



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

FOUNDERS GROVE CLASSICAL ACADEMY
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

OCTOBER 27, 2025

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AUTHORIZING RESOLUTION

AUTHORIZATION OF PUBLIC SCHOOL ACADEMY

Founders Grove Classical Academy

Recitals:

1. The Michigan legislature has provided for the establishment of public school academies as part of the Michigan public school system by enacting Act No. 362 of the Public Acts of 1993.
2. The Michigan legislature has mandated that public school academy contracts be issued on a competitive basis taking into consideration the resources available for the proposed public school academy, the population to be served by the proposed public school academy, and the educational goals to be achieved by the proposed public school academy.
3. The Michigan legislature has mandated that authorizing bodies establish by resolution the method of selection, length of term, and number of members of the board of directors.
4. According to this legislation, the Central Michigan University Board of Trustees, as the governing body of a state public university, is an authorizing body empowered to issue contracts to organize and operate public school academies.
5. The Central Michigan University Board of Trustees has requested applications for organizing public school academies and has reviewed the applications according to the provisions set forth by the Michigan legislature.
6. The Central Michigan University Board of Trustees has established chartering policies in addition to the policy titled *Public School Academy: Method of Selection, Appointment, and Removal* as required by the Michigan legislature.
7. The university president or designee has recommended the issuance of a contract to charter as a public school academy to Founders Grove Classical Academy for a term not to exceed five (5) years.
8. Founders Grove Classical Academy's application has been submitted under Act 362 of the Public Acts of 1993, part 6A of the Revised School Code, being sections 380.501 to 380.507 of the Michigan Compiled Laws.

BE IT RESOLVED, That the University Board approves and authorizes the execution of a contract to charter a public school academy to Founders Grove Classical Academy and authorizes the chair of the board of trustees to execute a contract to charter as a public school academy and related documents between Founders Grove Classical Academy and the Central Michigan University Board of Trustees, provided that, before execution of the contract, the university president or designee affirms that all terms of the contract have been agreed upon and Founders Grove Classical Academy is able to comply with all terms and conditions of the contract.

Central Michigan University
Board of Trustees Approved
Date: April 24, 2025
Signature: 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: OCTOBER 27, 2025

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

**CONFIRMING THE STATUS OF
FOUNDERS GROVE CLASSICAL ACADEMY**

AS A

PUBLIC SCHOOL ACADEMY

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

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

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

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

WHEREAS, the Central Michigan University Board of Trustees has considered and has approved the issuance of a contract to Founders Grove Classical Academy;

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

ARTICLE I DEFINITIONS

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

- (a) "Academy" means the Michigan nonprofit corporation named Founders Grove Classical Academy which is established as a public school academy pursuant to this Charter Contract.
- (b) "Academy Board" means the Board of Directors of the Academy.
- (c) "Applicable Law" means all state and federal law applicable to public school academies, including all rules, regulations, and orders promulgated thereunder.
- (d) "Application" means the public school academy application and supporting documentation submitted to the University for the establishment of the Academy.
- (e) "Authorizing Resolution" means the resolution adopted by the Central Michigan University Board of Trustees on April 24, 2025, approving the issuance of a Contract to the Academy.
- (f) "Code" means the Revised School Code, Act No. 451 of the Public Acts of 1976, as amended, being Sections 380.1 to 380.1852 of the Michigan Compiled Laws.
- (g) "Community District" means a community school district created under part 5B of the Code, MCL 380.381 et seq.

- (h) "Conservator" means an individual appointed by the President of Central Michigan University in accordance with Section 10.8 of these Terms and Conditions of Contract.
- (i) "Contract" means, in addition to the definition set forth in the Code, these Terms and Conditions of Contract, the Authorizing 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.
- (j) "Department" means the Michigan Department of Education.
- (k) "Director" means a person who is a member of the Academy Board.
- (l) "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.
- (m) "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.
- (n) "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.
- (o) "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.
- (p) "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.
- (q) "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.

- (r) "Schedules" means the following Contract documents: Schedule 1: Restated Articles of Incorporation, Schedule 2: Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight, Compliance and Reporting Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, Schedule 7: Required Information for a Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated October 27, 2025, Issued by the Central Michigan University Board of Trustees Confirming the Status of Founders Grove Classical Academy as a Public School Academy."
- (x) "The Governor John Engler Center for Charter Schools" or "the Center" means the office designated by the Central Michigan University Board of Trustees as the initial point of contact for public school academy applicants and public school academies authorized by the Central Michigan University Board of Trustees. The Center is also responsible for administering the Central Michigan University Board of Trustees' responsibilities with respect to the Contract.
- (y) "The Governor John Engler Center for Charter Schools Director" or "the Center Director" means the person designated at Central Michigan University to administer the operations of the Center.
- (z) "University" means Central Michigan University, established pursuant to Article 8, sections 4 and 6 of the 1963 Michigan Constitution and MCL 390.551 et seq.
- (aa) "University Board" means the Central Michigan University Board of Trustees.
- (bb) "University Charter Schools Hearing Panel" or "Hearing Panel" means such persons as designated by the University President.
- (cc) "University President" means the President of Central Michigan University or his or her designee. In section 1.1(bb) above, "University President" means the President of Central Michigan University.

