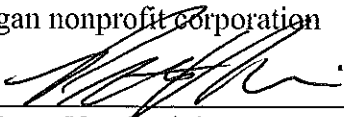
26. **Future Advances:** This Mortgage secures the payment of all obligations of Mortgagor to Mortgagee, its successors or assigns, arising out of or in connection with the Obligations, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent or now or hereafter existing or due or to become due, including without limitation of the generality of the foregoing, future advances.

[remainder of page intentionally left blank; signature page follows]

IN WITNESS WHEREOF, this Mortgage is executed the day and year first above written.

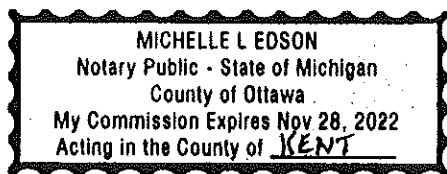
MORTGAGOR:

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE,
a Michigan nonprofit corporation

By: 
Peter Vandersluis
Its: Board President

STATE OF MICHIGAN)
) ss
COUNTY OF KENT)

The foregoing instrument was executed before me this 19th day of June, 2019, by Peter Vandersluis, the Board President of **WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE**, a Michigan nonprofit corporation, on behalf of said nonprofit corporation.



Michelle L. Edson
_____, Notary Public
State of Michigan, County of KENT
My Commission Expires: 11-28-2022
Acting in the County of KENT

DRAFTED BY AND WHEN
RECORDED RETURN TO:

Danielle Graceffa
Capital Impact Partners
1400 Crystal Drive, Suite 500
Arlington, VA 22202

EXHIBIT A

LEGAL DESCRIPTION OF PREMISES

Real estate situated in the City of Walker, County of Kent, State of Michigan, described as follows:

PARCEL A:

The East 1/2 of the Northeast 1/4 of the Southwest 1/4; and also the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 18, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the East 50 feet thereof, AND ALSO EXCEPT commencing on the North right-of-way line of Leonard Street (66.00 feet wide) at its intersection with the West right-of-way line of Wilson Avenue (100.00 feet wide) (a/k/a S.T.L. M-11); thence North along the West right-of-way line of Wilson Avenue 20.00 feet; thence Southwesterly to a point on the North right-of-way line of Leonard Street which is 20.00 feet West of the place of beginning; thence East along the North right-of-way line of Leonard Street 20.00 feet to the place of beginning.

PARCEL B:

The Southeast 1/4 of the Southwest 1/4 of Section 18, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, AND ALSO EXCEPT the East 50.00 feet thereof.

Tax Item No. 41-13-18-300-018

Commonly known as: 4463 Leonard Street NW, Walker, Michigan 49534

EXHIBIT B
PERMITTED ENCUMBRANCES

1. Liens for taxes and assessments which are not yet due and payable.
2. Right of Way in favor of Consumers Power Company and the Covenants, Conditions and Restrictions contained in instrument recorded in Liber 52 MR, page 478.
3. Release of Right of Way in favor of State Highway Commissioner of the State of Michigan and the Covenants, Conditions and Restrictions contained in instrument recorded in Liber 723, page 430.
4. Release of Right of Way in favor of State Highway Commissioner of the State of Michigan and the Covenants, Conditions and Restrictions contained in instrument recorded in Liber 766, page 588.
5. Public Utilities Easement in favor of City of Grand Rapids, a Michigan municipal corporation contained in instrument recorded in Instrument No. 20150915-0081374
6. Terms and Conditions contained in Site Development and Storm Water Runoff Facility Maintenance Agreement as disclosed by instrument recorded in Instrument No. 20150304-0016670.
7. Easement for Electric Facilities in favor of Consumers Energy Company contained in instrument recorded in Instrument No. 20160125-0006855.
8. Mortgage in the original amount of \$7,000,000.00 and \$437,500.00 dated July 29, 2016, recorded August 2, 2016, in Instrument No. 201608020064276, Affidavit of Interest Notice of Address Change recorded April 25, 2018 in Instrument No. 20180425-0031945.
9. Financing Statement recorded September 7, 2016, in Instrument No. 20160907-0075777, Amendment of Financing Statement recorded July 11, 2018 in Instrument No. 201807110053203, Amendment of Financing Statement recorded July 24, 2018 in Instrument No. 20180724-0056720.
10. Any rights, title interest or claim thereof to that portion of the land taken, used or granted for streets, roads or highways.
11. The following matters as disclosed by survey dated November 18, 2014, last revised January 16, 2015, prepared by Roosien & Associates, being Job No. 141280:
 - a. Overhead lines crossing property and property lines.
 - b. Light poles, transformers, phone risers, hydrant, and concrete water chamber on property.
 - c. Metal framed storage tent and concrete pad encroaches from the North.
 - d. Building encroaches into setback line.

QUIT CLAIM DEED

KNOW ALL PERSONS BY THESE PRESENTS that The Leona Group, L.L.C., a Michigan limited liability company, of 4660 S. Hagadorn Road, Suite 500, East Lansing, Michigan 48823 ("Grantor") conveys to West Michigan Academy of Environmental Science, a Michigan Public School Academy, of 4417 Leonard Street, N.W., Walker, Michigan 49449 ("Grantee"), the following described premises situated in the City of Walker, County of Kent, and State of Michigan, to-wit:

PARCEL A:

The East 1/2 of the Northeast 1/4 of the Southwest 1/4; and also the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, Section 16, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the East 50 feet thereof, AND ALSO EXCEPT commencing on the North right-of-way line of Leonard Street (66.00 feet wide) at its intersection with the West right-of-way line of Wilson Avenue (100.00 feet wide) (a/k/a S.T.L. M-11); thence North along the West right-of-way line of Wilson Avenue 20.00 feet; thence Southwesterly to a point on the North right-of-way line of Leonard Street which is 20.00 feet West of the place of beginning; thence East along the North right-of-way line of Leonard Street 20.00 to the place of beginning.

PARCEL B:

The Southeast 1/4 of the Southwest 1/4 of Section 16, Town 7 North, Range 12 West, Kent County, Michigan, EXCEPT the Southeast 1/4 of the Southeast 1/4 of the Southwest 1/4, AND ALSO EXCEPT the East 50.00 feet thereof.

Subject to encumbrances, easements and restrictions of record.

For the consideration of less than \$100.00.

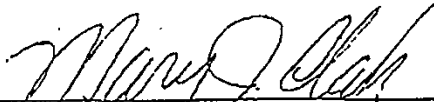
This transaction is exempt from State and County transfer tax pursuant to MSA 7.456(26)(a) and (d) and 7.456(5)(a) and (d).


Grantors grant to Grantee the right to make all remaining divisions, if any, under Section 108 of the Land Division Act, being Act 288 of the Public Acts of 1967, as amended. This Property may be located within the vicinity of farmland or a farm operation. Generally accepted agriculture and management practices which may generate noise, dust, odors, and other associated conditions may be used and are protected by the Michigan Right to Farm Act.

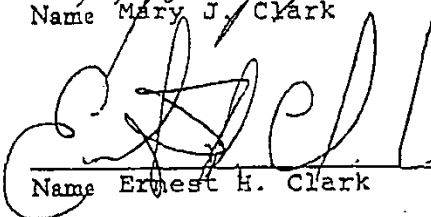
Dated this 8 of August, 2000.

Signed in the Presence of:

The Leona Group, L.L.C.

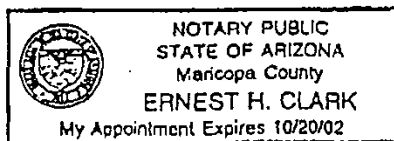

Name Mary J. Clark

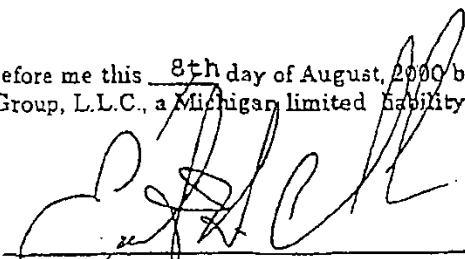
By: 
William D. Coats
Its: Duly Authorized Managing Member


Name Ernest H. Clark

STATE OF ~~MICHIGAN~~ Arizona)
COUNTY OF Maricopa) ss.

The foregoing instrument was acknowledged before me this 8th day of August, 2000 by William D. Coats, the duly authorized Managing Member of the Leona Group, L.L.C., a ~~Michigan~~ Arizona limited liability company on behalf of that company.




Notary Public, Maricopa County,
~~Michigan~~ Arizona
My commission expires: 10/20/2002

Drafted By:
Ingrid A. Jensen
Law, Weathers & Richardson, P.C.
Bridgewater Place
333 Bridge Street, NW, Suite 800
Grand Rapids, MI 49504-5360
(616) 459-1171

When Recorded Return To:
Ingrid A. Jensen
Law, Weathers & Richardson, P.C.
Bridgewater Place
333 Bridge Street NW, Suite 800
Grand Rapids, MI 49504-5360

Send Subsequent Tax Bills To:
Grantee

Recording Fee \$11.00

RLIB:384147.1\108953-00013

Received 11/24/2003 8:36:27 AM By: LA

BUREAU OF CONSTRUCTION
CODES AND FIRE SAFETY
P.O. Box 30700
Lansing, MI 48909-8200
www.michigan.gov/bccfs

DEPARTMENT OF CONSUMER & INDUSTRY SERVICES
INSPECTION REPORT

FACILITY NAME W. MI. Academy of Environmental Science	INSPECTION DATE 10-22-03	COUNTY Kent	PROJECT 0747-03
ADDRESS 4463 Leonard NW	FACILITY TYPE School (charter)	RULES/CODES School - 99	JOB/LIC/FAC. NO.
CITY, STATE ZIP CODE Grand Rapids, MI 49544	FACILITY REPRESENTATIVE Bob Crandall, FCC Inc.	INSPECTION TYPE Recheck	
FACILITY PHONE	PHONE 2	FACILITY FAX	

Re: new school building

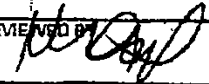

A recheck fire safety inspection was completed this date. Deficiencies noted in prior inspection reports have been satisfactorily corrected. No sprinkler plans were submitted because of a change in design. State Electrical Inspector John Chrusciel gave his verbal approval on 10-22-03. This report may be considered as final approval of this project.

Full approval given.

NOTE: School Principal Greg Vander Goot agreed on 10-22-03 and Richard Postema agreed on 10-27-03 that the upper mezzanine in the gymnasium is not to be used or occupied.

Cc: 41074703.doc
FCC Inc. attn: Tim Fredricks and Bob Crandall
Richard Postema Associates

DOE Alexander Davlantes
Facility
Walker City FD

FIRE SAFETY CERTIFICATION Approved	PROJECT STATUS Closed	REVIEWED BY 
INSPECTING OFFICIAL Thomas Spaman	ADDRESS	2922 Fuller NE, Suite 114 Grand Rapids, Michigan 49505
SIGNATURE OF OFFICIAL 	TELEPHONE	(616) 447-2693
	FAX	(616) 447-2668
	E-MAIL	tspama@michigan.gov
The Department of Consumer & Industry Services will not discriminate against any individual or group because of race, sex, religion, age, national origin, color, marital status, disability, or political beliefs. If you need assistance with reading, writing, hearing, etc., under the Americans with Disabilities Act, you may make your needs known to this agency.		Authority: PA207 of 1941, as amended Completion: Required Penalty: Misdemeanor

BCCFS-40 (Rev. 1/03)

Distribution: Architect, BHS/BR/Ed, Facility, File, Local Fire Department, BCCFS

Page 1 of 1

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

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

BUILDING PERMIT NO.: B040766
4463 LEONARD ST NW
WALKER, MICHIGAN
KENT COUNTY

The above named building of Use Group E, Education and Construction Type 2B - Non Combustible (Non Rated Structural Elements) 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.

Stanley S. Skopek

Stanley S. Skopek, RA, Chief
Permits & Plan Review Division

September 7, 2017



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: BLDG19-00024

4463 LEONARD ST

Grand Rapids, MI 49534

COUNTY: Kent

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

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

Print Date: 10/08/2019

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: BLDG18-01474

4463 Leonard

Walker, MI 49534

COUNTY: Kent

The above named building of Use Group S-2, Storage 2 (Low Hazard) 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: 09/26/2019

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7
REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY

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

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

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

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

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

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

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

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

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

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

Educational Goal to be Achieved

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

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

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

Measure 1: Student Achievement

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

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

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

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

Measure 2: Student Growth

The academic growth of all students in grades 3-8 at the Academy will be assessed using the following measures and targets:

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

This space left intentionally blank.

Measure 3: Post-Secondary Readiness: Grades 9-11

The ‘on-track’ towards college readiness rates of all students in grades 9-11 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 grade-level college readiness benchmarks on the PSAT (grades 9 and 10) and SAT (grade 11) in Evidence-Based Reading and Writing (EBRW) and Math.	For EBRW, distribution (which will be in the form of percentages): Exceeds $\geq 70.0\%$ Meets $\geq 60.0\%$ Approaching $\geq 50.0\%$ Does not meet $< 50.0\%$ For Math, distribution (which will be in the form of percentages): Exceeds $\geq 50.0\%$ Meets $\geq 40.0\%$ Approaching $\geq 30.0\%$ Does not meet $< 30.0\%$	PSAT 9 EBRW: 60% Math: 40%
			PSAT 10 EBRW: 60% Math: 40%
			SAT 11 EBRW: 60% Math: 40%
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 the current grade-level college readiness benchmarks on the PSAT (grades 9 and 10) and SAT (grade 11) 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 meeting or surpassing the current grade-level college readiness benchmarks on the SAT (grade 11) will surpass the school’s Composite Resident District 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%

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.

The Educational Program is designed to provide students with knowledge, skills, and attitudes to exceed performance and behavior measures established by the Academy Board. In addition, the program gives staff parameters in which to perform responsibilities, provides parents and the general public with information on the specialized instructional program of the Academy and the achievement of the students. The Academy's mission statement is the guiding statement for programs and activities.

Mission

West Michigan Academy of Environmental Science ("Academy") strives to provide an environment that will foster creativity, promote academic achievement, and develop sound character and citizenship principles emphasizing responsibility to the environment and society, and improving each child's self-esteem and self-concept.

The Academy is a theme school, a magnet school for children whose parents want children to receive an educational program in which environmental science is integrated into all areas of the curriculum and co-curricular activities. Inherent in the environmental science theme is the use of natural resources as the primary laboratory and the expectation that all children can utilize the scientific method as a sixth sense for learning.

Elementary Education Program Kindergarten through Fifth Grade

Sub-Schools

The Academy divides the larger school into two sub-schools: an elementary sub-school and a secondary sub-school. Resource teachers and learning specialists float between sub-schools.

The teachers of each sub-school, in essence, represent a professional learning community ("PLC") of instructional professionals assigned the responsibility for academic achievement and social development of all children in the "community." Teacher teams work collaboratively to ensure that each child is learning at the appropriate ability level. When a child is "underperforming," the team works together to design an Individual Student Learning Plan ("ISLP"). The term "underperforming" applies equally to the child who is not working up to potential but is making good grades as it does to the child who is failing.

Accelerated Learning

The term that embraces the Academy's instructional model is accelerated learning. The general definition embraces the basic tenets of Henry M. Levin's (1996) Accelerated School model. The goal is to provide all children with challenging academic programs to ensure that all underachieving children learn with peers on the "level playing field" and that all children enjoy the same advantages as gifted and talented children. Working within the PLC, teachers, in partnerships with parents, are the fundamental components of the Accelerated School model. The Academy embraces these basic tenets for the delivery of instruction.

Performance-based Promotion

Student promotion requires mastery of the curriculum scope and sequence for the respective grade levels. Performance-based promotion requires the Academy employ highly qualified teachers and ensure the curriculum, instruction, and assessment are aligned. Reliable, valid information and open communication characterize the partnership between teachers and parents. The Academy recognizes that each child learns at a different pace and establishes achievement checkpoints for student performance. A student who has not satisfactorily mastered the essential knowledge and skills for a grade level is supported through multi-tiered support. The team works with various research-based interventions. Another intervention would include summer school if a student is not mastering grade level standards as measured by grade level and standardized assessments. The team makes decisions on the promotion of a student, the retention of a student, or to promote a student with interventions. At the end of grade three, each student must demonstrate mastery of academic knowledge and skills requisite for promotion to grade four. The Academy uses Acadience to assess student progress in reading on “milestone tasks” and on “enabling skills.” Mastery is determined on the basis of multiple assessments ranging from Acadience assessments in reading, teacher-made tests, student demonstrations of competency and the student’s ISLP. To give students additional learning time, the Academy provides designated intervention time during the school day and extensive summer programs.

Time

To give students additional learning time, the Academy provides Academic Acceleration (intensive and subject-specific individualized tutorials for students who are not performing at grade level), extensive summer programs and parallel scheduling (whenever possible) for core curricula in grades kindergarten through fifth. The school day is structured so that the morning schedule is dedicated to the core curricula areas of reading/language arts, mathematics and social studies. Environmental science is integrated into these three core curriculum areas and science is taught as a stand-alone course to ensure mastery of science standards. If a student is deficient in basic skills and is not able to participate in added time programs, the student’s daily schedule is adjusted to ensure adequate time to achieve and learn with peers on the level playing field.

School Day

The school day includes seven hours and fifteen minutes, of which seven hours and five minutes will be instruction related. Students’ instructional time far exceeds the state’s required instructional time of 1,098 hours. The principal discourages any disruptions to the morning educational program. Instructional time is for instruction required of all students. To maximize student learning, the Academy also provides a full-day kindergarten program.

Instructional Delivery

Pre-Kindergarten

The Academy operates an early childhood education program (Pre-Kindergarten and Great Start Readiness Program). On an annual basis, the Academy shall advise the Center on the current status of its early childhood education program. If changes occur in the Academy’s early childhood education program, the Academy shall file a revised Early Childhood Education Questionnaire with the Center.

Unless permitted under Applicable Law or administrative rule, the Academy shall not use the state school aid funds to establish or operate its early childhood educational program. In accordance with Applicable Law and administrative rule, the Academy shall budget and account for funds and expenses associated with its early childhood educational program.

Lower and Upper Elementary

Elementary school grades use a self-contained model for program delivery. Students have resource teachers in such areas as art, music, physical education and Spanish. Depending on the subject, students remain in the classroom or go to another area of the building or grounds. To prepare students for middle school, the Academy may follow a departmentalized model for program delivery, when appropriate, for accelerated learning, stronger curriculum and deeper content knowledge on the part of staff.

Educators of Excellence

The Academy hires educators who believe that excellence derives from mastering details, comprehending concepts and applying knowledge and skills in the real world. The Academy does not just believe all children can learn, but insists that all children will learn. Pedagogy must make a difference in a child's learning. Students are expected to master materials, apply knowledge to concepts and reflect on learning. Students who attend the Academy understand that this is a theme school and the great outdoors is a natural laboratory. Students must want the outdoors experience, including working the land; searching ponds, streams, lakes and rivers; and working to conserve the environment for future generations. The Academy offers a "hands-on" learning experience to students who choose that type of education.

The Academy will not track children by ability as convinced by evidence that early tracking typecasts children into polarized groups of haves and have-nots, winners and losers, smart and dumb. For slower learners, consigned to watered-down curriculum, the judgment too often becomes a self-fulfilling prophecy. Instead, teachers use differentiated instruction methods to encourage all students to excel by concentrating on and engaging students in meaningful learning activities and by holding students to high academic standards.

The premise for learning is that character development and personal management skills form the basis for schooling. Empowered students take responsibility for personal learning and development. The Academy facilitates learning within an environment that encourages high ethical and academic standards and reinforces the positive values taught at home.