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

Section 1.3. Gender and Number. The masculine, feminine, or neuter pronouns in this Contract shall be interpreted without regard to gender, and the use of the singular shall be deemed to include the plural (and vice versa) wherever applicable.

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

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

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

Section 1.7. Conflicting Contract Provisions. In the event that there is a conflict between language contained in the provisions of this Contract, the Contract shall be interpreted as follows: (i) the Method of Selection, Appointment, and Removal Resolution shall control over any other conflicting language in the Contract; (ii) the Authorizing 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 Authorizing 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, Authorizing 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 Authorization Resolution which approves the issuance of this Contract. The Authorization 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: 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. 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: 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.

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 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. 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.

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 Founders Grove Classical Academy 1025 E. Wheeler St. Midland, MI 48642

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 the Academy shall become operational at the beginning of the 2026-2027 academic year. This Contract shall remain in full force and effect for a period of five (5) 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.

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.

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: _____
Todd J. Regis, 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.

FOUNDERS GROVE CLASSICAL ACADEMY

By:  _____
Board President

Date: 10-27-25

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: 

Todd J. Regis, Chair

Date: September 30, 2025

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.

FOUNDERS GROVE CLASSICAL ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

Restated Articles of Incorporation	1
Bylaws.....	2
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CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION

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

Date Received

AC1

(FOR BUREAU USE ONLY)

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

Corporations Division Administrator

FILED

Doc #: 27350203

Filed Date: 7/22/2025

Name

FOUNDERS GROVE CLASSICAL ACADEMY

Address

3781 E SUSAN LANE

City

MIDLAND

State

MI

ZIP Code

48642

TransInfo: 1 26036213-1 07/16/25
Chkd: 6755 Amt: \$10.00
ID: 803217328

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If left blank, document will be returned to the registered office.

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

(Please read information and instructions on the last page)

Pursuant to the provisions of Act 162, Public Acts of 1982, the undersigned corporation executes the following Restated Articles:

1. The present name of the corporation is:

FOUNDERS GROVE CLASSICAL ACADEMY PROJECT BOARD

2. The identification number assigned by the Bureau is: 803217328

3. All former names of the corporation are:

The corporation has used no other names.

4. The date of filing the original Articles of Incorporation was: 06/04/2024.

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

ARTICLE I

The name of the corporation is:

FOUNDERS GROVE CLASSICAL ACADEMY

ARTICLE II

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

1. The corporation is organized for the purpose of operating as a public school academy in the state of Michigan pursuant to Part 6a, Act 451, P.A. 1976.
2. The authorizing body for the corporation is: Central Michigan University Board of Trustees.
3. 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

ARTICLE III

1. The corporation is formed on a non stock basis.
(stock or nonstock)
2. If formed on a stock basis, the aggregate number of shares that the corporation has authority to issue is _____ . If the shares are or are to be divided into classes, the designation of each class, the number of shares in each class, and the relative rights, preferences, and limitations of the shares of each class to the extent that the designations, numbers, relative rights, preferences, and limitations have been determined are as follows:
- 3a. If formed on a nonstock basis, 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 of any successor law.
 - b. Federal funds
 - c. Donations
 - d. Fees and charges permitted to be charged by public school academies.
 - e. Other funds lawfully received.
- b. The corporation is formed on a directorship basis.
(membership or directorship)

ARTICLE IV

1. The name of the resident agent is: SARA LADWEIN
2. The address of the registered office is:
- 3781 E SUSAN LANE MIDLAND , Michigan 48642
(Street Address) (City) (ZIP Code)
3. The mailing address of the registered office, if different than above:
- 2014 N SAGINAW BOX 244 MIDLAND , Michigan 48640
(Street Address or P.O. Box) (City) (ZIP Code)

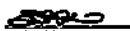
ARTICLE V (Additional provisions, if any, may be inserted here; attach additional pages if needed.)

(SEE ATTACHMENT)

5. COMPLETE SECTION (a) IF THE RESTATED ARTICLES WERE ADOPTED BY THE UNANIMOUS CONSENT OF THE INCORPORATOR(S) BEFORE THE FIRST MEETING OF THE BOARD OF DIRECTORS, OTHERWISE, COMPLETE SECTION (b). **DO NOT COMPLETE BOTH.**

- a. ☒ These Restated Articles of Incorporation were duly adopted on the 29th day of May, 2025, in accordance with the provisions of Section 641 of the Act by the unanimous consent of the incorporator(s) before the first meeting of the Board of Directors under Section 611(1)(a).

Signed this 10th day of July, 2025


Sara Ladwein


Matt Buczek

(Signatures of a Majority of Incorporators; Type or Print Name Under Each Signature)

- b. ☐ These Restated Articles of Incorporation were duly adopted on the _____ day of _____, _____, in accordance with the provisions of section 641 of the Act: (check one of the following)

- ☐ by the Board of Directors without a vote of the members or shareholders. These Restated Articles of Incorporation only restate and integrate the articles and include only amendments adopted under section 611(1) or section 611(2) of the Act and there is no material discrepancy between those provisions and the provisions of the Restated Articles of Incorporation.
- ☐ were duly adopted by the shareholders, the members, or the directors (if organized on a nonstock directorship basis). The necessary number of votes were cast in favor of these Restated Articles of Incorporation.
- ☐ were duly adopted by the written consent of all the shareholders or members entitled to vote in accordance with section 407(3) of the Act.
- ☐ were duly adopted by the written consent of all the directors pursuant to section 525 of the Act as the corporation is formed on a directorship basis.
- ☐ were duly adopted by the written consent of the shareholders, members, or their proxies having not less than the minimum number of votes required by statute in accordance with section 407 of the Act. Written notice to members or shareholders who have not consented in writing has been given. (Note: Written consent by less than all of the shareholders, members, or their proxies is permitted only if such provision appears in the Articles of Incorporation).

Signed this _____ day of _____, _____

By _____
(Signature of Authorized Officer or Agent)

(Type or Print Name)

(Type or Print Title)

Article II

The purpose or purposes for which the corporation is formed for:

1. The corporation is organized for the purpose of operating as a public school academy in the state of Michigan pursuant to Part 6a, Act 451, P.A. 1976.
2. The authorizing body for the corporation is: Central Michigan University Board of Trustees.
3. 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 V

The corporation is a governmental entity.

ARTICLE VI

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

ARTICLE VII

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

ARTICLE VIII

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

ARTICLE IX

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

ARTICLE X

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

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

ARTICLE XI

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

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

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

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

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

ARTICLE XII

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

ARTICLE XIII

Effective Date: September 18, 2025

CONTRACT SCHEDULE 2

BYLAWS

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FOUNDERS GROVE CLASSICAL ACADEMY

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BYLAWS
OF
FOUNDERS GROVE CLASSICAL ACADEMY

ARTICLE I
NAME

This organization shall be called Founders Grove Classical Academy (the "Academy" or the "corporation").

ARTICLE II
FORM OF ACADEMY

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

ARTICLE III
OFFICES

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

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

ARTICLE IV
BOARD OF DIRECTORS

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

Section 2. Method of Selection and Appointment. The Central Michigan University Board of Trustees ("University Board") shall prescribe the method of appointment for members of an Academy's Board. 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 Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Academy Board of its activities as the Academy Board may request.

ARTICLE VII OFFICERS OF THE BOARD

Section 1. Number. The officers of the Academy 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 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.
- (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 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.

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.

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

ARTICLE XII TERMS AND CONDITIONS DEFINITIONS

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

CERTIFICATION

The Board certifies that these Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 27 day of October, 2025.


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 Founders Grove Classical Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

"Agreement" means this Fiscal Agent Agreement.

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

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

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

"State" means the State of Michigan.

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

ARTICLE II

FISCAL AGENT DUTIES

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

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

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

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

ARTICLE III

STATE DUTIES

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

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

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

ARTICLE IV **ACADEMY DUTIES**

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

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

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

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

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

ARTICLE V **RECORDS AND REPORTS**

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

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

ARTICLE VI

CONCERNING THE FISCAL AGENT

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

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

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

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

ACKNOWLEDGMENT OF RECEIPT

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

BY: 

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

Date: August 20, 2025

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 Founders Grove Classical Academy ("Academy"), a public school academy.

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

This Management Services Agreement (the "Agreement") is made and entered into as of the 1st day of July, 2026, by and between Choice Schools Associates, L.L.C., a Michigan limited liability company ("Choice Schools"), and the Founders Grove Classical Academy (the "Academy"), a body corporate and public school academy organized under 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, the Academy has a contract with Hillsdale College's Barney Charter School Initiative ("Hillsdale") to provide a classical education model to students; and

WHEREAS, Choice Schools 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 Choice Schools 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 Choice Schools, 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. Choice Schools 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 Choice Schools. The relationship between Choice Schools 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 terms of this Agreement. Except as otherwise expressly designated by written agreement of the parties with consent from anyone whose consent is required by law or contract, no agent, officer or employee of the Academy shall be determined to be an agent or employee of Choice Schools and no agent, officer or employee of Choice Schools shall be determined to be an agent or employee of the Academy. The Academy will be solely responsible for its acts and omissions and the acts and omissions of its agents, officers, and employees and Choice Schools will be solely responsible for its acts and omissions and the acts and omission of its agents, officers, employees and subcontractors.

D. Independent Contractor/Designation of Agents. 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 terms of this Agreement. Except as otherwise expressly designated by written agreement of the parties with consent from anyone whose consent is required by law or contract, no agent, officer, or employee of the Academy shall be determined to be an agent or employee of Choice Schools and no agent, officer or employee of Choice Schools shall be determined to be an agent or employee of the Academy except if expressly acknowledged, if at all, in writing by the other party. The Academy will be solely responsible for its acts and omissions and the acts and omissions of its directors and Choice Schools will be solely responsible for its acts and omissions and the acts and omissions of its agents, officers, employees, and subcontractors. Choice Schools is not a division of any part of the Academy. In the performance of services under this Agreement, Choice Schools (its officers, directors, employees and designated agents) shall be regarded at all times as performing services as an independent contractor of the Academy. Choice Schools shall be solely and exclusively responsible for recruiting, selecting, hiring, compensating, training, evaluating, disciplining, dismissing, terminating and otherwise controlling the employment conditions, employment rights, compensation and other similar matters relative to all individuals whom Choice Schools employs in connection with providing services under this Agreement. Except as otherwise provided for in this Agreement, and subject to the Contract, Choice Schools shall be self-directed in its activities and shall determine its own methods and manner for performing the Services required under the terms of this Agreement within the overall policies and budgets established by the Academy Board, as the same may be amended from time to time.