Curriculum

The Academy embraces the Michigan Academic Standards ("MAS") as its minimum standards of learning. The curriculum scope and sequence attempts to extend the minimum standards through accelerated learning practices and differentiated instruction. The scope and sequence aligns to the MAS.

Students can accelerate "forward" for more academic challenge by cross grade learning projects and resource instruction. Students can leave the primary care teacher with a parent's permission. Performance-based promotion does not allow students to go "backward" to a lower grade because

the child has been certified by the prior year's teacher as having achieved the academic knowledge and skills essential to success at the next grade level.

The Academy's curriculum aligns with the MAS. The curriculum is reviewed annually by Choice Schools' Associate Director of Curriculum and Instruction. Accelerated learning principles and differentiated instruction accentuate the need for proper sequencing of learning objectives and experiences.

Content Areas

Reading/Language Arts

The Academy uses a research-based language arts program. The reading instruction includes phonemic awareness and systematic phonics instruction, as well as fluency, vocabulary and text comprehension instruction supplemented with a guided reading program. Emergent readers read leveled books, big books and trade books which feature a blend of phonics and sight word practice.

Through phonemic awareness and systematic phonics instruction, students learn the ability to hear and manipulate the sounds in spoken words and understand that spoken words and syllables are made up of sequences of speech sounds. This is essential to learning to read in an alphabetic writing system because letters represent sounds or phonemes. Furthermore, an understanding of the systematic and predictable relationships between written letters and spoken sounds, and knowledge of these relationships, helps early readers recognize familiar words accurately, automatically and assists in the "decoding" of new words.

However, phonics cannot stand alone; students' ability to read fluently is also important. Fluency instruction teaches students to read and reread a text a certain number of times or until a certain level of understanding is reached. Four readings are sufficient for most students, but oral reading practice is increased through the use of audiotapes, tutors and peer guidance. To further increase fluency, a strong vocabulary base must be taught. The two best strategies for students to learn vocabulary include indirect and direct teaching instruction. Indirect instruction allows students to engage daily in oral language, listen to adults read aloud and read extensively independently. Direct instruction explicitly teaches both individual words and word learning strategies.

The Academy believes that comprehension instruction ties all the pieces together. Comprehension gives students a purpose for reading, focuses attention on the learning and helps students to think actively while reading. Additionally, it helps students to review content and make connections to prior knowledge and new learning. Once reading is taught, the Academy's curriculum intensifies the writing expectations. Students practice recalling readings and write the main details from the story, as well as analyze characters and explain content meaning.

The Academy believes in writing across the curriculum to achieve mastery toward the MAS. Students write for a variety of purposes and projects. Writing assignments include daily short- to long-term projects. Daily projects include, but are not limited to, journals and environmental logs. Short-term assignments include, but are not limited to, letter writing, project proposals, grant writing, environmental reports, Role, Audience, Format, Topic, Strong verb ("RAFTS") strategy and papers that make a real-life connection to the text. Long-term assignments typically involve multiple draft papers and span anywhere from four weeks to an entire year. In addition to writing,

students are taught to edit. Through the process of peer editing, students learn to view writing through a critical eye. Students edit papers on the following content: ideas, organization, voice, word choice, sentence fluency, conventions and presentation.

The Academy has established the foundation for a strong language arts program. In order for the program to grow and maintain higher student achievements, the Academy utilizes PLC to research best practices and close any curriculum gaps that may arise as content changes.

Mathematics

Mathematics as a discipline has its own language, patterns of thinking and conventions. The goal of mathematics is to develop in students the higher-order, problem-solving skills. The Academy's program strives to achieve that goal but believes students need a solid grasp of basic facts as the prerequisite for problem solving within all mathematical operations. A certain amount of practice, including "drill and kill," occurs in the process of learning basic mathematics facts and operations. Students practice concepts and constantly review and confirm skills. Practice also extends to examining different approaches to solving problems in different types of situations. At the Academy, students learn the fundamentals and apply concepts in order to move to the next level of problem solving.

Mathematics typically stands alone as a subject and is seldom integrated into other subjects until students master the fundamental basic skills and operations. A building block approach introduces topics in small increments, one bit building upon another in a natural progression, until the student masters the concepts and the skills through daily and cumulative practice. As bits develop into concepts, students respond to questions and hands-on problem solving situations to make step-by-step progress from mastery and application of basic skills to simple, practical problem solving and higher-order problem solving. As students move toward higher-order problem solving, teachers are encouraged to meet in PLC and integrate environmental science topics into lessons. This increases deep knowledge learning for basic facts and operations, and for problem solving when appropriate.

Science

Science education is two-pronged but interrelated. First, the program of studies introduces students to science concepts at appropriate grade levels to prepare students for the state assessment based on the MAS. Second, the program embeds environmental science topics throughout the curriculum in all subjects. As the Academy is located on a diverse 62-acre parcel of land, many natural resources (e.g., Lake Michigan and Grand River for the study of water and water life) are accessible for use by staff and students. An Environmental Specialist works directly with instructional staff to bring lesson plans to life. The specialist is central to the delivery of a unique, hands-on curriculum with environmental science integration.

The Academy uses a spiral format to deliver environmental science topics. Kindergarten students learn basic science facts in a hands-on setting where students can apply simple facts to real world situations. The spiral works much like a column of content; simple to complex, recitation to problem solving. The natural resources of the region serve as the laboratory of the Academy's environmental theme. Students receive direct, hands-on learning opportunities in which to experiment and observe.

The monthly environmental science themes have been identified for teachers to integrate across the curriculum. The monthly themes are as follows:

- Ecosystems & living things; water
- Weather & climate
- Winter ecology
- Space exploration & environmental global issues
- Science fair
- Natural history
- Energy
- Land use
- Agriculture

To further promote environmental studies, sixth grade students, with parental permission, participate in an overnight (two to four nights) Environmental Awareness Camp experience. The camp is under the guidance of the Environmental Specialist supported by staff and parent volunteers.

The Academy also sponsors an annual competitive science fair learning experience. Students work with staff advisors and prepare a science fair entry. Entries are reviewed by peers and made available for public view. A panel of judges, including local media and Academy Board representation, offers insight and feedback on fair entries and has the responsibility of judging entries. Additionally, as a community outreach program, the Academy endeavors to partner with local farm organizations and provide spring and summer opportunities for community gardening.

Social Studies

Social studies represent the integrated study of the social sciences and environmental stewardship to promote civic competence and good citizenship. Emphasis is placed on the principles of democracy. Practical, real-world environmental issues are processed through democratic institutions in a representative democracy.

The social studies curriculum is designed to develop enlightened citizens. Students are active members of a club or organization serving to improve the Academy and/or home community through active citizen involvement.

Resource Programs

Resource programs may be offered by qualified teachers in the curricular areas of:

- arts (visual art and possibly instrumental music)
- physical education
- foreign language

Arts

The Academy wishes to make the arts (e.g., art, drama, music and dance) an indispensable component of a child's education, while at the same time placing the strongest emphasis on the basic skills of reading, writing, speaking, arithmetic, application of scientific knowledge and citizenship. The arts offer children opportunities to assimilate and apply learning in ways relevant and meaningful to personal experiences. The enhanced skills of communication, analysis and self-

expression enable students to understand the surrounding world. In art, students become acquainted with great painters, sculptors and architects. Children refine the ability to interpret art by examining diverse art works, discussing the elements (e.g., perspective, proportion and scale) present in the works and by learning about characteristics of art from different periods. Doing is very important to art instruction and students get the opportunity to create drawings, paintings and sculptures.

The classroom teacher integrates the arts into the core curriculum while the art resource teacher provides appropriate and specialized instruction in visual art. Art and music activities nurture creativity. Students get practice imagining, experimenting, solving problems, thinking independently and making independent decisions. As a result, students gain pride in accomplishment.

The best way for children to explore the arts is through participation. Active practice at painting, drawing, sculpting, singing and playing simple instruments paves the way to understanding and to self-expression. Instruction in art includes activities such as painting, drawing and craft making. Students learn about elements such as shape, form, color and texture, and examine famous examples of sculpture, painting, photography, design and architecture, as well as folk art. In addition to being a medium of self-expression, art skills are useful to the individual in communications and related careers. Early exposure to the right art instruction allows the child to become art literate and able to access the creativity and expression natural to the child and bring it forward into adulthood.

Lessons take place on three fronts: creative, analytical and historical. Students learn much by looking at outstanding examples of art, listening to different types of wonderful music, reading about composers and artists, learning about some artistic and music concepts and terms, and studying the cultures and periods in which works were produced. Teachers at all levels utilize art activities in regular instruction. The art resource teacher acts as a coordinator to work with teachers, as well as students, to bring the creative spirit into art explorations.

Music

Music is integrated into the core curriculum by the classroom teacher, whenever appropriate, and specialized instruction is provided by the music resource teacher. At the lower elementary level, music instruction focuses on students singing, playing games and experimenting with different instruments. Students learn the concepts such as rhythm, pitch, volume and how to read music. In addition, students become familiar with different instruments and the sounds, and listen to a wide range of recordings. In the upper elementary grades, music instruction expands to include more background knowledge about great art and music from various cultures. When studying a work, students learn about the historical and cultural context of the time in which the piece was created.

In music, students become familiar with famous composers and sample a wide range of recordings ranging from Gregorian chants and classical music to American folk songs and popular music. Students continue to learn more about elementary music theory and about reading music. In addition, students also play some instruments (e.g., keyboard and recorder). Formal instruction in musical instruments for interested children may be provided as after-school enrichment.

Physical Education

Physical education is provided for students in kindergarten through grade five. Organized physical education provides knowledge, skills and motivation needed for a lifetime of health and exercise. The physical education program aligns with the Academy's character education program. Students learn about teamwork, the importance of playing fairly, winning gracefully, and accepting defeat in good spirit. Physical education contributes to academic achievement as disciplined activity sharpens both mental acuity and an individual's appetite for learning.

Lower elementary students begin with such physical skills as running, jumping, throwing, catching and kicking. In addition, simple games and exercises such as rope jumping, foot races, dances, simple gymnastics and stretching build body control and coordination. Exercise as a valid part of life is professed, taught and modeled by adults. Instruction encourages fitness, respect for rules, sportsmanship, safety and the proper use of equipment. Activities give practice in rhythm, agility, balance, changing direction and building speed. The use of kinetic energy to relieve stress, cooperate with a team or compete for success is basic to the physical education of children.

In upper elementary grades, students take the skills learned in earlier grades and apply to popular American team sports (e.g., soccer, basketball and softball) and individual sports (e.g., tumbling, foot races and in-line skating). Students learn rules and skills. Each child is encouraged to choose an activity such as running or basketball, which can translate into a lifelong habit of exercise and physical activity. Students learn about healthy competition and the value of striving toward achieving a team or individual goal. Athletics are an excellent place to learn the value of being a good sport and about winning and losing in other aspects of life. Students participate in a wide range of competitive and noncompetitive activities which build stamina, strength and agility. Activities continue to emphasize fitness, respect for rules, sportsmanship, safety and proper use of equipment.

Foreign Language

The Academy offers Spanish language instruction to students. The foreign language program teaches students the root words of fundamental languages. The curriculum focuses on a single language at certain grade levels. Students learn to read, write and speak through lessons focusing on acquisition skills.

Co-Curricular Programs

The Academy encourages student organizations related to environmental science. All teachers are encouraged to sponsor a school-related student organization to involve all children in sustaining the environment and to develop sound conservation and protection habits to carry into adulthood.

Emotional Intelligence

Academic schooling concerns itself with abstract intelligence (the ability to understand and manipulate with verbal and mathematics symbols) and concrete intelligence (the ability to understand and manipulate with objects). Leadership and performance studies (Goleman, 1998) suggest that social intelligence, the ability to understand and relate to people, is important to educating boys and girls as enlightened citizens and responsible family and community members.

Central to social intelligence is emotional intelligence. Goleman defines emotional intelligence as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships. Emotional intelligence describes abilities distinct from, but complementary to, academic intelligence, the purely cognitive capacities measured by IQ.” Goleman categorizes emotional intelligence into the five basic emotional and social competencies of self-awareness, self-regulations, motivation, empathy and social skills.

Emotional intelligence assists students in overcoming conflict and resolving disputes. Further, emotional intelligence enables teachers to understand learning difficulties, develop teaching strategies, design assessment techniques and help students understand the role in the community as team members, students, family and caretakers. Individuals with high emotional intelligence often outperform people with higher levels of intellectual intelligence.

The Academy encourages teachers and support staff to participate in ongoing training in emotional intelligence and the application in school settings. A focal point of the training is to empower teachers with the knowledge and skills to carry out emotional literacy prevention programs. The most effective programs in emotional literacy developed as a response to violence and conflict resolution.

Learning Strategies

To raise academic performance, the Academy examines the manner in which individual students learn. The goal of teaching learning strategies is the development of a learner who actively and effectively monitors learning. To assist with learning strategies, instructional staff follow a common lesson plan framework.

Examples of effective learning strategies include the following:

- setting goals and planning an approach
- focusing attention on the information that is most important
- forming mental frameworks for organizing and understanding information
- linking new ideas with prior knowledge in order to make connections and add personal meaning
- monitoring personal comprehension of material to be learned and recognizing when one needs to change the learning approach (Derry 1989, Thomas 1993 Raforth, Leal, and Defabo 1993, and Weinstein et.al. 1999)

Teaching learning strategies makes significant differences in students’ academic performance, creates independent learners and builds self-confidence. Learning strategies address the needs of all learners (e.g., below grade level and gifted and talented) and students practice and apply the strategies across the curriculum. Assessment ensures learning strategies become part of each student’s regular learning repertoire.

Teachers also model strategic thinking. Teachers talking about thinking and doing may help children to better understand the thought process. The teacher who consistently “thinks out loud” and encourages it on the part of students also has an excellent diagnostic tool available (ERS, 2000).

Educational Program Development (“EDP”)

To further empower students, the Academy requires students to create an EDP. An EDP is a document that reflects student educational and career goals, methods to achieve these goals and student activities and achievements. A student designs an EDP under the supervision of an academic specialist. Each EDP contains the following essential elements: personal information such as the student’s name, date of birth and grade level; education, training and career goals; assessment results, both career- and academic-related; and a plan of action, including high school course selections, expected graduation date and timeline for college application.

Students develop an EDP in seventh grade. Starting the EDP in middle school assists students in planning for high school curriculum and post-secondary goals. An EDP is updated as student interests and abilities become more evident and focused.

Special Education and Section 504

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

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

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

The special education program uses the inclusion model for providing programs and services to students with IEPs. Each individual IEP is tailored to the individual needs of the student; this might include a pull out model or an inclusion model. The IEP team always takes into consideration the least restrictive environment for each student. If a student is pulled-out from class, the intervention/service/program must be described in an IEP or a 504 Plan. The staff recognize and honor the educational program stated in an IEP for a student in special education, or a 504 plan for a qualified student.

Secondary Educational Program Sixth through Twelfth Grades

The mission statement guides the Educational Program and practices for grades six through twelve.

Educational Program – General Characteristics

The Academy's high school program is characterized by:

- a focus on the core curriculum and environmental science and by co-curricular offerings in the arts and humanities for interested students
- integrated (interdisciplinary) units of study
- self-paced, individualized and competency based lessons
- technology integration
- assessing at three levels of achievement: competent (70%), proficient (80%), and mastery (90%) through multiple means of assessment, ranging from state assessments aligned with the Michigan Merit Curriculum ("MMC"), Northwest Evaluation Association™ ("NWEA™") Measures of Academic Progress® ("MAP®") Growth™, and SAT®/ACT® test, to demonstrations of authentic works
- Michigan Merit Graduation Units along with dual enrollment with post-secondary credit
- Environmental Science Specialists who coordinate the integration of environmental science across the curriculum
- true to the basic tenets of the charter

Program of Studies

The program of study provides learning modules in the following areas:

1. Sciences

- a. Comprehensive environmental sciences (e.g., agriculture and agribusiness, anatomy and physiology, astronomy, botany, chemistry, ecosystems, energy, health and medicine, mathematics, meteorology, microbiology, physics, and zoology)
- b. Social sciences (e.g., anthropology, geography, demographics, and economics)

2. Community Service

- a. Volunteer service required annually
- b. Senior community service project
- c. Occupations and work ethic

3. Senior demonstration project based on student's major emphasis of study

Program Responsibility

High school is a time to try out interests, to take some risks and to measure oneself against the task. The first responsibility is always to oneself, to discover one's potential, interests and limitations. Teachers and parents are critical partners in the child's education. There must be open, honest dialogue and communication structures to ensure students and parents clearly know the student's status of progress in school.

Student Learning Plan

The educational program is the responsibility of the stakeholders: student-parent-teacher. Each student works with a project design team consisting of a teacher (or teachers) and parent(s) to evaluate the ISLP. In the spring of the second and third years, the ISLP is expanded on the basis

of the student's progress to that point in time. All parties through the first three years of high school must approve the plan.

High School Students: Students complete opportunities to demonstrate shared inquiry and project planning. The student must also demonstrate skills in the use of technology for word processing, spreadsheets, databases and Internet searches. The students begin practicing the skills leading up the senior project. Students research, design, problem solve and present material to stakeholders. These experiences can be seen in each high school class.

Fourth-Year Students/Senior Project: The senior student continues the major area of study and constructs two plans: occupational and community service. The two plans assist the student in pursuing post-high school plans and finding a place in the community as a citizen and a learner. In their senior year, the student presents the senior project which is a presentation or demonstration of the major area of study.

The student learning plan consists of the following minimum components:

- Requisite competencies (an outline of academic knowledge and skills that demonstrate the student's readiness for the learning module);
- Core competencies (essential knowledge and skills that must be learned in this module);
- Interdisciplinary platforms for learning (structure/framework for student-centered inquiry into the topic; context within which students identify essential questions which generate content sequences);
- Assessments (means by which student achievement of core competencies and higher order thinking are measured).

Throughout the four (or more) years in the Academy, students participate actively in community events concerning environmental science. Students in the fourth year participate in activities associated with the individual's major area of study and senior project.

Program Delivery

The core curriculum competencies coincide with the MAS for graduation. The Academy uses the MMC analysis and SAT/ACT alignment as guides for measuring student achievement against the MAS. To be promoted from one grade to the next, the student demonstrates mastery in the core curriculum competencies.

The most difficult component of an integrated, self-paced competency-based program is management by the student and the teacher. The ownership students take regarding education reflects the mission of the Academy. The environment, structure and content promote the self-learner concept in which students participate in constructing a personal knowledge base and learning problem-solving strategies. The scope of students' education extends beyond the traditional classroom as students interact with mentors, the community and the physical environment.

First, the student (with close guidance from parents) must be responsible and reliable. Learning is the product of student inquiry into the topic. The student is the point of convergence for learning. Each student has a learning style, just as each teacher has a teaching style. In designing the program

for a student, care is taken to incorporate the work of Howard Gardner on multiple intelligences, Daniel Goleman on emotional intelligence and Eric Jensen on brain-compatible learning. This is an important component in staff development, the introductory student seminar and developing the student learning plan.

Second, the teacher acts as a resource person, a guide to the student and is firm in expressing expectations and demanding excellence. The teacher must be gifted in inquiry-based instruction, authentic assessment, human relations skills with parents and students and in the use of technology. The teacher is an instructional leader.

Third, technology is critical to every phase of learning: presentation, research, expression and managing data. Technology becomes the infrastructure for learning and is interwoven into each strand of study. Technology is consistently used in all strands of study to enrich instruction and provide a deeper learning experience. Technology is also utilized for science fair and senior projects. All students are issued wireless network accounts for use in producing and storing educational products.