i. Choice Schools accepts full liability for benefits, salaries, worker's compensation, unemployment compensation and liability insurance for its employees leased to the Academy or working on Academy operations. If the Academy is staffed through an employee leasing agreement, legal confirmation shall be provided to the Academy Board that the employment structure qualifies as employee leasing.

ii. No agent or employee of Choice Schools shall be determined to be an agent of the Academy, except as follows:

a Choice Schools, 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 USC § 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.

b During the term of this Agreement, the Academy may disclose confidential data and information to Choice Schools, and its respective officers, directors, employees and designated agents and Choice Schools may access confidential data and information, to the extent permitted by applicable law, including without limitation, the Family Educational Rights and Privacy Act, 20 USC § 1232g, 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. Choice Schools agrees that it shall comply with all applicable laws, rules and regulations in the handling, maintaining, safeguarding, re-disclosing, and returning of confidential data and information disclosed or accessed under this Agreement. Choice Schools will be solely responsible for the acts of its agents, employees, and those contractors and subcontractors who are contracted through Choice Schools.

c As otherwise expressly designated by written agreement of the parties with consent from anyone whose consent is required by law or contract.

E. Other Contracts. Nothing in this Agreement shall prohibit the Academy from entering into an agreement with Hillsdale College or its affiliates (“Hillsdale”) to provide curriculum or other educational support to the Academy.

ARTICLE II

TERM

A. Term. This Agreement shall become effective July 1, 2026, and shall cover five (5) academic years commencing on July 1, 2026, and ending on June 30, 2031, subject to 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 Section 507 of the Code, MCL 380.507; or (ii) to undergo reconstitution pursuant to Section 507 of the Code, MCL 380.507, 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 Choice Schools shall have no recourse against the Academy or University Board for implementing such a site closure or reconstitution.

ARTICLE III

FUNCTIONS OF CHOICE SCHOOLS

A. Responsibility. Choice Schools 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:

a Implementation and administration of the Educational Program and curriculum contained in the Contract. Choice Schools agrees to consider the Hillsdale models, resources and guidance regarding curriculum and teaching practices;

b Marketing and communications plan development for board approval and implementation of the same; the cost of implementation shall be the Academy's responsibility;

c Budget preparation and financial management services; the cost of financial management software shall be the Academy's responsibility;

d Management of accounting and bookkeeper services; the cost of financial management software shall be the Academy's responsibility;

e Risk management;

f Accounts payable;

g Acquisition of instructional and non-instructional material, equipment and supplies (the cost of which shall be the Academy's responsibility);

h 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;

- i Food service management;
- j Transportation management;
- k Facilities management;
- l Preparation and timely submission of required CMU, Hillsdale, local, state and federal reports;
- m Information and technology system development, management, and oversight;
- n Preparation of applications and reports for State and Federal grants and special programs;
- o Management of school building operations;
- p Administration of extra-curricular and co-curricular activities and programs approved by the Board;
- q Preparation and implementation of student codes of conduct and administrative guidelines supporting board policy;
- r Assistance in preparation of strategic planning for the continuing educational and financial benefit of the Academy, if requested by the Board;
- s 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.
- t Implementation of ongoing public relations strategy for the development of beneficial and harmonious relationships with organizations and the community;
- u Any other functions necessarily or expedient for the administration of the Academy with approval from the Board.
- v The parties understand and acknowledge that Hillsdale College may be providing certain services to the Academy that relate to those services performed by Choice Schools, including but not limited to curriculum improvement services.

B. Educational Goals and Program. Choice Schools 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 Choice Schools determines that it is advisable to modify the Educational Program set forth in the Contract, Choice Schools 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. Choice Schools 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 Choice Schools 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. Choice Schools 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 fund appropriated for that purpose in the Academy's approved budget. Choice Schools will receive no additional fee as a result of subcontracting of any services. Choice Schools remains responsible to the Academy for the services provided through subcontracting agreements. Choice Schools 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.

To the extent that Choice Schools may subcontract any or all aspects of the services permitted by the terms of this Agreement, Choice Schools represents that it shall include in the subcontracted services agreement provisions comparable to those contained in this Article 1, inclusive of subparts, to identify the employer of any person providing services under a contracted services agreement or, in the absence of an employer and in the case of an independent subcontractor, to expressly provide that the service provider is an individual independent contractor and is not intended to be, and shall not be regarded as an employee of the Academy.

D. Place of Performance. Instruction services other than field trips will normally be performed at the Academy facilities. Choice Schools 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 Choice Schools 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 Choice Schools 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. Choice Schools 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. Choice Schools 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. Choice Schools is responsible for and accountable to the Board for the performance of students who attend the Academy. Choice Schools 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 Choice Schools including but not limited to parent satisfaction surveys.