Fourth, the Academy community becomes the laboratory for learning. The classroom is wherever the resource is located. It may be a farm, golf course, or ski slope; Lake Michigan, or a puddle out back; the reservation, or the river; the community college, or a nursing home; distance learning, or working with a hoe; or on a fishing boat, library, foreign country; a soup kitchen, or the hospital; the surrounding which best contributes to the project's learning outcomes is the student's laboratory.

A challenge in a project-based instructional program is instruction in the core curriculum: English, mathematics, sciences, social sciences and foreign language. In the first and second years, students take coursework to strengthen or accelerate knowledge and skills in academic core courses. In English, major emphasis is placed on analytical thinking skills and writing. Literature is correlated to the humanities to reinforce interdisciplinary studies. Science and mathematics courses emphasize processes, applications and data analysis that prepare the student to engage in research projects.

Select years that a student is involved in a science course or project, the student submits a science fair project to be exhibited at a school-wide science exhibition. Students can also enter "open entry" science fairs in the region, including the community college or four-year colleges. The sophistication of science fair entries, including statistical analysis of data, must increase significantly each year.

In selected foreign languages, the Academy uses a proficiency framework as a primary basis for determining student performance.

Thinking skills are integrated into each of the core disciplines. Reading comprehension specifically addresses the following thinking skills: comparison/contrast, drawing conclusions, making judgments based on context clues and critical analysis of literature. The various modes of discourse in writing require logical reasoning, analytical thinking and creative thinking. Problem-solving skills are a basic requirement in math. Divergent, inventive and analytical thinking are necessary

to succeed in a research-based science curriculum. In social sciences, learning experiences that are analytical, evaluative and critical as well as creative in scope, will be mastered. Students learn to distinguish between and use primary sources and secondary sources in developing analytical and problem-solving projects. Students are also required to pass a geography competency test.

The difference in project work and traditional classroom time is apparent. One is inquiry and student centered, and the other is content and teacher centered. Both are essential to meeting the literacy, developmental and reasoning needs of all students. Both types of learning are integral to the charter's vision and supplement and complement one another. A student must have the basic skills to be successful with higher-order thinking. Katz (1994) differentiates systematic instruction and project work in the following manner:

Systematic instruction (1) helps children acquire skills, (2) addresses deficiencies in children's learning, (3) stresses extrinsic motivation, and (4) allows teachers to direct the children's work, use expertise, and specify the tasks that the children perform. Project work, in contrast (1) provides children with opportunities to apply skills (2) addresses children's proficiencies (3) stresses intrinsic motivation, and (4) encourages children to determine what to work on and accepts the student as experts about individual needs. Both systematic instruction and project work have an important place in the curriculum.

The use of themes (broad concept or topic) and units (pre-planned lessons and activities) in systematic instruction assist students in learning the skills required for project work. The teacher shares responsibility with the student in making the transition from systematic instruction to project work.

Special needs students flourish in the Academy. Research and experience indicate that many special needs individuals are truly gifted and talented in technology and the sciences. The instructional model for special education is the immersion model, which calls for special needs students to work side by side with the regular education peers in all subjects. There may be an occasional need for special instruction or accommodations for special needs students. Those adjustments do not compromise the integrity of the Educational Program.

Health, Physical Education and Civics

Health, physical education and civics are required by Michigan law to be part of a student's high school education. To accomplish those requirements in a manner that exceeds traditional programs, the following approach is suggested:

Health: The health curriculum is embedded in the sciences strand and will be integrated into the sciences. Competencies are identified for student mastery and records kept to indicate a student's accomplishment of the competencies.

Physical Education: Physical education, provided through a diverse model, allows "sports in season" participation, membership in a health club/gymnasium, and/or participation in leisure-time physical fitness activities. Students report monthly on physical fitness activities. Physical education is also offered as a regular class for students in seventh and eighth grades and is available for high school students.

Civics: Civics is embedded in the sciences strand and is important to practices associated with an open learning environment. Students are taught the guiding principles of civics education but will have to live the principles daily as a member of the Academy's learning community. The Academy's Code of Student Conduct is integrated into civics as a partnership in responsibility.

Advanced Placement® (“AP®”) Classes

Students enroll in AP courses in areas of interest. All students have the opportunity take the AP course in one of the areas tested. The Academy pays the cost associated with taking an AP course provided the student completes the program of study, takes the AP examination and scores a 3 or higher on the examination.

Community Service

Students become actively engaged in community service as a requirement of graduation. The purpose of the requirement is to provide meaningful service and community learning experiences with the goal of developing students into mature and knowledgeable citizens who take responsibility for communities. Goals include the following:

- To provide meaningful service learning opportunities and community service experiences for students
- To support students' efforts to make voices heard and actions felt on important community issues
- To encourage students and other community members to break down barriers, particularly across ethnic and class lines, and work together to solve common problems
- To foster students' realization of a personal identity as part of a greater whole and nurture passion for active citizenship

Important to the success of the community service program are (1) the emphasis of the humanities program on civic responsibility in all aspects of life, (2) faculty encouraging students to become active participants in school and community affairs, and (3) the active involvement of community leaders in making opportunities available to students. Of course, of extreme importance is the attitude of students toward community service learning through participation and development of an ethic of involvement.

Students prepare for service learning projects through the social studies program. Preparation includes knowledge of national, state and local government; principles of democracy, representative democracy, federalism and states' rights; and seminars on service, methods of effective communication and team building. Students select a respective service project during the seminar and develop a project plan with the seminar leader and the service organization representative.

Travel Abroad

Students whose major area of study encourages study abroad may write foreign travel into the student learning plan. The individual nature of the plan permits students to pursue comprehensive studies while traveling away from the Academy and thus being considered to be enrolled in the

educational program of the Academy. Interaction with teachers and mentors and regular progress reports can be transmitted by electronic mail, telephone, telefax and regular mail.

Organization of Student Interventions

Students meet daily with a teacher or teachers for academic acceleration and intervention sessions. These sessions focus upon basic skills in the areas of English, math, scientific inquiry, historical method, primary and secondary research, writing workshop, public speaking, the political process and/or civics. Through a series of written tests, oral examinations and demonstrations, the student demonstrates sufficient mastery of the prerequisite knowledge and skills. The MAS guide the minimal basic skills that a student is required to master.

Requisite Knowledge and Skills

For a student to be classified as a fourth year student and begin design of the senior project (which is scheduled for the third year), the individual must demonstrate competence in the following subject areas:

- reading comprehension at the eleventh grade level as measured on criterion reference tests
- composition skills for expository, narrative and persuasive writing as measured by writing rubrics
- Algebra I and II, geometry competencies as measured by criterion reference tests
- application of the scientific method to real-world situations as demonstrated through science experiments
- local, state and federal government structure and functions as demonstrated in position papers on government in daily lives
- civics and citizenship, principles of democracy as demonstrated by activity within the west Michigan community, especially the student's home community
- application of the historical method to research as demonstrated in a primary research project
- use of basic applications of technology for production and research

A mentorship is a form of learning, which integrates theory and application through experience. The senior project requires a student to do research and develop a project under the direction of a senior project mentor, a school professional, or other Subject Matter Expert ("SME"). Participation in the senior project requires maturity on the part of the student and a strong commitment from the senior project mentor.

Assessment of Student Achievement

The program has been developed to reflect MAS and the MMC with added focus on environmental science. Parents receive timely reports of the child's progress according to the following levels of achievement as outlined in the Academy's program of study:

- Competent Mastery of a competency at the 70% level of achievement
- Proficient Mastery of a competency at the 80% level of achievement
- Mastery Mastery of a competency at the 90% level of achievement

If a student has not achieved one of these three levels of achievement, there will not be a designation of progress. The student plan clearly states that the competency must be achieved

before the student can complete the requirements of the plan, thus every competency is always a work in progress.

Students assess individual projects, indicating problems encountered and solutions developed. Self-assessment, at a minimum, correlate students' works to the respective student learning plans. Students are expected to demonstrate the ability to comprehend and to conduct detailed analyses, make leaps of intuition, hypothesize other possibilities and evaluate and improve personal work.

Self-assessment can take many forms, including:

- Writing conferences
- Discussion (small group or individual with teacher/mentor)
- Reflection logs
- Weekly self-evaluations
- Self-assessment checklists and inventories
- Teacher-student interviews

These types of self-assessment require that a student review work to determine what has been learned and what areas of confusion still exist. Students understand the criteria for good work before beginning a project. As students gain experience in evaluating work, the student learns how to set criteria for good work with clarity. Student observations and reflections provide valuable feedback for refining the student learning plan and making it a work in progress.

Appropriate evaluation always compares the student's current work to earlier work. This evaluation indicates the student's progress toward the performance standards consistent with the student learning plan and developmental expectations. The teacher's conclusions about a student's achievement, abilities, strengths, weaknesses and needs are based on the full range of the student's development, as documented by the data in the ISLP, and on the teacher/mentor's knowledge of curriculum and stages of development. The use of an ISLP provides teachers with a comprehensive system for planning parent-teacher conferences. The parent and teacher review concrete examples of the student's work rather than trying to discuss the child's progress in the abstract. Open communication occurs regularly with parents, and parents are informed of the student's performance.

In addition to the levels of achievement, self-assessment, and the ISLP, the Academy utilizes other assessments to monitor student progress. The SAT[®] is administered to students in eleventh grade, with make-ups available in grade twelve. Additional assessments include teacher made tests, student projects and formative assessments. Teachers use formative assessments to adjust the delivery of instruction and to assist the student in reflecting about the learning. The adjustments provide opportunities for students to achieve and attain the goals established in the ISLP. Teacher made authentic formative assessments are validated by summative assessments that are consistent with MAS proficiency.

Transfer Students—In and Out

A student who enrolls for the first time is required to demonstrate the same level of competence as required of students who have progressed through the Academy educational program for kindergarten through six grades. The transfer student tests on written examinations and oral

examinations. Grade placement and course schedules are based on the student's prior report cards and state assessment scores, and on the student's demonstrated performance on written, oral and NWEA MAP examinations.

At the Academy, there is a premium on sound character and citizenship. Students are respected as reasoning, thinking people who assume responsibility for academic achievement and behavior in a results-based learning culture. Parents become active partners with the Academy and the child to ensure a successful educational program.

Curriculum Standards

The MMC is integrated into the Academy's program of studies to ensure that all students are achieving standards as set forth in the MMC as established by the Michigan State Board of Education.

The Academy's Educational Program is intended to prepare students to exceed minimum standards; therefore, students are expected to exceed the "floor" standards and to advance to the application and synthesis levels of learning.

Graduation Requirements

Students qualify for graduation upon satisfactory completion of the senior project, satisfactory or proficient scores on state assessments and successful completion of the MMC. A student must satisfy the accreditation standards promulgated by the Michigan State Board of Education. Additionally, the student must satisfy the graduation requirements established by the Academy Board. The Academy Board believes that the graduation requirements reflect a preparedness to continue education at a four year post-secondary institution. With this in mind, the graduation requirements change slightly from year to year so that the students will not only meet the requirements set by the Michigan State Board of Education and the Academy's environmental science focus, but are challenged with an AP curricula that initiates the beginning of a post-secondary education.

WMAES Graduation Requirements	
2022	2023
English (4 Units)	English (4 Units)
Mathematics (4 Units) including Algebra 1, Algebra II and Geometry	Mathematics (4 Units) including Algebra 1, Algebra II and Geometry
Social Studies (3 Units) including US History, World History, Economics and Geography	Social Studies (3 Units) including US History, World History, Economics and Geography
Science (3.5 Units) including Chemistry and Biology	Science (2.5 Units) including Chemistry and Biology
Environmental Science (2.5 Units)	Environmental Science (2.5 Units)
Technology (1 Unit)	Technology (1 Unit)
World Language (2 Units)	World Language (2 Units)
Physical Education (1 Unit)	Physical Education (1 Unit)
Visual/Applied Arts (1 Unit)	Visual/Applied Arts (1 Unit)
Community Service (30 Hours)	Community Service (30 Hours)
Electives (4 Units)	Electives (4 Units)

2024	2025 & Beyond
English (4 Units)	English (4 Units)
Mathematics (4 Units) including Algebra 1, Algebra II and Geometry	Mathematics (4 Units) including Algebra 1, Algebra II and Geometry
Social Studies (3 Units) including US History, World History, Economics and Geography	Social Studies (3 Units) including US History, World History, Economics and Geography
Science (2.5 Units) including Chemistry and Biology	Science (2.5 Units) including Chemistry and Biology
Environmental Science (2.5 Units)	Environmental Science (2.5 Units)
Technology (1 Unit)	Technology (1 Unit)
World Language (2 Units)	World Language (2 Units)
Physical Education (1 Unit)	Physical Education (1 Unit)
Visual/Applied Arts (1 Unit)	Visual/Applied Arts (1 Unit)
Community Service (30 Hours)	Community Service (30 Hours)
Electives (3 Units)	Electives (3 Units)

Launch U Early College Program

Launch U is a Kent Intermediate School District (“ISD”) program that has partnered with Grand Rapids Community College. The tuition-free, early college opportunity is a specialized early college program. Students can earn their high school diploma and an Associate Degree in Mechanical Design, in just one year beyond high school, or students can graduate in their 12th grade year with an industry recognized certificate. Courses occur at the Kent ISD campus, through an online platform and at on the Grand Rapids Community College campus.

All 9th grade students will be invited to attend an informational session presented by one of the program's leaders. Interested candidates submit applications in the spring of the student’s 9th grade year. Complete applications include two teacher recommendations, transcripts, grade point average and an essay demonstrating the student’s interest in the program. Applicants are selected and communicated to by program's leaders.

Student Respect and Responsibility

Children today reach out for adults to provide structure. As parents and educators, boundaries and limits are established for life within a civilized society. Unless appropriate behavior is modeled and taught, students may learn inappropriate behavior by default. The Academy has a strong Code of Student Conduct (“Code”) to provide the framework for behaving and learning at school. Parents, the essential partner, are critical to the success of the Code. The Code firmly establishes the responsibilities of the Academy Board, the principal, staff, parents and students, and further spells out the consequences for failing to meet those responsibilities.

Student Activities

Student government is a centerpiece of the students’ educational experience. The goals are consistent with the basic tenets of the charter. Vehicles to give students “voice” must be the norm in a learning environment characterized by reason, responsibility and results. Program relevant clubs and organizations have been established and students participate in local, state and national opportunities.

Program Evaluation

The Educational Program is formally evaluated on an annual basis. Effective teaching is essential to the implementation of the Academy's Educational Program. Academy leadership evaluates effective instruction by performing informal and formal teacher observations. The observations provide a platform for quality dialogue for constructive feedback serving to improve instructional practices. Academy staff also meet with leadership to review school performance. Data is collected and analyzed to determine and monitor school improvement goals. Leadership and staff routinely monitor assessment data (e.g., NWEA, state assessment and SAT) to implement needed changes, to ensure adequate growth in all classrooms and to make necessary adjustments to improve the delivery of the Educational Program.

In addition to observations and the examination of data, professional development opportunities and PLC are provided to staff members. Training opportunities and a professional community of learners enhance instructional practices and provide opportunities of collaboration and cooperation with other teachers.

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, Amplify CKLA™ English language arts (“ELA”) (K-5), Engage NY ELA (6-12), HMH Go Math!® (K-5), HMH Into Math™ and Into AGA™ (6-12), Michigan Association of Intermediate School Administrators (“MAISA”) Rubicon Atlas™ social studies, Choice Schools curriculum and Michigan Model for Health™. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Amplify CKLA <https://ckla.amplify.com/>
- HMH Into Math/AGA <https://www.hmhco.com/programs/into-math>
- Engage NY <https://www.engageny.org/>
- MAISA Social Studies <https://gomaisa-public.rubiconatlas.org/Atlas/Browse/View/Calendars>
- Choice Schools Electronic Curriculum Management System <https://www.choicecurriculum.com>
- 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
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

Secondary

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

Course Name	Grade**	Course Name	Grade**
English (<i>minimum 4</i>)		World Language (<i>minimum 2</i>)	
English 9	9	Spanish I	9-12
English 10	10	Spanish II	9-12
English 11	11		

English 12	12	Visual, Performing & Applied Arts (<i>minimum 1</i>)	
Creative Writing	9-12	Art A	9-12
Contemporary Literature	9-12	Art B	9-12
		Digital Media Production	9-12
		Advanced Art	9-12
Mathematics (<i>minimum 4</i>)		Physical Education & Health (<i>minimum .5 each</i>)	
Algebra I	9	PE I	9-12
Geometry	10	PE II	9-12
Algebra II	11		
Pre-Calculus	12		
		Other	
Science (<i>minimum 3</i>)		Environmental Science I	9
Biology	9	Environmental Science II	10
Physical Science	10	Environmental Science III-AP	11
Chemistry	11	Environmental Science IV-Senior Project	12
Physics	12	Environmental Leadership	9-12
Anatomy & Physiology	11-12	PC Applications	9-12
AP Biology	11-12	Website Design	9-12
AP Psychology	10-12	Communications	9-12
High School STEAM	9-12	Business	
Social Studies (<i>minimum 3</i>)		Personal Finance	10-12
US History	9	Introduction to Marketing	10-12
Economics	10-12	Entrepreneurial Innovation	11
Government	10-12	Entrepreneurial Product Design	12
Global Issues	11-12	Entrepreneurial Capstone-Make a Pitch	12
History of Science	11-12	Business Management	12
World History	11-12		
Service Learning	11-12	Off Campus Courses	
AP US History	11-12	Launch U Courses	10-12
Big History	9-12		

* 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 and high school students are required to meet the requirements of the Michigan Merit Curriculum.

**If students are not required to take a course at a specific grade level, “any” is used for the grade indication.

***Virtual Courses are defined as any course(s) that are delivered using the internet.

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 twelfth grade. The maximum enrollment shall be 900 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 twelfth grade.

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

CONTRACT SCHEDULE 8

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

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

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

Information Available to the Public and the Center

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

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

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

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

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

AMENDMENT NO. 1

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

Issued To

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 1

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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


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

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of the Academy's first day of school for the 2021-2022 school year.



Dated: 09/28/2021

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



Dated: 9/27/21

By: Matthew Smith, Board President
West Michigan Academy of Environmental Science
Designee of the Academy Board

AMENDMENT NO. 2

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

Issued To

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 2

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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

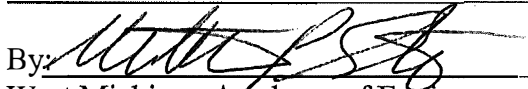
- 1.) Amend Schedule 6: Physical Plant Description, by replacing the Physical Plant Description Narrative contained therein with the Physical Plant Description Narrative, attached as Tab 1.
- 2.) Further amend Schedule 6: Physical Plant Description, by inserting at the end of this Schedule the materials 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 March 2, 2022.



Dated: 04/21/2022

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



Dated: 4-12-2022

By: _____
West Michigan Academy of Environmental Science
Designee of the Academy Board

West Michigan Academy of Environmental Science

Contract Amendment No. 2

Tab 1

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 West Michigan Academy of Environmental Science (the "Academy") is as follows:

Address: 4463 Leonard Ave. NW
Walker, MI 49534

Description: The Academy's facilities sit on 58 acres in the City of Walker at the corner of Wilson Rd. and Leonard Ave. NW. There are three instructional facilities on this Site that are connected to each other by vestibules. The three facilities provide a combined total of approximately 83,384 square feet of space. Two of the facilities have one level; the other has two. Among the three facilities there are 50 classrooms, 32 restrooms, two multimedia rooms, gymnasium, kitchen, cafeteria, several offices, two teachers' lounges, a study area, several storage areas, and mechanical, janitorial, and technology rooms. The Site also includes a parking lot, playground, a 42' x 64' pole barn, and a 618 square foot greenhouse.

Configuration of Grade Levels: Kindergarten through Twelfth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Kenowa Hills Public Schools
ISD: Kent

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.

West Michigan Academy of Environmental Science

Contract Amendment No. 2

Tab 2

CERTIFICATE OF USE AND OCCUPANCY

PERMANENT

Michigan Department of Licensing and Regulatory Affairs

Bureau of Construction Codes/Building Division

P.O. Box 30254

Lansing, MI 48909

Authority: 1972 PA 230

(517) 241-9317

Building Permit No: BLDG21-01171

4463 LEONARD ST

GRAND RAPIDS, MI 49534

COUNTY: KENT

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

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

Print Date: 03/02/2022

AMENDMENT NO. 3

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

Issued To

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 3

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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

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

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of July 1, 2022.



Dated: 05/16/2023

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



Dated: 5-9-2023

By: Board President
West Michigan Academy of Environmental Science
Designee of the Academy Board

West Michigan Academy of Environmental Science

Contract Amendment No. 3

Tab 1

CURRICULUM

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.4, the Academy shall implement, deliver, and support the curriculum identified in this schedule.

The Academy has adopted Academy written curriculum, Amplify CKLA™ English language arts (“ELA”) (K-5), Engage NY ELA (6-12), HMH Into Math™ (K-12) and Into AGA™ (6-12), Michigan Association of Intermediate School Administrators (“MAISA”) Rubicon Atlas™ social studies, Choice Schools curriculum and Michigan Model for Health™. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Amplify CKLA <https://ckla.amplify.com/>
- HMH Into Math/AGA <https://www.hmhco.com/programs/into-math>
- Engage NY <https://www.engageny.org/>
- MAISA Social Studies <https://gomaisa-public.rubiconatlas.org/Atlas/Browse/View/Calendars>
- Choice Schools Electronic Curriculum Management System <https://www.choicecurriculum.com>
- 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
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

Secondary

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

Course Name	Grade**	Course Name	Grade**
English (<i>minimum 4</i>)		World Language (<i>minimum 2</i>)	
English 9	9	Spanish I	9-12
English 10	10	Spanish II	9-12
English 11	11		

English 12	12	Visual, Performing & Applied Arts (<i>minimum 1</i>)	
Creative Writing	9-12	Art A	9-12
Contemporary Literature	9-12	Art B	9-12
		Digital Media Production	9-12
		Advanced Art	9-12
Mathematics (<i>minimum 4</i>)		Physical Education & Health (<i>minimum .5 each</i>)	
Algebra I	9	PE I	9-12
Geometry	10	PE II	9-12
Algebra II	11		
Pre-Calculus	12		
		Other	
Science (<i>minimum 3</i>)		Environmental Science I	9
Biology	9	Environmental Science II	10
Physical Science	10	Environmental Science III-AP	11
Chemistry	11	Environmental Science IV-Senior Project	12
Physics	12	Environmental Leadership	9-12
Anatomy & Physiology	11-12	PC Applications	9-12
AP Biology	11-12	Website Design	9-12
AP Psychology	10-12	Communications	9-12
High School STEAM	9-12	Business	
Social Studies (<i>minimum 3</i>)		Personal Finance	10-12
US History	9	Introduction to Marketing	10-12
Economics	10-12	Entrepreneurial Innovation	11
Government	10-12	Entrepreneurial Product Design	12
Global Issues	11-12	Entrepreneurial Capstone-Make a Pitch	12
History of Science	11-12	Business Management	12
World History	11-12		
Service Learning	11-12	Off Campus Courses	
AP US History	11-12	Launch U Courses	10-12
Big History	9-12		

* 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 and high school students are required to meet the requirements of the Michigan Merit Curriculum.

**If students are not required to take a course at a specific grade level, “any” is used for the grade indication.

***Virtual Courses are defined as any course(s) that are delivered using the internet.

AMENDMENT NO. 4

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

Issued To

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

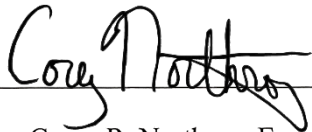
CONTRACT AMENDMENT NO. 4

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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

- 1.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 1.
- 2.) Amend Schedule 7, Section d: Curriculum, by replacing the materials contained therein with the materials 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, 2023.

Dated: 11/16/2023

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

Dated: 11-14-2023

By: _____
West Michigan Academy of Environmental Science
Designee of the Academy Board

West Michigan Academy of Environmental Science

Contract Amendment No. 4

Tab 1

EDUCATIONAL PROGRAMS

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

The Educational Program is designed to provide students with knowledge, skills, and attitudes to exceed performance and behavior measures established by the Academy Board. In addition, the program gives staff parameters in which to perform responsibilities, provides parents and the general public with information on the specialized instructional program of the Academy and the achievement of the students. The Academy's mission statement is the guiding statement for programs and activities.

Mission

West Michigan Academy of Environmental Science ("Academy") strives to provide an environment that will foster creativity, promote academic achievement, and develop sound character and citizenship principles emphasizing responsibility to the environment and society, and improving each child's self-esteem and self-concept.

The Academy is a theme school, a magnet school for children whose parents want children to receive an educational program in which environmental science is integrated into all areas of the curriculum and co-curricular activities. Inherent in the environmental science theme is the use of natural resources as the primary laboratory and the expectation that all children can utilize the scientific method as a sixth sense for learning.

Elementary Education Program Kindergarten through Fifth Grade

Sub-Schools

The Academy divides the larger school into two sub-schools: an elementary sub-school and a secondary sub-school. Resource teachers and learning specialists float between sub-schools.

The teachers of each sub-school, in essence, represent a professional learning community ("PLC") of instructional professionals assigned the responsibility for academic achievement and social development of all children in the "community." Teacher teams work collaboratively to ensure that each child is learning at the appropriate ability level. When a child is "underperforming," the team works together to design an Individual Student Learning Plan ("ISLP"). The term "underperforming" applies equally to the child who is not working up to potential but is making good grades as it does to the child who is failing.

Accelerated Learning

The term that embraces the Academy's instructional model is accelerated learning. The general definition embraces the basic tenets of Henry M. Levin's (1996) Accelerated School model. The goal is to provide all children with challenging academic programs to ensure that all underachieving children learn with peers on the "level playing field" and that all children enjoy the same advantages as gifted and talented children. Working within the PLC, teachers, in partnerships with parents, are the fundamental components of the Accelerated School model. The Academy embraces these basic tenets for the delivery of instruction.

Performance-based Promotion

Student promotion requires mastery of the curriculum scope and sequence for the respective grade levels. Performance-based promotion requires the Academy employ highly qualified teachers and ensure the curriculum, instruction, and assessment are aligned. Reliable, valid information and open communication characterize the partnership between teachers and parents. The Academy recognizes that each child learns at a different pace and establishes achievement checkpoints for student performance. A student who has not satisfactorily mastered the essential knowledge and skills for a grade level is supported through multi-tiered support. The team works with various research-based interventions. Another intervention would include summer school if a student is not mastering grade level standards as measured by grade level and standardized assessments. The team makes decisions on the promotion of a student, the retention of a student, or to promote a student with interventions. At the end of grade three, each student must demonstrate mastery of academic knowledge and skills requisite for promotion to grade four. The Academy uses Acadience to assess student progress in reading on “milestone tasks” and on “enabling skills.” Mastery is determined on the basis of multiple assessments ranging from Acadience assessments in reading, teacher-made tests, student demonstrations of competency and the student’s ISLP. To give students additional learning time, the Academy provides designated intervention time during the school day and extensive summer programs.

Time

To give students additional learning time, the Academy provides Academic Acceleration (intensive and subject-specific individualized tutorials for students who are not performing at grade level), extensive summer programs and parallel scheduling (whenever possible) for core curricula in grades kindergarten through fifth. The school day is structured so that the morning schedule is dedicated to the core curricula areas of reading/language arts, mathematics and social studies. Environmental science is integrated into these three core curriculum areas and science is taught as a stand-alone course to ensure mastery of science standards. If a student is deficient in basic skills and is not able to participate in added time programs, the student’s daily schedule is adjusted to ensure adequate time to achieve and learn with peers on the level playing field.

School Day

The school day includes seven hours and fifteen minutes, of which seven hours and five minutes will be instruction related. Students’ instructional time far exceeds the state’s required instructional time of 1,098 hours. The principal discourages any disruptions to the morning educational program. Instructional time is for instruction required of all students. To maximize student learning, the Academy also provides a full-day kindergarten program.

Instructional Delivery

Pre-Kindergarten

The Academy operates an early childhood education program (Pre-Kindergarten and Great Start Readiness Program). On an annual basis, the Academy shall advise the Center on the current status of its early childhood education program. If changes occur in the Academy’s early childhood education program, the Academy shall file a revised Early Childhood Education Questionnaire with the Center.

Unless permitted under Applicable Law or administrative rule, the Academy shall not use the state school aid funds to establish or operate its early childhood educational program. In accordance with Applicable Law and administrative rule, the Academy shall budget and account for funds and expenses associated with its early childhood educational program.

Transitional Kindergarten

The Academy offers both transitional kindergarten and kindergarten. Transitional kindergarten is a great option for students who need an extra year academically and/or socially before advancing to kindergarten. In both kindergarten and transitional kindergarten, all activities, assignments and assessments are carefully planned and created to ensure that each child is given the chance to learn in a variety of ways that appeal to the student and that all skills and abilities are carefully measured. Interested parents will work with Academy administration to determine the best placement for their child.

Lower and Upper Elementary

Elementary school grades use a self-contained model for program delivery. Students have resource teachers in such areas as art, music, physical education and Spanish. Depending on the subject, students remain in the classroom or go to another area of the building or grounds. To prepare students for middle school, the Academy may follow a departmentalized model for program delivery, when appropriate, for accelerated learning, stronger curriculum and deeper content knowledge on the part of staff.

Educators of Excellence

The Academy hires educators who believe that excellence derives from mastering details, comprehending concepts and applying knowledge and skills in the real world. The Academy does not just believe all children can learn, but insists that all children will learn. Pedagogy must make a difference in a child's learning. Students are expected to master materials, apply knowledge to concepts and reflect on learning. Students who attend the Academy understand that this is a theme school and the great outdoors is a natural laboratory. Students must want the outdoors experience, including working the land; searching ponds, streams, lakes and rivers; and working to conserve the environment for future generations. The Academy offers a "hands-on" learning experience to students who choose that type of education.

The Academy will not track children by ability as convinced by evidence that early tracking typecasts children into polarized groups of haves and have-nots, winners and losers, smart and dumb. For slower learners, consigned to watered-down curriculum, the judgment too often becomes a self-fulfilling prophecy. Instead, teachers use differentiated instruction methods to encourage all students to excel by concentrating on and engaging students in meaningful learning activities and by holding students to high academic standards.

The premise for learning is that character development and personal management skills form the basis for schooling. Empowered students take responsibility for personal learning and development. The Academy facilitates learning within an environment that encourages high ethical and academic standards and reinforces the positive values taught at home.

Curriculum

The Academy embraces the Michigan Academic Standards (“MAS”) as its minimum standards of learning. The curriculum scope and sequence attempts to extend the minimum standards through accelerated learning practices and differentiated instruction. The scope and sequence aligns to the MAS.

Students can accelerate “forward” for more academic challenge by cross grade learning projects and resource instruction. Students can leave the primary care teacher with a parent’s permission. Performance-based promotion does not allow students to go “backward” to a lower grade because the child has been certified by the prior year’s teacher as having achieved the academic knowledge and skills essential to success at the next grade level.

The Academy’s curriculum aligns with the MAS. The curriculum is reviewed annually by Choice Schools’ Associate Director of Curriculum and Instruction. Accelerated learning principles and differentiated instruction accentuate the need for proper sequencing of learning objectives and experiences.

Content Areas

Reading/Language Arts

The Academy uses a research-based language arts program. The reading instruction includes phonemic awareness and systematic phonics instruction, as well as fluency, vocabulary and text comprehension instruction supplemented with a guided reading program. Emergent readers read leveled books, big books and trade books which feature a blend of phonics and sight word practice.

Through phonemic awareness and systematic phonics instruction, students learn the ability to hear and manipulate the sounds in spoken words and understand that spoken words and syllables are made up of sequences of speech sounds. This is essential to learning to read in an alphabetic writing system because letters represent sounds or phonemes. Furthermore, an understanding of the systematic and predictable relationships between written letters and spoken sounds, and knowledge of these relationships, helps early readers recognize familiar words accurately, automatically and assists in the “decoding” of new words.

However, phonics cannot stand alone; students’ ability to read fluently is also important. Fluency instruction teaches students to read and reread a text a certain number of times or until a certain level of understanding is reached. Four readings are sufficient for most students, but oral reading practice is increased through the use of audiotapes, tutors and peer guidance. To further increase fluency, a strong vocabulary base must be taught. The two best strategies for students to learn vocabulary include indirect and direct teaching instruction. Indirect instruction allows students to engage daily in oral language, listen to adults read aloud and read extensively independently. Direct instruction explicitly teaches both individual words and word learning strategies.

The Academy believes that comprehension instruction ties all the pieces together. Comprehension gives students a purpose for reading, focuses attention on the learning and helps students to think actively while reading. Additionally, it helps students to review content and make connections to prior knowledge and new learning. Once reading is taught, the Academy’s curriculum intensifies

the writing expectations. Students practice recalling readings and write the main details from the story, as well as analyze characters and explain content meaning.

The Academy believes in writing across the curriculum to achieve mastery toward the MAS. Students write for a variety of purposes and projects. Writing assignments include daily short- to long-term projects. Daily projects include, but are not limited to, journals and environmental logs. Short-term assignments include, but are not limited to, letter writing, project proposals, grant writing, environmental reports, Role, Audience, Format, Topic, Strong verb (“RAFTS”) strategy and papers that make a real-life connection to the text. Long-term assignments typically involve multiple draft papers and span anywhere from four weeks to an entire year. In addition to writing, students are taught to edit. Through the process of peer editing, students learn to view writing through a critical eye. Students edit papers on the following content: ideas, organization, voice, word choice, sentence fluency, conventions and presentation.

The Academy has established the foundation for a strong language arts program. In order for the program to grow and maintain higher student achievements, the Academy utilizes PLC to research best practices and close any curriculum gaps that may arise as content changes.

Mathematics

Mathematics as a discipline has its own language, patterns of thinking and conventions. The goal of mathematics is to develop in students the higher-order, problem-solving skills. The Academy’s program strives to achieve that goal but believes students need a solid grasp of basic facts as the prerequisite for problem solving within all mathematical operations. A certain amount of practice, including “drill and kill,” occurs in the process of learning basic mathematics facts and operations. Students practice concepts and constantly review and confirm skills. Practice also extends to examining different approaches to solving problems in different types of situations. At the Academy, students learn the fundamentals and apply concepts in order to move to the next level of problem solving.

Mathematics typically stands alone as a subject and is seldom integrated into other subjects until students master the fundamental basic skills and operations. A building block approach introduces topics in small increments, one bit building upon another in a natural progression, until the student masters the concepts and the skills through daily and cumulative practice. As bits develop into concepts, students respond to questions and hands-on problem solving situations to make step-by-step progress from mastery and application of basic skills to simple, practical problem solving and higher-order problem solving. As students move toward higher-order problem solving, teachers are encouraged to meet in PLC and integrate environmental science topics into lessons. This increases deep knowledge learning for basic facts and operations, and for problem solving when appropriate.

Science

Science education is two-pronged but interrelated. First, the program of studies introduces students to science concepts at appropriate grade levels to prepare students for the state assessment based on the MAS. Second, the program embeds environmental science topics throughout the curriculum in all subjects. As the Academy is located on a diverse 62-acre parcel of land, many natural resources (e.g., Lake Michigan and Grand River for the study of water and water life) are

accessible for use by staff and students. An Environmental Specialist works directly with instructional staff to bring lesson plans to life. The specialist is central to the delivery of a unique, hands-on curriculum with environmental science integration.

The Academy uses a spiral format to deliver environmental science topics. Kindergarten students learn basic science facts in a hands-on setting where students can apply simple facts to real world situations. The spiral works much like a column of content; simple to complex, recitation to problem solving. The natural resources of the region serve as the laboratory of the Academy's environmental theme. Students receive direct, hands-on learning opportunities in which to experiment and observe.

The monthly environmental science themes have been identified for teachers to integrate across the curriculum. The monthly themes are as follows:

- Ecosystems & living things; water
- Weather & climate
- Winter ecology
- Space exploration & environmental global issues
- Science fair
- Natural history
- Energy
- Land use
- Agriculture

To further promote environmental studies, sixth grade students, with parental permission, participate in an overnight (two to four nights) Environmental Awareness Camp experience. The camp is under the guidance of the Environmental Specialist supported by staff and parent volunteers.

The Academy also sponsors an annual competitive science fair learning experience. Students work with staff advisors and prepare a science fair entry. Entries are reviewed by peers and made available for public view. A panel of judges, including local media and Academy Board representation, offers insight and feedback on fair entries and has the responsibility of judging entries. Additionally, as a community outreach program, the Academy endeavors to partner with local farm organizations and provide spring and summer opportunities for community gardening.

Social Studies

Social studies represent the integrated study of the social sciences and environmental stewardship to promote civic competence and good citizenship. Emphasis is placed on the principles of democracy. Practical, real-world environmental issues are processed through democratic institutions in a representative democracy.

The social studies curriculum is designed to develop enlightened citizens. Students are active members of a club or organization serving to improve the Academy and/or home community through active citizen involvement.

Resource Programs

Resource programs may be offered by qualified teachers in the curricular areas of:

- arts (visual art and possibly instrumental music)
- physical education
- foreign language

Arts

The Academy wishes to make the arts (e.g., art, drama, music and dance) an indispensable component of a child's education, while at the same time placing the strongest emphasis on the basic skills of reading, writing, speaking, arithmetic, application of scientific knowledge and citizenship. The arts offer children opportunities to assimilate and apply learning in ways relevant and meaningful to personal experiences. The enhanced skills of communication, analysis and self-expression enable students to understand the surrounding world. In art, students become acquainted with great painters, sculptors and architects. Children refine the ability to interpret art by examining diverse art works, discussing the elements (e.g., perspective, proportion and scale) present in the works and by learning about characteristics of art from different periods. Doing is very important to art instruction and students get the opportunity to create drawings, paintings and sculptures.

The classroom teacher integrates the arts into the core curriculum while the art resource teacher provides appropriate and specialized instruction in visual art. Art and music activities nurture creativity. Students get practice imagining, experimenting, solving problems, thinking independently and making independent decisions. As a result, students gain pride in accomplishment.

The best way for children to explore the arts is through participation. Active practice at painting, drawing, sculpting, singing and playing simple instruments paves the way to understanding and to self-expression. Instruction in art includes activities such as painting, drawing and craft making. Students learn about elements such as shape, form, color and texture, and examine famous examples of sculpture, painting, photography, design and architecture, as well as folk art. In addition to being a medium of self-expression, art skills are useful to the individual in communications and related careers. Early exposure to the right art instruction allows the child to become art literate and able to access the creativity and expression natural to the child and bring it forward into adulthood.

Lessons take place on three fronts: creative, analytical and historical. Students learn much by looking at outstanding examples of art, listening to different types of wonderful music, reading about composers and artists, learning about some artistic and music concepts and terms, and studying the cultures and periods in which works were produced. Teachers at all levels utilize art activities in regular instruction. The art resource teacher acts as a coordinator to work with teachers, as well as students, to bring the creative spirit into art explorations.

Music

Music is integrated into the core curriculum by the classroom teacher, whenever appropriate, and specialized instruction is provided by the music resource teacher. At the lower elementary level, music instruction focuses on students singing, playing games and experimenting with different

instruments. Students learn the concepts such as rhythm, pitch, volume and how to read music. In addition, students become familiar with different instruments and the sounds, and listen to a wide range of recordings. In the upper elementary grades, music instruction expands to include more background knowledge about great art and music from various cultures. When studying a work, students learn about the historical and cultural context of the time in which the piece was created.