G. Student Recruitment. Choice Schools 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. Choice Schools 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. Choice Schools 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. Choice Schools 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 Choice Schools is directed to enforce the policies and procedures adopted by the Board. Choice Schools 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. Choice Schools 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 Contracts. Choice Schools 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. Choice Schools agrees to assist the Academy in complying with all of the Academy's reporting, recordkeeping, and other obligations under the Academy's Contract. Choice Schools shall not act in a manner which will cause the Academy to be in breach of its Contract. Any action or inaction by Choice Schools that causes the Contract to be revoked, terminated or suspended, or which results in the Academy receiving official notification from the Charter Schools Office, CMU, Superintendent of Public Instruction, or other authorizing body or official, of the commencement or an intent to initiate proceedings for the termination, revocation, or suspension of the Contract, shall be designated a material breach, which shall be grounds for

termination of this Agreement by the Academy. Choice Schools also 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 with Hillsdale.

N. Additional Programs. The services provided by Choice Schools 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 Choice Schools 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 Choice Schools' Director of School Finance, or such other Choice Schools employee as is mutually agreed upon by Choice Schools 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. Choice Schools 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 141.422b 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 according to the Annual Budget Development Schedule approved at the Academy's organizational meeting and not later than thirty (30) calendar days prior to the date when the approved budget is required to be submitted to CMU.

P. Compliance with Section 503c. On an annual basis, Choice Schools 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 Choice Schools 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.

Q. Compliance with the Contract. Choice Schools 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.

R. 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 Choice Schools is required to refrain from any action that will result in being suspended or debarred. Choice Schools certifies and affirms that it is not included on the federal Suspension and Debarments list of Excluded Parties List; nor is Choice Schools affiliated with any party that is included on the federal Suspension and Debarments list of Excluded Parties List ("List"). Choice Schools shall reasonably ensure its certification and affirmation under this Agreement remains accurate.

S. Personally Identifiable Information. Choice Schools 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, Choice Schools 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 Choice Schools receives information that is part of an Academy student's education records, Choice Schools 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, Choice Schools will maintain a documented security program that incorporates appropriate, commercially reasonable, and industry-standard security measures to protect such PII. Choice Schools 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, Choice Schools will provide the Academy with a final incident report.

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

U. Bankruptcy Notice. Choice Schools shall notify the Academy Board if any principal or officer of Choice Schools, or Choice Schools (including any related organizations or organizations in which a principal or officer of Choice Schools served as a principal or officer) as a corporate entity, files for bankruptcy protection or, at the time this Agreement is executed, has filed for bankruptcy protection within the last five (5) years.

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 Choice Schools 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 Choice Schools 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 (C) 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. The cost of employing 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 Choice Schools under this Agreement. Choice Schools 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. Choice Schools 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. Choice Schools shall not select or retain the independent auditor for the Academy. Choice Schools shall make available all of its financial and other records related to the Academy available to the Academy, CMU, and the Academy's independent auditor. 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 Choice Schools, 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. Choice Schools 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 Choice Schools in order that Choice Schools 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 Choice Schools. The Board will evaluate the performance of Choice Schools each year to provide Choice Schools with an understanding of the Board's view of its performance under this Agreement. Choice Schools will determine the format to conduct this evaluation. Special additional evaluations using the format selected by the Board 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 Choice Schools, with prior Board approval, shall endeavor to obtain revenue from other sources. In this regard:

i. The Academy and/or Choice Schools has the authority to solicit and receive donations consistent with the mission of the Academy.

ii. The Academy and/or Choice Schools may apply for and receive grant money, in the name of the Academy. Choice Schools 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.

To the extent permitted by law, Choice Schools 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. If Choice Schools manages the program, the revenues from such programs shall be included in the calculation of Choice School's fee under this Agreement.

All funds received by Choice Schools or the Academy from such other revenue sources shall inure to the benefit of and be deemed the property of the Academy, except as otherwise agreed upon 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 Choice Schools Associates ("Choice Schools") an annual management fee for the services provided under this Agreement, as outlined below.

i. **Year One (Pre-Operational and Opening Year).** During the Academy's first year of operation, Choice Schools shall provide all services required under this Agreement without charging a management fee. This waiver is a voluntary concession to support a successful launch of the Academy.

ii. **Years Two Through Five (Adjusted Fee Period).** Beginning in the second year of operation, and continuing through the fifth year of operation, the annual management fee shall be thirteen percent (13%) of all Gross Revenues received during that school year. This adjusted fee period reflects the fee schedule mutually agreed upon by the parties following the Year One fee waiver. If, in Year Five, the total amount of the management fees paid during the Adjusted Fee Period exceeds the amount that would have been earned if the management fee was eleven percent (11%) for Years One through Five (the "Agreed Upon Fee"), the fee for Year Five shall be reduced to the extent necessary for the management fees during the Adjusted Fee Period to equal the Agreed Upon Fee.

iii. **Remainder of the Initial Charter Contract Term.** After completion of the Adjusted Fee Period, the annual management fee shall be eleven percent (11%) of all Gross Revenues received during each school year.