In music, students become familiar with famous composers and sample a wide range of recordings ranging from Gregorian chants and classical music to American folk songs and popular music. Students continue to learn more about elementary music theory and about reading music. In addition, students also play some instruments (e.g., keyboard and recorder). Formal instruction in musical instruments for interested children may be provided as after-school enrichment.

Physical Education

Physical education is provided for students in kindergarten through grade five. Organized physical education provides knowledge, skills and motivation needed for a lifetime of health and exercise. The physical education program aligns with the Academy's character education program. Students learn about teamwork, the importance of playing fairly, winning gracefully, and accepting defeat in good spirit. Physical education contributes to academic achievement as disciplined activity sharpens both mental acuity and an individual's appetite for learning.

Lower elementary students begin with such physical skills as running, jumping, throwing, catching and kicking. In addition, simple games and exercises such as rope jumping, foot races, dances, simple gymnastics and stretching build body control and coordination. Exercise as a valid part of life is professed, taught and modeled by adults. Instruction encourages fitness, respect for rules, sportsmanship, safety and the proper use of equipment. Activities give practice in rhythm, agility, balance, changing direction and building speed. The use of kinetic energy to relieve stress, cooperate with a team or compete for success is basic to the physical education of children.

In upper elementary grades, students take the skills learned in earlier grades and apply to popular American team sports (e.g., soccer, basketball and softball) and individual sports (e.g., tumbling, foot races and in-line skating). Students learn rules and skills. Each child is encouraged to choose an activity such as running or basketball, which can translate into a lifelong habit of exercise and physical activity. Students learn about healthy competition and the value of striving toward achieving a team or individual goal. Athletics are an excellent place to learn the value of being a good sport and about winning and losing in other aspects of life. Students participate in a wide range of competitive and noncompetitive activities which build stamina, strength and agility. Activities continue to emphasize fitness, respect for rules, sportsmanship, safety and proper use of equipment.

Foreign Language

The Academy offers Spanish language instruction to students. The foreign language program teaches students the root words of fundamental languages. The curriculum focuses on a single language at certain grade levels. Students learn to read, write and speak through lessons focusing on acquisition skills.

Co-Curricular Programs

The Academy encourages student organizations related to environmental science. All teachers are encouraged to sponsor a school-related student organization to involve all children in sustaining the environment and to develop sound conservation and protection habits to carry into adulthood.

Emotional Intelligence

Academic schooling concerns itself with abstract intelligence (the ability to understand and manipulate with verbal and mathematics symbols) and concrete intelligence (the ability to understand and manipulate with objects). Leadership and performance studies (Goleman, 1998) suggest that social intelligence, the ability to understand and relate to people, is important to educating boys and girls as enlightened citizens and responsible family and community members.

Central to social intelligence is emotional intelligence. Goleman defines emotional intelligence as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships. Emotional intelligence describes abilities distinct from, but complementary to, academic intelligence, the purely cognitive capacities measured by IQ.” Goleman categorizes emotional intelligence into the five basic emotional and social competencies of self-awareness, self-regulations, motivation, empathy and social skills.

Emotional intelligence assists students in overcoming conflict and resolving disputes. Further, emotional intelligence enables teachers to understand learning difficulties, develop teaching strategies, design assessment techniques and help students understand the role in the community as team members, students, family and caretakers. Individuals with high emotional intelligence often outperform people with higher levels of intellectual intelligence.

The Academy encourages teachers and support staff to participate in ongoing training in emotional intelligence and the application in school settings. A focal point of the training is to empower teachers with the knowledge and skills to carry out emotional literacy prevention programs. The most effective programs in emotional literacy developed as a response to violence and conflict resolution.

Learning Strategies

To raise academic performance, the Academy examines the manner in which individual students learn. The goal of teaching learning strategies is the development of a learner who actively and effectively monitors learning. To assist with learning strategies, instructional staff follow a common lesson plan framework.

Examples of effective learning strategies include the following:

- setting goals and planning an approach
- focusing attention on the information that is most important
- forming mental frameworks for organizing and understanding information
- linking new ideas with prior knowledge in order to make connections and add personal meaning

- monitoring personal comprehension of material to be learned and recognizing when one needs to change the learning approach (Derry 1989, Thomas 1993 Raforth, Leal, and Defabo 1993, and Weinstein et.al. 1999)

Teaching learning strategies makes significant differences in students' academic performance, creates independent learners and builds self-confidence. Learning strategies address the needs of all learners (e.g., below grade level and gifted and talented) and students practice and apply the strategies across the curriculum. Assessment ensures learning strategies become part of each student's regular learning repertoire.

Teachers also model strategic thinking. Teachers talking about thinking and doing may help children to better understand the thought process. The teacher who consistently "thinks out loud" and encourages it on the part of students also has an excellent diagnostic tool available (ERS, 2000).

Educational Program Development ("EDP")

To further empower students, the Academy requires students to create an EDP. An EDP is a document that reflects student educational and career goals, methods to achieve these goals and student activities and achievements. A student designs an EDP under the supervision of an academic specialist. Each EDP contains the following essential elements: personal information such as the student's name, date of birth and grade level; education, training and career goals; assessment results, both career- and academic-related; and a plan of action, including high school course selections, expected graduation date and timeline for college application.

Students develop an EDP in seventh grade. Starting the EDP in middle school assists students in planning for high school curriculum and post-secondary goals. An EDP is updated as student interests and abilities become more evident and focused.

Special Education and Section 504

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

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

1. The Academy is responsible for providing a free, appropriate public education to children with disabilities enrolled in the Academy that have been determined through an IEP to require Special Education programs and services.

2. The Academy will ensure that children who are suspected of having disabilities are properly evaluated by a multidisciplinary team, as defined in the Michigan Special Education Rules, and that children who have already been identified are re-evaluated by the multidisciplinary team at least every three years.
3. When a multidisciplinary team determines that a special education student requires Special Education programs and/or 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.

The special education program uses the inclusion model for providing programs and services to students with IEPs. Each individual IEP is tailored to the individual needs of the student; this might include a pull-out model or an inclusion model. The IEP team always takes into consideration the least restrictive environment for each student. If a student is pulled-out from class, the intervention/service/program must be described in an IEP or a 504 Plan. The staff recognize and honor the educational program stated in an IEP for a student in special education, or a 504 plan for a qualified student.

Secondary Educational Program Sixth through Twelfth Grades

The mission statement guides the Educational Program and practices for grades six through twelve.

Educational Program – General Characteristics

The Academy's high school program is characterized by:

- a focus on the core curriculum and environmental science and by co-curricular offerings in the arts and humanities for interested students
- integrated (interdisciplinary) units of study
- self-paced, individualized and competency-based lessons
- technology integration
- assessing at three levels of achievement: competent (70%), proficient (80%), and mastery (90%) through multiple means of assessment, ranging from state assessments aligned with the Michigan Merit Curriculum ("MMC"), Northwest Evaluation Association™ ("NWEA™") Measures of Academic Progress® ("MAP®") Growth™, and SAT®/ACT® test, to demonstrations of authentic works
- Michigan Merit Graduation Units along with dual enrollment with post-secondary credit
- Environmental Science Specialists who coordinate the integration of environmental science across the curriculum
- true to the basic tenets of the charter

Program of Studies

The program of study provides learning modules in the following areas:

1. Sciences
 - a. Comprehensive environmental sciences (e.g., agriculture and agribusiness, anatomy and physiology, astronomy, botany, chemistry, ecosystems, energy, health and medicine, mathematics, meteorology, microbiology, physics, and zoology)
 - b. Social sciences (e.g., anthropology, geography, demographics, and economics)
2. Community Service
 - a. Volunteer service required annually

- b. Senior community service project
 - c. Occupations and work ethic
3. Senior demonstration project based on student's major emphasis of study

Program Responsibility

High school is a time to try out interests, to take some risks and to measure oneself against the task. The first responsibility is always to oneself, to discover one's potential, interests and limitations. Teachers and parents are critical partners in the child's education. There must be open, honest dialogue and communication structures to ensure students and parents clearly know the student's status of progress in school.

Student Learning Plan

The educational program is the responsibility of the stakeholders: student-parent-teacher. Each student works with a project design team consisting of a teacher (or teachers) and parent(s) to evaluate the ISLP. In the spring of the second and third years, the ISLP is expanded on the basis of the student's progress to that point in time. All parties through the first three years of high school must approve the plan.

High School Students: Students complete opportunities to demonstrate shared inquiry and project planning. The student must also demonstrate skills in the use of technology for word processing, spreadsheets, databases and Internet searches. The students begin practicing the skills leading up the senior project. Students research, design, problem solve and present material to stakeholders. These experiences can be seen in each high school class.

Fourth-Year Students/Senior Project: The senior student continues the major area of study and constructs two plans: occupational and community service. The two plans assist the student in pursuing post-high school plans and finding a place in the community as a citizen and a learner. In their senior year, the student presents the senior project which is a presentation or demonstration of the major area of study.

The student learning plan consists of the following minimum components:

- Requisite competencies (an outline of academic knowledge and skills that demonstrate the student's readiness for the learning module);
- Core competencies (essential knowledge and skills that must be learned in this module);
- Interdisciplinary platforms for learning (structure/framework for student-centered inquiry into the topic; context within which students identify essential questions which generate content sequences);
- Assessments (means by which student achievement of core competencies and higher order thinking are measured).

Throughout the four (or more) years in the Academy, students participate actively in community events concerning environmental science. Students in the fourth year participate in activities associated with the individual's major area of study and senior project.

Program Delivery

The core curriculum competencies coincide with the MAS for graduation. The Academy uses the MMC analysis and SAT/ACT alignment as guides for measuring student achievement against the MAS. To be promoted from one grade to the next, the student demonstrates mastery in the core curriculum competencies.

The most difficult component of an integrated, self-paced competency-based program is management by the student and the teacher. The ownership students take regarding education reflects the mission of the Academy. The environment, structure and content promote the self-learner concept in which students participate in constructing a personal knowledge base and learning problem-solving strategies. The scope of students' education extends beyond the traditional classroom as students interact with mentors, the community and the physical environment.

First, the student (with close guidance from parents) must be responsible and reliable. Learning is the product of student inquiry into the topic. The student is the point of convergence for learning. Each student has a learning style, just as each teacher has a teaching style. In designing the program for a student, care is taken to incorporate the work of Howard Gardner on multiple intelligences, Daniel Goleman on emotional intelligence and Eric Jensen on brain-compatible learning. This is an important component in staff development, the introductory student seminar and developing the student learning plan.

Second, the teacher acts as a resource person, a guide to the student and is firm in expressing expectations and demanding excellence. The teacher must be gifted in inquiry-based instruction, authentic assessment, human relations skills with parents and students and in the use of technology. The teacher is an instructional leader.

Third, technology is critical to every phase of learning: presentation, research, expression and managing data. Technology becomes the infrastructure for learning and is interwoven into each strand of study. Technology is consistently used in all strands of study to enrich instruction and provide a deeper learning experience. Technology is also utilized for science fair and senior projects. All students are issued wireless network accounts for use in producing and storing educational products.

Fourth, the Academy community becomes the laboratory for learning. The classroom is wherever the resource is located. It may be a farm, golf course, or ski slope; Lake Michigan, or a puddle out back; the reservation, or the river; the community college, or a nursing home; distance learning, or working with a hoe; or on a fishing boat, library, foreign country; a soup kitchen, or the hospital; the surrounding which best contributes to the project's learning outcomes is the student's laboratory.

A challenge in a project-based instructional program is instruction in the core curriculum: English, mathematics, sciences, social sciences and foreign language. In the first and second years, students take coursework to strengthen or accelerate knowledge and skills in academic core courses. In English, major emphasis is placed on analytical thinking skills and writing. Literature is correlated to the humanities to reinforce interdisciplinary studies. Science and mathematics courses

emphasize processes, applications and data analysis that prepare the student to engage in research projects.

Select years that a student is involved in a science course or project, the student submits a science fair project to be exhibited at a school-wide science exhibition. Students can also enter “open entry” science fairs in the region, including the community college or four-year colleges. The sophistication of science fair entries, including statistical analysis of data, must increase significantly each year.

In selected foreign languages, the Academy uses a proficiency framework as a primary basis for determining student performance.

Thinking skills are integrated into each of the core disciplines. Reading comprehension specifically addresses the following thinking skills: comparison/contrast, drawing conclusions, making judgments based on context clues and critical analysis of literature. The various modes of discourse in writing require logical reasoning, analytical thinking and creative thinking. Problem-solving skills are a basic requirement in math. Divergent, inventive and analytical thinking are necessary to succeed in a research-based science curriculum. In social sciences, learning experiences that are analytical, evaluative and critical as well as creative in scope, will be mastered. Students learn to distinguish between and use primary sources and secondary sources in developing analytical and problem-solving projects. Students are also required to pass a geography competency test.

The difference in project work and traditional classroom time is apparent. One is inquiry and student centered, and the other is content and teacher centered. Both are essential to meeting the literacy, developmental and reasoning needs of all students. Both types of learning are integral to the charter’s vision and supplement and complement one another. A student must have the basic skills to be successful with higher-order thinking. Katz (1994) differentiates systematic instruction and project work in the following manner:

Systematic instruction (1) helps children acquire skills, (2) addresses deficiencies in children’s learning, (3) stresses extrinsic motivation, and (4) allows teachers to direct the children’s work, use expertise, and specify the tasks that the children perform. Project work, in contrast (1) provides children with opportunities to apply skills (2) addresses children’s proficiencies (3) stresses intrinsic motivation, and (4) encourages children to determine what to work on and accepts the student as experts about individual needs. Both systematic instruction and project work have an important place in the curriculum.

The use of themes (broad concept or topic) and units (pre-planned lessons and activities) in systematic instruction assist students in learning the skills required for project work. The teacher shares responsibility with the student in making the transition from systematic instruction to project work.

Special needs students flourish in the Academy. Research and experience indicate that many special needs individuals are truly gifted and talented in technology and the sciences. The instructional model for special education is the immersion model, which calls for special needs students to work side by side with the regular education peers in all subjects. There may be an

occasional need for special instruction or accommodations for special needs students. Those adjustments do not compromise the integrity of the Educational Program.

Health, Physical Education and Civics

Health, physical education and civics are required by Michigan law to be part of a student's high school education. To accomplish those requirements in a manner that exceeds traditional programs, the following approach is suggested:

Health: The health curriculum is embedded in the sciences strand and will be integrated into the sciences. Competencies are identified for student mastery and records kept to indicate a student's accomplishment of the competencies.

Physical Education: Physical education, provided through a diverse model, allows "sports in season" participation, membership in a health club/gymnasium, and/or participation in leisure-time physical fitness activities. Students report monthly on physical fitness activities. Physical education is also offered as a regular class for students in seventh and eighth grades and is available for high school students.

Civics: Civics is embedded in the sciences strand and is important to practices associated with an open learning environment. Students are taught the guiding principles of civics education but will have to live the principles daily as a member of the Academy's learning community. The Academy's Code of Student Conduct is integrated into civics as a partnership in responsibility.

Advanced Placement® ("AP®") Classes

Students enroll in AP courses in areas of interest. All students have the opportunity take the AP course in one of the areas tested. The Academy pays the cost associated with taking an AP course provided the student completes the program of study, takes the AP examination and scores a 3 or higher on the examination.

Community Service

Students become actively engaged in community service as a requirement of graduation. The purpose of the requirement is to provide meaningful service and community learning experiences with the goal of developing students into mature and knowledgeable citizens who take responsibility for communities. Goals include the following:

- To provide meaningful service learning opportunities and community service experiences for students
- To support students' efforts to make voices heard and actions felt on important community issues
- To encourage students and other community members to break down barriers, particularly across ethnic and class lines, and work together to solve common problems
- To foster students' realization of a personal identity as part of a greater whole and nurture passion for active citizenship

Important to the success of the community service program are (1) the emphasis of the humanities program on civic responsibility in all aspects of life, (2) faculty encouraging students to become active participants in school and community affairs, and (3) the active involvement of community leaders in making opportunities available to students. Of course, of extreme importance is the attitude of students toward community service learning through participation and development of an ethic of involvement.

Students prepare for service learning projects through the social studies program. Preparation includes knowledge of national, state and local government; principles of democracy, representative democracy, federalism and states' rights; and seminars on service, methods of effective communication and team building. Students select a respective service project during the seminar and develop a project plan with the seminar leader and the service organization representative.

Travel Abroad

Students whose major area of study encourages study abroad may write foreign travel into the student learning plan. The individual nature of the plan permits students to pursue comprehensive studies while traveling away from the Academy and thus being considered to be enrolled in the educational program of the Academy. Interaction with teachers and mentors and regular progress reports can be transmitted by electronic mail, telephone, telefax and regular mail.

Organization of Student Interventions

Students meet daily with a teacher or teachers for academic acceleration and intervention sessions. These sessions focus upon basic skills in the areas of English, math, scientific inquiry, historical method, primary and secondary research, writing workshop, public speaking, the political process and/or civics. Through a series of written tests, oral examinations and demonstrations, the student demonstrates sufficient mastery of the prerequisite knowledge and skills. The MAS guide the minimal basic skills that a student is required to master.

Requisite Knowledge and Skills

For a student to be classified as a fourth year student and begin design of the senior project (which is scheduled for the third year), the individual must demonstrate competence in the following subject areas:

- reading comprehension at the eleventh grade level as measured on criterion reference tests
- composition skills for expository, narrative and persuasive writing as measured by writing rubrics
- Algebra I and II, geometry competencies as measured by criterion reference tests
- application of the scientific method to real-world situations as demonstrated through science experiments
- local, state and federal government structure and functions as demonstrated in position papers on government in daily lives
- civics and citizenship, principles of democracy as demonstrated by activity within the west Michigan community, especially the student's home community
- application of the historical method to research as demonstrated in a primary research project
- use of basic applications of technology for production and research

A mentorship is a form of learning, which integrates theory and application through experience. The senior project requires a student to do research and develop a project under the direction of a senior project mentor, a school professional, or other Subject Matter Expert (“SME”). Participation in the senior project requires maturity on the part of the student and a strong commitment from the senior project mentor.

Assessment of Student Achievement

The program has been developed to reflect MAS and the MMC with added focus on environmental science. Parents receive timely reports of the child’s progress according to the following levels of achievement as outlined in the Academy’s program of study:

- Competent Mastery of a competency at the 70% level of achievement
- Proficient Mastery of a competency at the 80% level of achievement
- Mastery Mastery of a competency at the 90% level of achievement

If a student has not achieved one of these three levels of achievement, there will not be a designation of progress. The student plan clearly states that the competency must be achieved before the student can complete the requirements of the plan, thus every competency is always a work in progress.

Students assess individual projects, indicating problems encountered and solutions developed. Self-assessment, at a minimum, correlate students’ works to the respective student learning plans. Students are expected to demonstrate the ability to comprehend and to conduct detailed analyses, make leaps of intuition, hypothesize other possibilities and evaluate and improve personal work.

Self-assessment can take many forms, including:

- Writing conferences
- Discussion (small group or individual with teacher/mentor)
- Reflection logs
- Weekly self-evaluations
- Self-assessment checklists and inventories
- Teacher-student interviews

These types of self-assessment require that a student review work to determine what has been learned and what areas of confusion still exist. Students understand the criteria for good work before beginning a project. As students gain experience in evaluating work, the student learns how to set criteria for good work with clarity. Student observations and reflections provide valuable feedback for refining the student learning plan and making it a work in progress.