For purposes of this Section, "Gross Revenues" means the sum of:

(a) all payments applicable to a school year that the Academy receives directly or indirectly under Article V, Paragraph A; and

(b) all grants received by the Academy under Article V, Paragraph B(ii) that were initiated and administered by Choice Schools and are to be expended during that school year.

Gross Revenues shall not include any local revenues currently classified under function codes 128 to 199 of the State of Michigan Chart of Accounts, as amended or revised.

iv. **Renewal Term.** Upon renewal of this Agreement following the initial charter contract term, the annual management fee shall be eleven percent (11%) of all Gross Revenues received during each school year of the renewal term, calculated as set forth above.

The annual fee shall be paid in twelve (12) monthly installments beginning in July of each school year. Each installment shall be paid on the date the Academy receives its state school aid payment from the State of Michigan. In any month during which no state school aid payment is received, the installment due date shall be mutually agreed upon by the parties, taking into account available funds and the timing of anticipated revenues.

All installments due for the 2030–2031 school year shall be paid by June 30, 2031, if this Agreement is not extended beyond its scheduled termination date. The amount of the annual fee may be reduced in a mutually agreeable amount in any school year if extenuating circumstances make payment of the full annual fee inappropriate.

The parties expressly acknowledge and agree that the Year One fee waiver is a voluntary concession and is not, and shall not be construed as, a loan, advance, credit, deferral, receivable, or any other form of indebtedness or obligation. The Adjusted Fee Period described in subsection ii is part of the mutually agreed upon fee schedule and does not create any obligation by the Academy to repay waived amounts, directly or indirectly.

D. Reasonable Compensation. The parties wish to satisfy the requirements of Rev. Proc. 2017-13 so that the provision of Choice Schools' 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. Choice School's compensation under this Agreement is reasonable compensation for services rendered. Choice School'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 Choice Schools for the cost to employ Choice Schools' employees under Article VI(D), (E), and (F), all costs reasonably incurred within Board-approved budget parameters to provide the Educational Program at the Academy shall be paid by the Academy. Such costs include, but are not limited to: curriculum materials; professional development and training; textbooks; library books; computers and other equipment; software (including student information, enrollment, and financial management systems); supplies utilized at the Academy for educational purposes; building payments; maintenance; utilities; capital improvements; graphic design; special education appeals and state or federal civil rights complaints; budget preparation and financial

management services; accounting and bookkeeping management; and implementation of a marketing, communication, and development plan. 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, communication, or development of Choice Schools. If Choice Schools purchases products, software, or services used by multiple academies, the Academy shall be invoiced only for its proportional share. The Board shall pay or reimburse Choice Schools for approved Educational Program fees and expenses, which shall be invoiced by Choice Schools and shall be due and payable upon receipt of proper documentation, consistent with the Board-approved budget. The Board may, at its option, advance funds to Choice Schools for operational expenses, provided that supporting documentation is submitted for Board ratification at its next regularly scheduled meeting. In paying costs on behalf of the Academy, Choice Schools shall not charge an added fee unless interest is incurred due to the Academy's late payment, in which case Choice Schools shall provide proper documentation of the interest incurred. Any costs reimbursed to Choice Schools 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 Choice Schools. All such costs must directly support the delivery, administration, or compliance of the Academy's Educational Program, consistent with applicable law and the Board-approved budget.

F. Choice Schools Costs. The annual fee to be paid to Choice Schools set forth in Article V, Section C is intended to compensate Choice Schools for all expenses it incurs for administrative and financial 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, financial reporting services, clerical services, management and budgeting services, and administrative services. Choice Schools will provide sufficient professional and non-professional staff in these areas, who shall be compensated by Choice Schools. In addition, the annual fee is intended to compensate Choice Schools for all costs incurred by Choice Schools to provide these services. The annual fee does not include payments for Choice Schools personnel provided pursuant to Article VI(D), (E), and (F), the cost of which will be paid or reimbursed to Choice Schools in accordance with Article VI (A). Any services to be provided by Choice Schools 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 Choice Schools shall be charged to, or reimbursed by, the Academy.

G. Choice Schools Legal Services. The annual fee set forth in Article V, Section D is intended to compensate Choice Schools 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 Choice Schools 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 Choice Schools has entered or will enter into management agreements with other public school academies. Choice Schools 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, Choice Schools shall provide the Board with monthly financial statements that shall include a balance sheet, a check register, 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 five (5) 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. Choice Schools 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. Operational Reporting. At least two (2) times per year, Choice Schools will provide the Board with comprehensive written reports detailing Academy operations, finances and student performance. In order to enable the Board to monitor Choice School's educational performance and the efficiency of its operation of the Academy, upon the request of the Board, Choice Schools 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, at a date mutually agreed upon by the Board and Choice Schools.