Appropriate evaluation always compares the student’s current work to earlier work. This evaluation indicates the student’s progress toward the performance standards consistent with the student learning plan and developmental expectations. The teacher’s conclusions about a student’s achievement, abilities, strengths, weaknesses and needs are based on the full range of the student’s development, as documented by the data in the ISLP, and on the teacher/mentor’s knowledge of curriculum and stages of development. The use of an ISLP provides teachers with a comprehensive system for planning parent-teacher conferences. The parent and teacher review concrete examples of the student’s work rather than trying to discuss the child’s progress in the abstract. Open

communication occurs regularly with parents, and parents are informed of the student's performance.

In addition to the levels of achievement, self-assessment, and the ISLP, the Academy utilizes other assessments to monitor student progress. The SAT® is administered to students in eleventh grade, with make-ups available in grade twelve. Additional assessments include teacher made tests, student projects and formative assessments. Teachers use formative assessments to adjust the delivery of instruction and to assist the student in reflecting about the learning. The adjustments provide opportunities for students to achieve and attain the goals established in the ISLP. Teacher made authentic formative assessments are validated by summative assessments that are consistent with MAS proficiency.

Transfer Students—In and Out

A student who enrolls for the first time is required to demonstrate the same level of competence as required of students who have progressed through the Academy educational program for kindergarten through six grades. The transfer student tests on written examinations and oral examinations. Grade placement and course schedules are based on the student's prior report cards and state assessment scores, and on the student's demonstrated performance on written, oral and NWEA MAP examinations.

At the Academy, there is a premium on sound character and citizenship. Students are respected as reasoning, thinking people who assume responsibility for academic achievement and behavior in a results-based learning culture. Parents become active partners with the Academy and the child to ensure a successful educational program.

Curriculum Standards

The MMC is integrated into the Academy's program of studies to ensure that all students are achieving standards as set forth in the MMC as established by the Michigan State Board of Education.

The Academy's Educational Program is intended to prepare students to exceed minimum standards; therefore, students are expected to exceed the "floor" standards and to advance to the application and synthesis levels of learning.

Graduation Requirements

Students qualify for graduation upon satisfactory completion of the senior project, satisfactory or proficient scores on state assessments and successful completion of the MMC. A student must satisfy the accreditation standards promulgated by the Michigan State Board of Education. Additionally, the student must satisfy the graduation requirements established by the Academy Board. The Academy Board believes that the graduation requirements reflect a preparedness to continue education at a four year post-secondary institution. With this in mind, the graduation requirements change slightly from year to year so that the students will not only meet the requirements set by the Michigan State Board of Education and the Academy's environmental science focus, but are challenged with an AP curricula that initiates the beginning of a post-secondary education.

WMAES Graduation Requirements	
2022	2023
English (4 Units)	English (4 Units)
Mathematics (4 Units) including Algebra 1, Algebra II and Geometry	Mathematics (4 Units) including Algebra 1, Algebra II and Geometry
Social Studies (3 Units) including US History, World History, Economics and Geography	Social Studies (3 Units) including US History, World History, Economics and Geography
Science (3.5 Units) including Chemistry and Biology	Science (2.5 Units) including Chemistry and Biology
Environmental Science (2.5 Units)	Environmental Science (2.5 Units)
Technology (1 Unit)	Technology (1 Unit)
World Language (2 Units)	World Language (2 Units)
Physical Education (1 Unit)	Physical Education (1 Unit)
Visual/Applied Arts (1 Unit)	Visual/Applied Arts (1 Unit)
Community Service (30 Hours)	Community Service (30 Hours)
Electives (4 Units)	Electives (4 Units)

2024	2025 & Beyond
English (4 Units)	English (4 Units)
Mathematics (4 Units) including Algebra 1, Algebra II and Geometry	Mathematics (4 Units) including Algebra 1, Algebra II and Geometry
Social Studies (3 Units) including US History, World History, Economics and Geography	Social Studies (3 Units) including US History, World History, Economics and Geography
Science (2.5 Units) including Chemistry and Biology	Science (2.5 Units) including Chemistry and Biology
Environmental Science (2.5 Units)	Environmental Science (2.5 Units)
Technology (1 Unit)	Technology (1 Unit)
World Language (2 Units)	World Language (2 Units)
Physical Education (1 Unit)	Physical Education (1 Unit)
Visual/Applied Arts (1 Unit)	Visual/Applied Arts (1 Unit)
Community Service (30 Hours)	Community Service (30 Hours)
Electives (3 Units)	Electives (3 Units)

Launch U Early College Program

Launch U is a Kent Intermediate School District (“ISD”) program that has partnered with Grand Rapids Community College. The tuition-free, early college opportunity is a specialized early college program. Students can earn their high school diploma and an Associate Degree in Mechanical Design, in just one year beyond high school, or students can graduate in their 12th grade year with an industry recognized certificate. Courses occur at the Kent ISD campus, through an online platform and at on the Grand Rapids Community College campus.

All 9th grade students will be invited to attend an informational session presented by one of the program's leaders. Interested candidates submit applications in the spring of the student's 9th grade year. Complete applications include two teacher recommendations, transcripts, grade point

average and an essay demonstrating the student's interest in the program. Applicants are selected and communicated to by program's leaders.

Student Respect and Responsibility

Children today reach out for adults to provide structure. As parents and educators, boundaries and limits are established for life within a civilized society. Unless appropriate behavior is modeled and taught, students may learn inappropriate behavior by default. The Academy has a strong Code of Student Conduct ("Code") to provide the framework for behaving and learning at school. Parents, the essential partner, are critical to the success of the Code. The Code firmly establishes the responsibilities of the Academy Board, the principal, staff, parents and students, and further spells out the consequences for failing to meet those responsibilities.

Student Activities

Student government is a centerpiece of the students' educational experience. The goals are consistent with the basic tenets of the charter. Vehicles to give students "voice" must be the norm in a learning environment characterized by reason, responsibility and results. Program relevant clubs and organizations have been established and students participate in local, state and national opportunities.

Program Evaluation

The Educational Program is formally evaluated on an annual basis. Effective teaching is essential to the implementation of the Academy's Educational Program. Academy leadership evaluates effective instruction by performing informal and formal teacher observations. The observations provide a platform for quality dialogue for constructive feedback serving to improve instructional practices. Academy staff also meet with leadership to review school performance. Data is collected and analyzed to determine and monitor school improvement goals. Leadership and staff routinely monitor assessment data (e.g., NWEA, state assessment and SAT) to implement needed changes, to ensure adequate growth in all classrooms and to make necessary adjustments to improve the delivery of the Educational Program.

In addition to observations and the examination of data, professional development opportunities and PLC are provided to staff members. Training opportunities and a professional community of learners enhance instructional practices and provide opportunities of collaboration and cooperation with other teachers.

West Michigan Academy of Environmental Science

Contract Amendment No. 4

Tab 2

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, Amplify CKLA™ English language arts (“ELA”) (K-5), Engage NY ELA (6-12), HMH Into Math™ (K-12) and Into AGA™ (6-12), Michigan Association of Intermediate School Administrators (“MAISA”) Rubicon Atlas™ social studies, Choice Schools curriculum and Michigan Model for Health™. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Amplify CKLA <https://ckla.amplify.com/>
- HMH Into Math/AGA <https://www.hmhco.com/programs/into-math>
- Engage NY <https://www.engageny.org/>
- MAISA Social Studies <https://gomaisa-public.rubiconatlas.org/Atlas/Browse/View/Calendars>
- Choice Schools Electronic Curriculum Management System <https://www.choicecurriculum.com>
- 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
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

Secondary

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

Course Name	Grade**	Course Name	Grade**
English (<i>minimum 4</i>)		World Language (<i>minimum 2</i>)	
English 9	9	Spanish I	9-12
English 10	10	Spanish II	9-12
English 11	11		
English 12	12		

Creative Writing	9-12	Visual, Performing & Applied Arts (<i>minimum 1</i>)	
Contemporary Literature	9-12	Art A	9-12
		Art B	9-12
		Digital Media Production	9-12
		Advanced Art	9-12
Mathematics (<i>minimum 4</i>)		Physical Education & Health (<i>minimum .5 each</i>)	
Algebra I	8-9	PE I	9-12
Geometry	9-10	PE II	9-12
Algebra II	10-11		
Pre-Calculus	11-12		
AP Calculus	11-12	Other	
Science (<i>minimum 3</i>)		Environmental Science I	9
Biology	9	Environmental Science II	10
Physical Science	10	Environmental Science III-AP	11
		Environmental Science IV-Senior Project	12
Chemistry	11	Environmental Leadership	9-12
Physics	12	PC Applications	9-12
Anatomy & Physiology	11-12	Website Design	9-12
AP Biology	11-12	Communications	9-12
AP Psychology	10-12	Business	
High School STEAM	9-12	Personal Finance	10-12
Social Studies (<i>minimum 3</i>)		Introduction to Marketing	10-12
US History	9	Entrepreneurial Innovation	11
Economics	10-12	Entrepreneurial Product Design	12
Government	10-12	Entrepreneurial Capstone-Make a Pitch	12
Global Issues	11-12	Business Management	12
History of Science	11-12		
World History	11-12	Off Campus Courses	
Service Learning	11-12	Launch U Courses	10-12
AP US History	11-12		
Big History	9-12		
AP Government	11-12		

* 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 and high school students are required to meet the requirements of the Michigan Merit Curriculum.

**If students are not required to take a course at a specific grade level, “any” is used for the grade indication.

***Virtual Courses are defined as any course(s) that are delivered using the internet.

AMENDMENT NO. 5

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

Issued To

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 5

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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

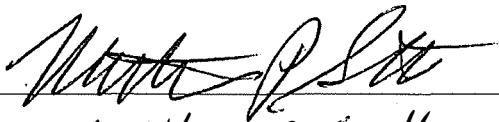
- 1.) Amend the Terms and Conditions of Contract by replacing the language contained within Article X, Section 10.4. Grounds and Procedures for Academy Termination of Contract and Section 10.5. Grounds and Procedures for University Termination of Contract, with the corresponding language attached as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

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall have an effective date of July 1, 2024.



Dated: 06/24/2024

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



Dated: 6/11/24 S.m
9/11/2024

By: Matthew P. Smith
West Michigan Academy of Environmental Science
Designee of the Academy Board

West Michigan Academy of Environmental Science

Contract Amendment No. 5

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.

West Michigan Academy of Environmental Science

Contract Amendment No. 5

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.

West Michigan Academy of Environmental Science

Contract Amendment No. 5

Tab 3

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%

This space left intentionally blank.

Measure 3: Post-Secondary Readiness: Grades 9-11

The ‘on-track’ towards college readiness rates of all students in grades 9-11 will be assessed using the following measures and targets.

Indicator	Measure	Metric	Target
Career and College Readiness (CCR) Standard:	The percentage of full academic year students meeting or surpassing the current career and college readiness benchmarks on the SAT (grade 11) in Evidence-Based Reading and Writing (EBRW) and Math.	For Math & EBRW, distribution (which will be in the form of percentages): Exceeds: % CCR > state average by 20% or more Meets: School % CCR – State Average $\geq 0\% \leq 20\%$ Approaching: School % CCR – State Average $< 0\% \geq -20\%$ Does Not Meet: School % CCR – State Average $< -20\%$	EBRW: Current State Average Math: Current State Average
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:			
Trend Over-Time:	The percentage of full academic year students meeting or surpassing the current career and college readiness benchmarks on the SAT (grade 11) in EBRW and Math 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%
High School Growth:	The percentage of students meeting or surpassing the expected growth between College Board (PSAT/SAT) assessments from spring to spring.	For Math & EBRW, 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%
Comparative Career & College Readiness:	The percentage of students meeting or surpassing the current career & college readiness benchmarks on the SAT (grade 11) will surpass the school’s Composite Resident District 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%
Comparative Graduation Rate:	The 4-year graduation rate for students at the academy will meet or surpass the school’s Composite Resident District’s 4-year graduation rate.	Portfolio Distribution (which will be in the form of –x to +x): Exceeds $\geq 10.0\%$ Meets $\geq 0.0\%$ Does not meet $< 0.0\%$	0%

AMENDMENT NO. 6

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

Issued To

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 6

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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

- 1.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 1.
- 2.) Amend Schedule 7, Section d: Curriculum, by replacing the materials contained therein with the materials 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: 08/26/2024

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



Dated: 8-13-2024

By: Matthew Smith, Board President
West Michigan Academy of Environmental Science
Designee of the Academy Board

West Michigan Academy of Environmental Science

Contract Amendment No. 6

Tab 1

EDUCATIONAL PROGRAMS

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

The Educational Program is designed to provide students with knowledge, skills, and attitudes to exceed performance and behavior measures established by the Academy Board. In addition, the program gives staff parameters in which to perform responsibilities, provides parents and the general public with information on the specialized instructional program of the Academy and the achievement of the students. The Academy's mission statement is the guiding statement for programs and activities.

Mission

West Michigan Academy of Environmental Science ("Academy") strives to provide an environment that will foster creativity, promote academic achievement, and develop sound character and citizenship principles emphasizing responsibility to the environment and society, and improving each child's self-esteem and self-concept.

The Academy is a theme school, a magnet school for children whose parents want children to receive an educational program in which environmental science is integrated into all areas of the curriculum and co-curricular activities. Inherent in the environmental science theme is the use of natural resources as the primary laboratory and the expectation that all children can utilize the scientific method as a sixth sense for learning.

Elementary Education Program Kindergarten through Fifth Grade

Sub-Schools

The Academy divides the larger school into two sub-schools: an elementary sub-school and a secondary sub-school. Resource teachers and learning specialists float between sub-schools.

The teachers of each sub-school, in essence, represent a professional learning community ("PLC") of instructional professionals assigned the responsibility for academic achievement and social development of all children in the "community." Teacher teams work collaboratively to ensure that each child is learning at the appropriate ability level. When a child is "underperforming," the team works together to design an Individual Student Learning Plan ("ISLP"). The term "underperforming" applies equally to the child who is not working up to potential but is making good grades as it does to the child who is failing.

Accelerated Learning

The term that embraces the Academy's instructional model is accelerated learning. The general definition embraces the basic tenets of Henry M. Levin's (1996) Accelerated School model. The goal is to provide all children with challenging academic programs to ensure that all underachieving children learn with peers on the "level playing field" and that all children enjoy the same advantages as gifted and talented children. Working within the PLC, teachers, in partnerships with parents, are the fundamental components of the Accelerated School model. The Academy embraces these basic tenets for the delivery of instruction.

Performance-based Promotion

Student promotion requires mastery of the curriculum scope and sequence for the respective grade levels. Performance-based promotion requires the Academy employ highly qualified teachers and ensure the curriculum, instruction, and assessment are aligned. Reliable, valid information and open communication characterize the partnership between teachers and parents. The Academy recognizes that each child learns at a different pace and establishes achievement checkpoints for student performance. A student who has not satisfactorily mastered the essential knowledge and skills for a grade level is supported through multi-tiered support. The team works with various research-based interventions. Another intervention would include summer school if a student is not mastering grade level standards as measured by grade level and standardized assessments. The team makes decisions on the promotion of a student, the retention of a student, or to promote a student with interventions. At the end of grade three, each student must demonstrate mastery of academic knowledge and skills requisite for promotion to grade four. The Academy uses Acadience to assess student progress in reading on “milestone tasks” and on “enabling skills.” Mastery is determined on the basis of multiple assessments ranging from Acadience assessments in reading, teacher-made tests, student demonstrations of competency and the student’s ISLP. To give students additional learning time, the Academy provides designated intervention time during the school day and extensive summer programs.

Time

To give students additional learning time, the Academy provides Academic Acceleration (intensive and subject-specific individualized tutorials for students who are not performing at grade level), extensive summer programs and parallel scheduling (whenever possible) for core curricula in grades kindergarten through fifth. The school day is structured so that the morning schedule is dedicated to the core curricula areas of reading/language arts, mathematics and social studies. Environmental science is integrated into these three core curriculum areas and science is taught as a stand-alone course to ensure mastery of science standards. If a student is deficient in basic skills and is not able to participate in added time programs, the student’s daily schedule is adjusted to ensure adequate time to achieve and learn with peers on the level playing field.

School Day

The school day includes seven hours and fifteen minutes, of which seven hours and five minutes will be instruction related. Students’ instructional time far exceeds the state’s required instructional time of 1,098 hours. The principal discourages any disruptions to the morning educational program. Instructional time is for instruction required of all students. To maximize student learning, the Academy also provides a full-day kindergarten program.

Instructional Delivery

Pre-Kindergarten

The Academy operates an early childhood education program (Pre-Kindergarten and Great Start Readiness Program). On an annual basis, the Academy shall advise the Center on the current status of its early childhood education program. If changes occur in the Academy’s early childhood education program, the Academy shall file a revised Early Childhood Education Questionnaire with the Center.

Unless permitted under Applicable Law or administrative rule, the Academy shall not use the state school aid funds to establish or operate its early childhood educational program. In accordance with Applicable Law and administrative rule, the Academy shall budget and account for funds and expenses associated with its early childhood educational program.

Lower and Upper Elementary

Elementary school grades use a self-contained model for program delivery. Students have resource teachers in such areas as art, music, physical education and Spanish. Depending on the subject, students remain in the classroom or go to another area of the building or grounds. To prepare students for middle school, the Academy may follow a departmentalized model for program delivery, when appropriate, for accelerated learning, stronger curriculum and deeper content knowledge on the part of staff.

Educators of Excellence

The Academy hires educators who believe that excellence derives from mastering details, comprehending concepts and applying knowledge and skills in the real world. The Academy does not just believe all children can learn, but insists that all children will learn. Pedagogy must make a difference in a child's learning. Students are expected to master materials, apply knowledge to concepts and reflect on learning. Students who attend the Academy understand that this is a theme school and the great outdoors is a natural laboratory. Students must want the outdoors experience, including working the land; searching ponds, streams, lakes and rivers; and working to conserve the environment for future generations. The Academy offers a "hands-on" learning experience to students who choose that type of education.

The Academy will not track children by ability as convinced by evidence that early tracking typecasts children into polarized groups of haves and have-nots, winners and losers, smart and dumb. For slower learners, consigned to watered-down curriculum, the judgment too often becomes a self-fulfilling prophecy. Instead, teachers use differentiated instruction methods to encourage all students to excel by concentrating on and engaging students in meaningful learning activities and by holding students to high academic standards.

The premise for learning is that character development and personal management skills form the basis for schooling. Empowered students take responsibility for personal learning and development. The Academy facilitates learning within an environment that encourages high ethical and academic standards and reinforces the positive values taught at home.

Curriculum

The Academy embraces the Michigan Academic Standards ("MAS") as its minimum standards of learning. The curriculum scope and sequence attempts to extend the minimum standards through accelerated learning practices and differentiated instruction. The scope and sequence aligns to the MAS.

Students can accelerate "forward" for more academic challenge by cross grade learning projects and resource instruction. Students can leave the primary care teacher with a parent's permission. Performance-based promotion does not allow students to go "backward" to a lower grade because

the child has been certified by the prior year's teacher as having achieved the academic knowledge and skills essential to success at the next grade level.

The Academy's curriculum aligns with the MAS. The curriculum is reviewed annually by Choice Schools' Associate Director of Curriculum and Instruction. Accelerated learning principles and differentiated instruction accentuate the need for proper sequencing of learning objectives and experiences.

Content Areas

Reading/Language Arts

The Academy uses a research-based language arts program. The reading instruction includes phonemic awareness and systematic phonics instruction, as well as fluency, vocabulary and text comprehension instruction supplemented with a guided reading program. Emergent readers read leveled books, big books and trade books which feature a blend of phonics and sight word practice.

Through phonemic awareness and systematic phonics instruction, students learn the ability to hear and manipulate the sounds in spoken words and understand that spoken words and syllables are made up of sequences of speech sounds. This is essential to learning to read in an alphabetic writing system because letters represent sounds or phonemes. Furthermore, an understanding of the systematic and predictable relationships between written letters and spoken sounds, and knowledge of these relationships, helps early readers recognize familiar words accurately, automatically and assists in the "decoding" of new words.

However, phonics cannot stand alone; students' ability to read fluently is also important. Fluency instruction teaches students to read and reread a text a certain number of times or until a certain level of understanding is reached. Four readings are sufficient for most students, but oral reading practice is increased through the use of audiotapes, tutors and peer guidance. To further increase fluency, a strong vocabulary base must be taught. The two best strategies for students to learn vocabulary include indirect and direct teaching instruction. Indirect instruction allows students to engage daily in oral language, listen to adults read aloud and read extensively independently. Direct instruction explicitly teaches both individual words and word learning strategies.

The Academy believes that comprehension instruction ties all the pieces together. Comprehension gives students a purpose for reading, focuses attention on the learning and helps students to think actively while reading. Additionally, it helps students to review content and make connections to prior knowledge and new learning. Once reading is taught, the Academy's curriculum intensifies the writing expectations. Students practice recalling readings and write the main details from the story, as well as analyze characters and explain content meaning.

The Academy believes in writing across the curriculum to achieve mastery toward the MAS. Students write for a variety of purposes and projects. Writing assignments include daily short- to long-term projects. Daily projects include, but are not limited to, journals and environmental logs. Short-term assignments include, but are not limited to, letter writing, project proposals, grant writing, environmental reports, Role, Audience, Format, Topic, Strong verb ("RAFTS") strategy and papers that make a real-life connection to the text. Long-term assignments typically involve multiple draft papers and span anywhere from four weeks to an entire year. In addition to writing,

students are taught to edit. Through the process of peer editing, students learn to view writing through a critical eye. Students edit papers on the following content: ideas, organization, voice, word choice, sentence fluency, conventions and presentation.

The Academy has established the foundation for a strong language arts program. In order for the program to grow and maintain higher student achievements, the Academy utilizes PLC to research best practices and close any curriculum gaps that may arise as content changes.

Mathematics

Mathematics as a discipline has its own language, patterns of thinking and conventions. The goal of mathematics is to develop in students the higher-order, problem-solving skills. The Academy's program strives to achieve that goal but believes students need a solid grasp of basic facts as the prerequisite for problem solving within all mathematical operations. A certain amount of practice, including "drill and kill," occurs in the process of learning basic mathematics facts and operations. Students practice concepts and constantly review and confirm skills. Practice also extends to examining different approaches to solving problems in different types of situations. At the Academy, students learn the fundamentals and apply concepts in order to move to the next level of problem solving.

Mathematics typically stands alone as a subject and is seldom integrated into other subjects until students master the fundamental basic skills and operations. A building block approach introduces topics in small increments, one bit building upon another in a natural progression, until the student masters the concepts and the skills through daily and cumulative practice. As bits develop into concepts, students respond to questions and hands-on problem solving situations to make step-by-step progress from mastery and application of basic skills to simple, practical problem solving and higher-order problem solving. As students move toward higher-order problem solving, teachers are encouraged to meet in PLC and integrate environmental science topics into lessons. This increases deep knowledge learning for basic facts and operations, and for problem solving when appropriate.

Science

Science education is two-pronged but interrelated. First, the program of studies introduces students to science concepts at appropriate grade levels to prepare students for the state assessment based on the MAS. Second, the program embeds environmental science topics throughout the curriculum in all subjects. As the Academy is located on a diverse 62-acre parcel of land, many natural resources (e.g., Lake Michigan and Grand River for the study of water and water life) are accessible for use by staff and students. An Environmental Specialist works directly with instructional staff to bring lesson plans to life. The specialist is central to the delivery of a unique, hands-on curriculum with environmental science integration.

The Academy uses a spiral format to deliver environmental science topics. Kindergarten students learn basic science facts in a hands-on setting where students can apply simple facts to real world situations. The spiral works much like a column of content; simple to complex, recitation to problem solving. The natural resources of the region serve as the laboratory of the Academy's environmental theme. Students receive direct, hands-on learning opportunities in which to experiment and observe.

The monthly environmental science themes have been identified for teachers to integrate across the curriculum. The monthly themes are as follows:

- Ecosystems & living things; water
- Weather & climate
- Winter ecology
- Space exploration & environmental global issues
- Science fair
- Natural history
- Energy
- Land use
- Agriculture

To further promote environmental studies, sixth grade students, with parental permission, participate in an overnight (two to four nights) Environmental Awareness Camp experience. The camp is under the guidance of the Environmental Specialist supported by staff and parent volunteers.

The Academy also sponsors an annual competitive science fair learning experience. Students work with staff advisors and prepare a science fair entry. Entries are reviewed by peers and made available for public view. A panel of judges, including local media and Academy Board representation, offers insight and feedback on fair entries and has the responsibility of judging entries. Additionally, as a community outreach program, the Academy endeavors to partner with local farm organizations and provide spring and summer opportunities for community gardening.

Social Studies

Social studies represent the integrated study of the social sciences and environmental stewardship to promote civic competence and good citizenship. Emphasis is placed on the principles of democracy. Practical, real-world environmental issues are processed through democratic institutions in a representative democracy.

The social studies curriculum is designed to develop enlightened citizens. Students are active members of a club or organization serving to improve the Academy and/or home community through active citizen involvement.

Resource Programs

Resource programs may be offered by qualified teachers in the curricular areas of:

- arts (visual art and possibly instrumental music)
- physical education
- foreign language

Arts

The Academy wishes to make the arts (e.g., art, drama, music and dance) an indispensable component of a child's education, while at the same time placing the strongest emphasis on the basic skills of reading, writing, speaking, arithmetic, application of scientific knowledge and citizenship. The arts offer children opportunities to assimilate and apply learning in ways relevant and meaningful to personal experiences. The enhanced skills of communication, analysis and self-

expression enable students to understand the surrounding world. In art, students become acquainted with great painters, sculptors and architects. Children refine the ability to interpret art by examining diverse art works, discussing the elements (e.g., perspective, proportion and scale) present in the works and by learning about characteristics of art from different periods. Doing is very important to art instruction and students get the opportunity to create drawings, paintings and sculptures.

The classroom teacher integrates the arts into the core curriculum while the art resource teacher provides appropriate and specialized instruction in visual art. Art and music activities nurture creativity. Students get practice imagining, experimenting, solving problems, thinking independently and making independent decisions. As a result, students gain pride in accomplishment.

The best way for children to explore the arts is through participation. Active practice at painting, drawing, sculpting, singing and playing simple instruments paves the way to understanding and to self-expression. Instruction in art includes activities such as painting, drawing and craft making. Students learn about elements such as shape, form, color and texture, and examine famous examples of sculpture, painting, photography, design and architecture, as well as folk art. In addition to being a medium of self-expression, art skills are useful to the individual in communications and related careers. Early exposure to the right art instruction allows the child to become art literate and able to access the creativity and expression natural to the child and bring it forward into adulthood.

Lessons take place on three fronts: creative, analytical and historical. Students learn much by looking at outstanding examples of art, listening to different types of wonderful music, reading about composers and artists, learning about some artistic and music concepts and terms, and studying the cultures and periods in which works were produced. Teachers at all levels utilize art activities in regular instruction. The art resource teacher acts as a coordinator to work with teachers, as well as students, to bring the creative spirit into art explorations.

Music

Music is integrated into the core curriculum by the classroom teacher, whenever appropriate, and specialized instruction is provided by the music resource teacher. At the lower elementary level, music instruction focuses on students singing, playing games and experimenting with different instruments. Students learn the concepts such as rhythm, pitch, volume and how to read music. In addition, students become familiar with different instruments and the sounds, and listen to a wide range of recordings. In the upper elementary grades, music instruction expands to include more background knowledge about great art and music from various cultures. When studying a work, students learn about the historical and cultural context of the time in which the piece was created.

In music, students become familiar with famous composers and sample a wide range of recordings ranging from Gregorian chants and classical music to American folk songs and popular music. Students continue to learn more about elementary music theory and about reading music. In addition, students also play some instruments (e.g., keyboard and recorder). Formal instruction in musical instruments for interested children may be provided as after-school enrichment.

Physical Education

Physical education is provided for students in kindergarten through grade five. Organized physical education provides knowledge, skills and motivation needed for a lifetime of health and exercise. The physical education program aligns with the Academy's character education program. Students learn about teamwork, the importance of playing fairly, winning gracefully, and accepting defeat in good spirit. Physical education contributes to academic achievement as disciplined activity sharpens both mental acuity and an individual's appetite for learning.

Lower elementary students begin with such physical skills as running, jumping, throwing, catching and kicking. In addition, simple games and exercises such as rope jumping, foot races, dances, simple gymnastics and stretching build body control and coordination. Exercise as a valid part of life is professed, taught and modeled by adults. Instruction encourages fitness, respect for rules, sportsmanship, safety and the proper use of equipment. Activities give practice in rhythm, agility, balance, changing direction and building speed. The use of kinetic energy to relieve stress, cooperate with a team or compete for success is basic to the physical education of children.

In upper elementary grades, students take the skills learned in earlier grades and apply to popular American team sports (e.g., soccer, basketball and softball) and individual sports (e.g., tumbling, foot races and in-line skating). Students learn rules and skills. Each child is encouraged to choose an activity such as running or basketball, which can translate into a lifelong habit of exercise and physical activity. Students learn about healthy competition and the value of striving toward achieving a team or individual goal. Athletics are an excellent place to learn the value of being a good sport and about winning and losing in other aspects of life. Students participate in a wide range of competitive and noncompetitive activities which build stamina, strength and agility. Activities continue to emphasize fitness, respect for rules, sportsmanship, safety and proper use of equipment.

Foreign Language

The Academy offers Spanish language instruction to students. The foreign language program teaches students the root words of fundamental languages. The curriculum focuses on a single language at certain grade levels. Students learn to read, write and speak through lessons focusing on acquisition skills.

Co-Curricular Programs

The Academy encourages student organizations related to environmental science. All teachers are encouraged to sponsor a school-related student organization to involve all children in sustaining the environment and to develop sound conservation and protection habits to carry into adulthood.

Emotional Intelligence

Academic schooling concerns itself with abstract intelligence (the ability to understand and manipulate with verbal and mathematics symbols) and concrete intelligence (the ability to understand and manipulate with objects). Leadership and performance studies (Goleman, 1998) suggest that social intelligence, the ability to understand and relate to people, is important to educating boys and girls as enlightened citizens and responsible family and community members.

Central to social intelligence is emotional intelligence. Goleman defines emotional intelligence as “the capacity for recognizing our own feelings and those of others, for motivating ourselves, and for managing emotions well in ourselves and in our relationships. Emotional intelligence describes abilities distinct from, but complementary to, academic intelligence, the purely cognitive capacities measured by IQ.” Goleman categorizes emotional intelligence into the five basic emotional and social competencies of self-awareness, self-regulations, motivation, empathy and social skills.

Emotional intelligence assists students in overcoming conflict and resolving disputes. Further, emotional intelligence enables teachers to understand learning difficulties, develop teaching strategies, design assessment techniques and help students understand the role in the community as team members, students, family and caretakers. Individuals with high emotional intelligence often outperform people with higher levels of intellectual intelligence.

The Academy encourages teachers and support staff to participate in ongoing training in emotional intelligence and the application in school settings. A focal point of the training is to empower teachers with the knowledge and skills to carry out emotional literacy prevention programs. The most effective programs in emotional literacy developed as a response to violence and conflict resolution.

Learning Strategies

To raise academic performance, the Academy examines the manner in which individual students learn. The goal of teaching learning strategies is the development of a learner who actively and effectively monitors learning. To assist with learning strategies, instructional staff follow a common lesson plan framework.

Examples of effective learning strategies include the following:

- setting goals and planning an approach
- focusing attention on the information that is most important
- forming mental frameworks for organizing and understanding information
- linking new ideas with prior knowledge in order to make connections and add personal meaning
- monitoring personal comprehension of material to be learned and recognizing when one needs to change the learning approach (Derry 1989, Thomas 1993 Raforth, Leal, and Defabo 1993, and Weinstein et.al. 1999)

Teaching learning strategies makes significant differences in students’ academic performance, creates independent learners and builds self-confidence. Learning strategies address the needs of all learners (e.g., below grade level and gifted and talented) and students practice and apply the strategies across the curriculum. Assessment ensures learning strategies become part of each student’s regular learning repertoire.

Teachers also model strategic thinking. Teachers talking about thinking and doing may help children to better understand the thought process. The teacher who consistently “thinks out loud” and encourages it on the part of students also has an excellent diagnostic tool available (ERS, 2000).

Educational Program Development (“EDP”)

To further empower students, the Academy requires students to create an EDP. An EDP is a document that reflects student educational and career goals, methods to achieve these goals and student activities and achievements. A student designs an EDP under the supervision of an academic specialist. Each EDP contains the following essential elements: personal information such as the student’s name, date of birth and grade level; education, training and career goals; assessment results, both career- and academic-related; and a plan of action, including high school course selections, expected graduation date and timeline for college application.

Students develop an EDP in seventh grade. Starting the EDP in middle school assists students in planning for high school curriculum and post-secondary goals. An EDP is updated as student interests and abilities become more evident and focused.

Special Education and Section 504

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

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

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

The special education program uses the inclusion model for providing programs and services to students with IEPs. Each individual IEP is tailored to the individual needs of the student; this might include a pull out model or an inclusion model. The IEP team always takes into consideration the least restrictive environment for each student. If a student is pulled-out from class, the intervention/service/program must be described in an IEP or a 504 Plan. The staff recognize and honor the educational program stated in an IEP for a student in special education, or a 504 plan for a qualified student.

Secondary Educational Program Sixth through Twelfth Grades

The mission statement guides the Educational Program and practices for grades six through twelve.

Educational Program – General Characteristics

The Academy's high school program is characterized by:

- a focus on the core curriculum and environmental science and by co-curricular offerings in the arts and humanities for interested students
- integrated (interdisciplinary) units of study
- self-paced, individualized and competency-based lessons
- technology integration
- assessing at three levels of achievement: competent (70%), proficient (80%), and mastery (90%) through multiple means of assessment, ranging from state assessments aligned with the Michigan Merit Curriculum ("MMC"), Northwest Evaluation Association™ ("NWEA™") Measures of Academic Progress® ("MAP®") Growth™, and SAT®/ACT® test, to demonstrations of authentic works
- Michigan Merit Graduation Units along with dual enrollment with post-secondary credit Environmental Science Specialists who coordinate the integration of environmental science across the curriculum true to the basic tenets of the charter.

Program of Studies

The program of study provides learning modules in the following areas:

1. Sciences
 - a. Comprehensive environmental sciences (e.g., agriculture and agribusiness, anatomy and physiology, astronomy, botany, chemistry, ecosystems, energy, health and medicine, mathematics, meteorology, microbiology, physics, and zoology)
 - b. Social sciences (e.g., anthropology, geography, demographics, and economics)
2. Community Service
 - a. Volunteer service required annually
 - b. Senior community service project
 - c. Occupations and work ethic
3. Senior demonstration project based on student's major emphasis of study

Program Responsibility

High school is a time to try out interests, to take some risks and to measure oneself against the task. The first responsibility is always to oneself, to discover one's potential, interests and limitations. Teachers and parents are critical partners in the child's education. There must be open, honest dialogue and communication structures to ensure students and parents clearly know the student's status of progress in school.

Student Learning Plan

The educational program is the responsibility of the stakeholders: student-parent-teacher. Each student works with a project design team consisting of a teacher (or teachers) and parent(s) to evaluate the ISLP. In the spring of the second and third years, the ISLP is expanded on the basis of the student's progress to that point in time. All parties through the first three years of high school must approve the plan.

High School Students: Students complete opportunities to demonstrate shared inquiry and project planning. The student must also demonstrate skills in the use of technology for word processing, spreadsheets, databases and Internet searches. The students begin practicing the skills leading up to the senior project. Students research, design, problem solve and present material to stakeholders. These experiences can be seen in each high school class.

Fourth-Year Students/Senior Project: The senior student continues the major area of study and constructs two plans: occupational and community service. The two plans assist the student in pursuing post-high school plans and finding a place in the community as a citizen and a learner. In their senior year, the student presents the senior project which is a presentation or demonstration of the major area of study.

The student learning plan consists of the following minimum components:

- Requisite competencies (an outline of academic knowledge and skills that demonstrate the student's readiness for the learning module);
- Core competencies (essential knowledge and skills that must be learned in this module);
- Interdisciplinary platforms for learning (structure/framework for student-centered inquiry into the topic; context within which students identify essential questions which generate content sequences);
- Assessments (means by which student achievement of core competencies and higher order thinking are measured).

Throughout the four (or more) years in the Academy, students participate actively in community events concerning environmental science. Students in the fourth year participate in activities associated with the individual's major area of study and senior project.

Program Delivery

The core curriculum competencies coincide with the MAS for graduation. The Academy uses the MMC analysis and SAT/ACT alignment as guides for measuring student achievement against the MAS. To be promoted from one grade to the next, the student demonstrates mastery in the core curriculum competencies.

The most difficult component of an integrated, self-paced competency-based program is management by the student and the teacher. The ownership students take regarding education reflects the mission of the Academy. The environment, structure and content promote the self-learner concept in which students participate in constructing a personal knowledge base and learning problem-solving strategies. The scope of students' education extends beyond the traditional classroom as students interact with mentors, the community and the physical environment.

First, the student (with close guidance from parents) must be responsible and reliable. Learning is the product of student inquiry into the topic. The student is the point of convergence for learning. Each student has a learning style, just as each teacher has a teaching style. In designing the program for a student, care is taken to incorporate the work of Howard Gardner on multiple intelligences, Daniel Goleman on emotional intelligence and Eric Jensen on brain-compatible learning. This is

an important component in staff development, the introductory student seminar and developing the student learning plan.

Second, the teacher acts as a resource person, a guide to the student and is firm in expressing expectations and demanding excellence. The teacher must be gifted in inquiry-based instruction, authentic assessment, human relations skills with parents and students and in the use of technology. The teacher is an instructional leader.

Third, technology is critical to every phase of learning: presentation, research, expression and managing data. Technology becomes the infrastructure for learning and is interwoven into each strand of study. Technology is consistently used in all strands of study to enrich instruction and provide a deeper learning experience. Technology is also utilized for science fair and senior projects. All students are issued wireless network accounts for use in producing and storing educational products.

Fourth, the Academy community becomes the laboratory for learning. The classroom is wherever the resource is located. It may be a farm, golf course, or ski slope; Lake Michigan, or a puddle out back; the reservation, or the river; the community college, or a nursing home; distance learning, or working with a hoe; or on a fishing boat, library, foreign country; a soup kitchen, or the hospital; the surrounding which best contributes to the project's learning outcomes is the student's laboratory.

A challenge in a project-based instructional program is instruction in the core curriculum: English, mathematics, sciences, social sciences and foreign language. In the first and second years, students take coursework to strengthen or accelerate knowledge and skills in academic core courses. In English, major emphasis is placed on analytical thinking skills and writing. Literature is correlated to the humanities to reinforce interdisciplinary studies. Science and mathematics courses emphasize processes, applications and data analysis that prepare the student to engage in research projects.

Select years that a student is involved in a science course or project, the student submits a science fair project to be exhibited at a school-wide science exhibition. Students can also enter "open entry" science fairs in the region, including the community college or four-year colleges. The sophistication of science fair entries, including statistical analysis of data, must increase significantly each year.

In selected foreign languages, the Academy uses a proficiency framework as a primary basis for determining student performance.