K. Other Financial Relationships. Any lease, promissory notes or other negotiable instruments, lease-purchase agreements or other financing agreements between the Academy and Choice Schools 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. Choice Schools 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 Choice Schools, 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. Choice Schools 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 Choice Schools remain Academy records and are required to be returned by Choice Schools to the Academy upon demand, provided that Choice Schools may retain copies of records necessary to document the services provided to the Academy and its actions under the Agreement. Choice Schools 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. Choice Schools, 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. 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 Choice Schools 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. Choice Schools 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 Choice Schools shall be deemed to be an agent of the Academy. During the term of this Agreement, the Academy may disclose, and Choice Schools 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-1320d-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. Choice Schools agrees that it shall comply with all applicable law regarding the safeguarding of the confidentiality of such information.

N. Representations Regarding Performance. Choice Schools and the Academy hereby represent the following with regard to this Agreement.

i. Choice Schools' compensation under this Agreement is reasonable and is not based, in whole or in part, on a share of the net profits and/or a share of the net losses from the operation of the Academy or upon the disposition, damage or destruction of the Academy's property.

ii. This Agreement does not pass along to Choice Schools the burden of bearing any share of the net losses from the operation of the Academy or upon the disposition, damage or destruction of the Academy's property.

iii. The term of this Agreement is not greater than 30 years or 80 percent of the useful life of the Academy's tax-exempt bond financed school facility (if shorter) including all renewal options (if applicable).

iv. The Academy bears the risk of loss upon the disposition, damage or destruction of the Academy's property.

v. Choice Schools is not entitled to and will not take any federal tax position that is inconsistent with being a service provider under this Agreement to the Academy.

O. Governance.

i. None of the voting power of the governing body of the Academy is vested in the directors, officers, shareholders, partners, members and employees of the service provider, in the aggregate.

ii. The governing body of the Academy does not include the chief executive officer of the service provider or the chairperson (or equivalent executive) of the service provider's governing body.

iii. The chief executive officer of Choice Schools is not the chief executive officer of the Academy or any of the Academy's related parties (as defined in Treasury Regulation 1.150-1(b)).

P. Relationship Between the Academy and Choice Schools. In interpreting this Agreement and the provision of services required pursuant to this Agreement, Choice Schools shall not have any role or relationship with the Academy that limits the Academy's ability to exercise its rights, including cancellation rights, under this Agreement. As required by the Academy's Articles of Incorporation and Bylaws, the Academy Board may not include any director, officer or employee of the management company that contracts with the Academy. In furtherance of such restriction, it is agreed between the Academy and Choice Schools that none of the voting power of the governing body of the Academy will be vested in Choice Schools or its directors, members, managers, officers, shareholders and employees and the Academy and Choice Schools will not be related parties as defined in Treasury Regulation 1.150-1(b)(6).

ARTICLE VI

PERSONNEL AND TRAINING

A. Personnel Responsibility. Choice Schools 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. Choice Schools 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, Choice Schools 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 Choice Schools

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 Choice Schools 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, Choice Schools shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees. Choice Schools 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 Choice Schools who will be assigned to provide services at the Academy. The Board will pay Choice Schools 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 fourteen (14) 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. Alternatively, the Board may advance funds to Choice Schools for the cost of the wages, salaries, fringe benefits, social security contributions, unemployment costs and workers compensation costs of employees assigned to the Academy, provided that documentation for the fees and expenses are provided for Board ratification at its next regularly scheduled Board meeting and are consistent with budget allocations. At the request of the Board, Choice Schools will provide payroll services for employees of the Board. Choice Schools 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.

B. Restrictive Covenants. Choice Schools will not place in the employment contracts with any of its employees assigned to work at the Academy any provisions that contain non-compete, no-hire or similar provisions prohibiting or restricting the Academy from hiring staff that performs work at the Academy or would prevent those individuals from working for the Academy or for any other entity providing educational services to the Academy. Choice Schools 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.

C. Evaluation. Choice Schools shall 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. All evaluation tools will be posted publicly in compliance with applicable law. In the event that an employee hired by Choice Schools is retired under the Michigan Public School Employees Retirement Act, Choice Schools will comply with any applicable notice and reporting requirement.

D. School Administrator. Choice Schools 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 Choice Schools regarding employees to be assigned to the Academy. Choice Schools 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. Choice Schools shall have the sole responsibility and authority to hire the School Administrator;

however, the Board may provide reasonable feedback to Choice Schools in regards to the final candidate. The School Administrator will be an employee of Choice Schools. Choice Schools shall take into consideration the Board's input during evaluations of Choice Schools in the assignment and staffing of the School Administrator. Choice Schools will notify the Board prior to taking any action that would alter the employment status of the School Administrator. At the request of the Board, Choice Schools 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, Choice Schools will provide a replacement School Administrator if the performance problems are not resolved. Absent compelling circumstances, the parties agree that Choice Schools shall have ninety (90) days to implement a corrective action plan with the School Administrator prior to removal. The Board will reimburse Choice Schools 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 Choice Schools, 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 Choice Schools executes a contract with a School Administrator that has a term longer than one year, the Board reserves the right to request that the School Administrator be placed elsewhere by Choice Schools if the Board is dissatisfied with that individual's performance at the end of any school year.

E. Teachers. As part of the annual budgeting process, Choice Schools shall make a recommendation to the Board regarding the number of teachers required for the operation of the Academy pursuant to the Contract. Choice Schools 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 perceived in the Contract. Such teachers may, at the discretion of Choice Schools, 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 Choice Schools. 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 Choice Schools executes contracts with teaching staff that have a term of longer than one year, the Board reserves the right to request that teachers placed elsewhere by Choice Schools if the Board is dissatisfied with a teacher's performance at the end of the school year.