Thinking skills are integrated into each of the core disciplines. Reading comprehension specifically addresses the following thinking skills: comparison/contrast, drawing conclusions, making judgments based on context clues and critical analysis of literature. The various modes of discourse in writing require logical reasoning, analytical thinking and creative thinking. Problem-solving skills are a basic requirement in math. Divergent, inventive and analytical thinking are necessary to succeed in a research-based science curriculum. In social sciences, learning experiences that are analytical, evaluative and critical as well as creative in scope, will be mastered. Students learn to

distinguish between and use primary sources and secondary sources in developing analytical and problem-solving projects. Students are also required to pass a geography competency test.

The difference in project work and traditional classroom time is apparent. One is inquiry and student centered, and the other is content and teacher centered. Both are essential to meeting the literacy, developmental and reasoning needs of all students. Both types of learning are integral to the charter's vision and supplement and complement one another. A student must have the basic skills to be successful with higher-order thinking. Katz (1994) differentiates systematic instruction and project work in the following manner:

Systematic instruction (1) helps children acquire skills, (2) addresses deficiencies in children's learning, (3) stresses extrinsic motivation, and (4) allows teachers to direct the children's work, use expertise, and specify the tasks that the children perform. Project work, in contrast (1) provides children with opportunities to apply skills (2) addresses children's proficiencies (3) stresses intrinsic motivation, and (4) encourages children to determine what to work on and accepts the student as experts about individual needs. Both systematic instruction and project work have an important place in the curriculum.

The use of themes (broad concept or topic) and units (pre-planned lessons and activities) in systematic instruction assist students in learning the skills required for project work. The teacher shares responsibility with the student in making the transition from systematic instruction to project work.

Special needs students flourish in the Academy. Research and experience indicate that many special needs individuals are truly gifted and talented in technology and the sciences. The instructional model for special education is the immersion model, which calls for special needs students to work side by side with the regular education peers in all subjects. There may be an occasional need for special instruction or accommodations for special needs students. Those adjustments do not compromise the integrity of the Educational Program.

Health, Physical Education and Civics

Health, physical education and civics are required by Michigan law to be part of a student's high school education. To accomplish those requirements in a manner that exceeds traditional programs, the following approach is suggested:

Health: The health curriculum is embedded in the sciences strand and will be integrated into the sciences. Competencies are identified for student mastery and records kept to indicate a student's accomplishment of the competencies.

Physical Education: Physical education, provided through a diverse model, allows "sports in season" participation, membership in a health club/gymnasium, and/or participation in leisure-time physical fitness activities. Students report monthly on physical fitness activities. Physical education is also offered as a regular class for students in seventh and eighth grades and is available for high school students.

Civics: Civics is embedded in the sciences strand and is important to practices associated with an open learning environment. Students are taught the guiding principles of civics education but will have to live the principles daily as a member of the Academy's learning community. The Academy's Code of Student Conduct is integrated into civics as a partnership in responsibility.

Advanced Placement® (“AP®”) Classes

Students enroll in AP courses in areas of interest. All students have the opportunity to take the AP course in one of the areas tested. The Academy pays the cost associated with taking an AP course provided the student completes the program of study, takes the AP examination and scores a 3 or higher on the examination.

Community Service

Students become actively engaged in community service as a requirement of graduation. The purpose of the requirement is to provide meaningful service and community learning experiences with the goal of developing students into mature and knowledgeable citizens who take responsibility for communities. Goals include the following:

- To provide meaningful service learning opportunities and community service experiences for students
- To support students' efforts to make voices heard and actions felt on important community issues
- To encourage students and other community members to break down barriers, particularly across ethnic and class lines, and work together to solve common problems
- To foster students' realization of a personal identity as part of a greater whole and nurture passion for active citizenship

Important to the success of the community service program are (1) the emphasis of the humanities program on civic responsibility in all aspects of life, (2) faculty encouraging students to become active participants in school and community affairs, and (3) the active involvement of community leaders in making opportunities available to students. Of course, of extreme importance is the attitude of students toward community service learning through participation and development of an ethic of involvement.

Students prepare for service learning projects through the social studies program. Preparation includes knowledge of national, state and local government; principles of democracy, representative democracy, federalism and states' rights; and seminars on service, methods of effective communication and team building. Students select a respective service project during the seminar and develop a project plan with the seminar leader and the service organization representative.

Travel Abroad

Students whose major area of study encourages study abroad may write foreign travel into the student learning plan. The individual nature of the plan permits students to pursue comprehensive studies while traveling away from the Academy and thus being considered to be enrolled in the

educational program of the Academy. Interaction with teachers and mentors and regular progress reports can be transmitted by electronic mail, telephone, telefax and regular mail.

Organization of Student Interventions

Students meet daily with a teacher or teachers for academic acceleration and intervention sessions. These sessions focus upon basic skills in the areas of English, math, scientific inquiry, historical method, primary and secondary research, writing workshop, public speaking, the political process and/or civics. Through a series of written tests, oral examinations and demonstrations, the student demonstrates sufficient mastery of the prerequisite knowledge and skills. The MAS guide the minimal basic skills that a student is required to master.

Requisite Knowledge and Skills

For a student to be classified as a fourth year student and begin design of the senior project (which is scheduled for the third year), the individual must demonstrate competence in the following subject areas:

- reading comprehension at the eleventh grade level as measured on criterion reference tests
- composition skills for expository, narrative and persuasive writing as measured by writing rubrics
- Algebra I and II, geometry competencies as measured by criterion reference tests
- application of the scientific method to real-world situations as demonstrated through science experiments
- local, state and federal government structure and functions as demonstrated in position papers on government in daily lives
- civics and citizenship, principles of democracy as demonstrated by activity within the west Michigan community, especially the student's home community
- application of the historical method to research as demonstrated in a primary research project
- use of basic applications of technology for production and research

A mentorship is a form of learning, which integrates theory and application through experience. The senior project requires a student to do research and develop a project under the direction of a senior project mentor, a school professional, or other Subject Matter Expert ("SME"). Participation in the senior project requires maturity on the part of the student and a strong commitment from the senior project mentor.

Assessment of Student Achievement

The program has been developed to reflect MAS and the MMC with added focus on environmental science. Parents receive timely reports of the child's progress according to the following levels of achievement as outlined in the Academy's program of study:

- Competent - Mastery of a competency at the 70% level of achievement
- Proficient - Mastery of a competency at the 80% level of achievement
- Mastery - Mastery of a competency at the 90% level of achievement

If a student has not achieved one of these three levels of achievement, there will not be a designation of progress. The student plan clearly states that the competency must be achieved

before the student can complete the requirements of the plan, thus every competency is always a work in progress.

Students assess individual projects, indicating problems encountered and solutions developed. Self-assessment, at a minimum, correlate students' works to the respective student learning plans. Students are expected to demonstrate the ability to comprehend and to conduct detailed analyses, make leaps of intuition, hypothesize other possibilities and evaluate and improve personal work.

Self-assessment can take many forms, including:

- Writing conferences
- Discussion (small group or individual with teacher/mentor)
- Reflection logs
- Weekly self-evaluations
- Self-assessment checklists and inventories
- Teacher-student interviews

These types of self-assessment require that a student review work to determine what has been learned and what areas of confusion still exist. Students understand the criteria for good work before beginning a project. As students gain experience in evaluating work, the student learns how to set criteria for good work with clarity. Student observations and reflections provide valuable feedback for refining the student learning plan and making it a work in progress.

Appropriate evaluation always compares the student's current work to earlier work. This evaluation indicates the student's progress toward the performance standards consistent with the student learning plan and developmental expectations. The teacher's conclusions about a student's achievement, abilities, strengths, weaknesses and needs are based on the full range of the student's development, as documented by the data in the ISLP, and on the teacher/mentor's knowledge of curriculum and stages of development. The use of an ISLP provides teachers with a comprehensive system for planning parent-teacher conferences. The parent and teacher review concrete examples of the student's work rather than trying to discuss the child's progress in the abstract. Open communication occurs regularly with parents, and parents are informed of the student's performance.

In addition to the levels of achievement, self-assessment, and the ISLP, the Academy utilizes other assessments to monitor student progress. The SAT® is administered to students in eleventh grade, with make-ups available in grade twelve. Additional assessments include teacher made tests, student projects and formative assessments. Teachers use formative assessments to adjust the delivery of instruction and to assist the student in reflecting about the learning. The adjustments provide opportunities for students to achieve and attain the goals established in the ISLP. Teacher made authentic formative assessments are validated by summative assessments that are consistent with MAS proficiency.

Transfer Students—In and Out

A student who enrolls for the first time is required to demonstrate the same level of competence as required of students who have progressed through the Academy educational program for kindergarten through six grades. The transfer student tests on written examinations and oral

examinations. Grade placement and course schedules are based on the student's prior report cards and state assessment scores, and on the student's demonstrated performance on written, oral and NWEA MAP examinations.

At the Academy, there is a premium on sound character and citizenship. Students are respected as reasoning, thinking people who assume responsibility for academic achievement and behavior in a results-based learning culture. Parents become active partners with the Academy and the child to ensure a successful educational program.

Curriculum Standards

The MMC is integrated into the Academy's program of studies to ensure that all students are achieving standards as set forth in the MMC as established by the Michigan State Board of Education.

The Academy's Educational Program is intended to prepare students to exceed minimum standards; therefore, students are expected to exceed the "floor" standards and to advance to the application and synthesis levels of learning.

Graduation Requirements

Students qualify for graduation upon satisfactory completion of the senior project, satisfactory or proficient scores on state assessments and successful completion of the MMC. A student must satisfy the accreditation standards promulgated by the Michigan State Board of Education. Additionally, the student must satisfy the graduation requirements established by the Academy Board. The Academy Board believes that the graduation requirements reflect a preparedness to continue education at a four year post-secondary institution. With this in mind, the graduation requirements change slightly from year to year so that the students will not only meet the requirements set by the Michigan State Board of Education and the Academy's environmental science focus, but are challenged with an AP curricula that initiates the beginning of a post-secondary education.

WMAES Graduation Requirements	
2024	2025 & Beyond
English (4 Units)	English (4 Units)
Mathematics (4 Units) including Algebra 1, Algebra II and Geometry	Mathematics (4 Units) including Algebra 1, Algebra II and Geometry
Social Studies (3 Units) including US History, World History, Economics and Geography	Social Studies (3 Units) including US History, World History, Economics and Geography
Science (2.5 Units) including Chemistry and Biology	Science (2.5 Units) including Chemistry and Biology
Environmental Science (2.5 Units)	Environmental Science (2.0 Units)
Technology (1 Unit)	Technology (1 Unit)
World Language (2 Units)	World Language (2 Units)
Physical Education (1 Unit)	Physical Education (1 Unit)
Visual/Applied Arts (1 Unit)	Visual/Applied Arts (1 Unit)
Community Service (30 Hours)	Community Service (30 Hours)
Electives (3 Units)	Electives (3.5 Units) including Capstone

Launch U Early College Program

Launch U is a Kent Intermediate School District (“ISD”) program that has partnered with Grand Rapids Community College. The tuition-free, early college opportunity is a specialized early college program. Students can earn their high school diploma and an Associate Degree in Mechanical Design, in just one year beyond high school, or students can graduate in their 12th grade year with an industry recognized certificate. Courses occur at the Kent ISD campus, through an online platform and on the Grand Rapids Community College campus.

All 9th grade students will be invited to attend an informational session presented by one of the program's leaders. Interested candidates submit applications in the spring of the student's 9th grade year. Complete applications include two teacher recommendations, transcripts, grade point average and an essay demonstrating the student's interest in the program. Applicants are selected and communicated to by program's leaders.

Student Respect and Responsibility

Children today reach out for adults to provide structure. As parents and educators, boundaries and limits are established for life within a civilized society. Unless appropriate behavior is modeled and taught, students may learn inappropriate behavior by default. The Academy has a strong Code of Student Conduct (“Code”) to provide the framework for behaving and learning at school. Parents, the essential partner, are critical to the success of the Code. The Code firmly establishes the responsibilities of the Academy Board, the principal, staff, parents and students, and further spells out the consequences for failing to meet those responsibilities.

Student Activities

Student government is a centerpiece of the students' educational experience. The goals are consistent with the basic tenets of the charter. Vehicles to give students “voice” must be the norm in a learning environment characterized by reason, responsibility and results. Program relevant clubs and organizations have been established and students participate in local, state and national opportunities.

Program Evaluation

The Educational Program is formally evaluated on an annual basis. Effective teaching is essential to the implementation of the Academy's Educational Program. Academy leadership evaluates effective instruction by performing informal and formal teacher observations. The observations provide a platform for quality dialogue for constructive feedback serving to improve instructional practices. Academy staff also meet with leadership to review school performance. Data is collected and analyzed to determine and monitor school improvement goals. Leadership and staff routinely monitor assessment data (e.g., NWEA, state assessment and SAT) to implement needed changes, to ensure adequate growth in all classrooms and to make necessary adjustments to improve the delivery of the Educational Program.

In addition to observations and the examination of data, professional development opportunities and PLC are provided to staff members. Training opportunities and a professional community of learners enhance instructional practices and provide opportunities of collaboration and cooperation with other teachers.

West Michigan Academy of Environmental Science

Contract Amendment No. 6

Tab 2

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, Amplify CKLA™ English language arts (“ELA”) (K-5), Engage NY ELA (6-12), HMH Into Math™ (K-12) and Into AGA™ (6-12), Michigan Association of Intermediate School Administrators (“MAISA”) Rubicon Atlas™ social studies, Choice Schools curriculum and Michigan Model for Health™. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- Amplify CKLA <https://ckla.amplify.com/>
- HMH Into Math/AGA <https://www.hmhco.com/programs/into-math>
- Engage NY <https://www.engageny.org/>
- MAISA Social Studies <https://gomaisa-public.rubiconatlas.org/Atlas/Browse/View/Calendars>
- Choice Schools Electronic Curriculum Management System <https://www.choicecurriculum.com>
- 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
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

Secondary

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

Course Name	Grade**	Course Name	Grade**
English (<i>minimum 4</i>)		World Language (<i>minimum 2</i>)	
English 9	9	Spanish I	9-12
English 10	10	Spanish II	9-12
English 11	11		
English 12	12	Visual, Performing & Applied Arts (<i>minimum 1</i>)	
Creative Writing (.5)	9-12	Art A (.5)	9
Contemporary Literature (.5)	9-12	Art B (.5)	9

Course Name	Grade**
Communications Eagle Newsletter (.5)	9-12
Yearbook (.5)	9-12
English Composition I (CMU Dual Enrollment EN 101)	11-12
Mathematics (<i>minimum 4</i>)	
Pre-Algebra	9
Algebra I	9-10
Geometry	10-11
Algebra II	11-12
Pre-Calculus	12
Statistics (.5)	9-12
Personal Finance (.5)	9-12
AP Calculus	12
Science (<i>minimum 4.5</i>)	
Biology	9
Chemistry	10-12
Environmental Science	10-12
Zoology	10-12
Physics (.5)	10-12
Astronomy (.5)	10-12
AP Biology	11-12
AP Environmental Science	11-12
Anatomy & Physiology (.5)	11-12
High School STEAM (.5)	9-12
Social Studies (<i>minimum 3</i>)	
US History	9
World History	10-12
Economics (.5)	10-12
Government (.5)	10-12
Global Issues (.5)	9-12
AP US History	11-12
AP Government	11-12

Course Name	Grade**
Art Appreciation (.5)	9-12
Advanced Drawing (.5)	9-12
Physical Education & Health (<i>minimum 1</i>)	
PE I	9
Fitness/Conditioning (.5)	9-12
Recreation Sports (.5)	9-12
Technology (<i>minimum 1</i>)	
PC Applications A	9-12
PC Applications B	9-12
Website Design (.5)	9-12
Communications Eagle TV (.5)	9-12
Other	
Senior Capstone (.5)	12
Service Learning (.5)	12
Environmental Leadership	9-12
Internship	11-12
SAT Prep	11
Off Campus Courses	
Launch U Courses	10-12
Dual Enrollment	11-12
KCTC	11-12

* 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 and high school students are required to meet the requirements of the Michigan Merit Curriculum.

**If students are not required to take a course at a specific grade level, “any” is used for the grade indication.

***Virtual Courses are defined as any course(s) that are delivered using the internet.

AMENDMENT NO. 7

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

Issued To

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

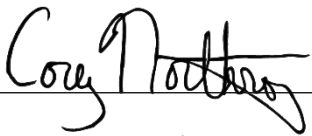
CONTRACT AMENDMENT NO. 7

WEST MICHIGAN ACADEMY OF ENVIRONMENTAL SCIENCE

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

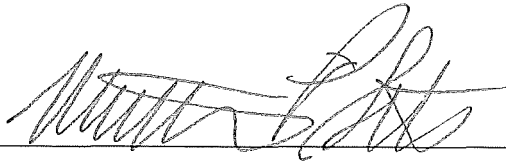
- 1.) Amend the Terms and Conditions of Contract by replacing the language contained within Article IV, Section 4.5. Prohibition of Identified Family Relationships, subsection (b), with the language attached as Tab 1.
- 2.) Further amend the Terms and Conditions of Contract by inserting at the end of Article XII: General Terms, the language attached as Tab 2.
- 3.) Amend Schedule 2: Amended Bylaws, by replacing the language contained within Article XIII, Section 6. Contracts Between Corporation and Related Persons and Article IX: Indemnification, with the corresponding language attached as Tab 3.
- 4.) Amend Schedule 4: Oversight, Compliance and Reporting Agreement, by inserting at the end of Article II, Section 2.2. Compliance and Reporting Duties, the language attached as Tab 4.

This entire amendment is hereby approved by the University Board and the Academy Board through their authorized designees, and shall become effective upon execution by the Designee of the University Board.



Dated: 05/27/2025

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



Dated: 5/13/25

By: Matthew Smith, Board President
West Michigan Academy of Environmental Science
Designee of the Academy Board

West Michigan Academy of Environmental Science

Contract Amendment No. 7

Tab 1

Terms and Conditions: Article IV, Section 4.5(b)

- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or Schedule 2: Amended Bylaws. For purposes of this subsection, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

West Michigan Academy of Environmental Science

Contract Amendment No. 7

Tab 2

Terms and Conditions: Article XII, Section 12.24

Section 12.24. Required Statutory Disclosures. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:

- (a) Unless prohibited by a local ordinance or local zoning authority, signage that is on the Academy's property and is erected, repaired, or installed on or after April 2, 2025;
- (b) Promotional material that is created, modified, or distributed on or after April 2, 2025;
- (c) The footer of the Academy's website pages; and
- (d) The student application that is required to be enrolled in the Academy.

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.503.

West Michigan Academy of Environmental Science

Contract Amendment No. 7

Tab 3

Amended Bylaws: Article VIII, Section 6

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

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

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

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy Board employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and

- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

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

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

The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. If an Academy Board member discloses any prohibited familial relationships in the annual disclosure, or if the University finds that an Academy Board member has failed to disclose a prohibited familial relationship, that Academy Board member shall be removed from office, in accordance with the removal provisions found in the Resolution or these Amended Bylaws. For purposes of this sub-section, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

Amended Bylaws: Article IX

ARTICLE IX INDEMNIFICATION

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

West Michigan Academy of Environmental Science

Contract Amendment No. 7

Tab 4

Oversight, Compliance and Reporting Agreement: Section 2.2(m)

- m. The Academy shall ensure that the names of Central Michigan University Board of Trustees and the primary educational management organization, if applicable, must appear and be verbally provided, as applicable, on all of the following:
 - i. Unless prohibited by a local ordinance or local zoning authority, signage that is on the Academy's property and is erected, repaired, or installed on or after April 2, 2025;
 - ii. Promotional material that is created, modified, or distributed on or after April 2, 2025;
 - iii. The footer of the Academy's website pages; and
 - iv. The school application that a student must submit to enroll in the Academy.

For purposes of this section, "primary educational management organization" shall have the same meaning as defined in MCL 380.503).