F. Support Staff. As part of the annual budgeting process, Choice Schools shall make a recommendation to the Board regarding the number of support staff required for the operation of the Academy pursuant to the Contract. Choice Schools 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 Choice Schools, 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 Choice Schools. 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 or have agreed to all requirements within an alternative pathway program, compliance plan, or professional development plan as determined by Choice Schools. Completion of these requirements is required

in order to be considered for employment. If Choice Schools chooses to execute contracts with support staff that have a term of longer than one year, the Board reserves the right request that support staff placed elsewhere by Choice Schools if the Board is dissatisfied with their performance at the end of any school year.

G. Training. Choice Schools shall provide training to the School Administrator, teachers and paraprofessionals on a regular and continuing basis and shall insure that they receive all training required by law and the policies of the Board. Choice Schools agrees to make staff available to attend training events or seminars. The School Administrator, teachers, paraprofessionals and other support staff employees shall receive such other training as Choice Schools determines as reasonable and necessary (under the circumstances) within the board approved budget. The Academy shall reimburse Choice Schools for such training related expenses, including transportation, meals, tuition, books, and other training related expenses.

H. No Tenure Under Teachers' Tenure Act. None of the teachers, principal, administrators or staff (including the School Leader) employed, retained or contracted by Choice Schools shall be considered employees or teachers of the Academy for purposes of tenure or continuing tenure under the Teachers' Tenure Act, MCL 38.71 et seq. Nor shall any of Choice Schools' or its contracted teachers, School Leader, principal, administrators or staff be entitled to administer tenure under the Code.

I. Criminal Background Checks. Choice Schools agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b and related provisions of the Code pertaining to criminal background and criminal conduct checks. Choice Schools shall perform or cause to be performed all criminal and unprofessional conduct checks required by law to be performed with fidelity.

J. Unprofessional Conduct Checks. Choice Schools agrees that it will conduct unprofessional conduct checks, in accordance with MCL 380.1230b before hiring an employee assigned to work at or for the Academy.

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 Choice Schools 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 Choice Schools 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) failure to reasonably perform the functions set forth in Article III, (5) a violation of the Contract or of applicable law, or (6) any action or inaction by Choice Schools 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 Choice Schools with written notification of the facts it considers to constitute material breach and the period of time within which Choice Schools 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 Choice Schools with written notification of termination. The Academy and Choice Schools 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 Choice Schools for Cause. This Agreement may be terminated by Choice Schools 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 Choice Schools. 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 Choice Schools as required by this Agreement, (2) a failure to give consideration to the recommendations of Choice Schools 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 Contract in jeopardy of suspension, revocation, reconstitution or termination. In order to terminate this Agreement for cause, Choice Schools 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, Choice Schools may terminate this Agreement by providing the Board with written notification of termination. The Academy and Choice Schools 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. Termination by Either Party Without Cause. If Choice Schools and the Board are unable to agree on educational programs, curriculum, school operations or other educational policies that affect the Academy in a significant way, 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 sixty (60) calendar days prior to the termination date. The termination shall not become effective until the end of the then-current school year.

D. Action or Inaction By Choice Schools – Revocation, Termination, or Suspension of the Agreement. Any action or inaction by Choice Schools that causes the Contract to be revoked, terminated or suspended, or which results in the Academy receiving official notification from the Central Michigan University Charter School Office, University Board, Superintendent of Public Instruction, or other authorized body or official, of the commencement or an intent to initiate proceedings for the termination, revocation or suspension of the Contract, shall be designated a material breach of the Agreement, which shall be grounds for termination of this Agreement. This Agreement may be terminated if directed by the University Board as part of the process of reconstitution, as provided by the Revised School Code.

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 willing 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. 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 Choice Schools with state school aid funds or other funds secured by the Academy, shall remain the exclusive property of the Academy. Choice Schools shall have the right upon proof of ownership to reclaim any usable property or equipment (e.g., including, but not limited to, desks, computers, copy machines, fax machines, telephones) that was purchased by Choice Schools with Choice Schools funds. Fixtures and building alterations shall become the property of the Academy.

G. Mid-Year Transition. The Academy and Choice Schools 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 Choice Schools agree to work cooperatively to transition management and operations of the academy without disrupting the Academy's operations. Choice Schools shall perform this transition in a similar manner as described under Article VII (J) based upon completion of the then-current school period.

H. End of Agreement Transition. Upon termination or expiration of this Agreement, if this agreement is terminated due to a Contract revocation, reconstitution, or termination or non-renewal, Choice Schools 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 requirements 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 persons 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, benefits and tax obligations related to services provided by Choice Schools to the Academy; (iv) organize and prepare the Academy's records, both electronic and hard-copy, for transition to the new educational service provider, self-management or dissolution; and (v) provide for the orderly transition to the new educational service 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. Choice Schools Proprietary Information and Academy Rights of Use. Choice Schools 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 Choice Schools, its employees, agents or subcontractors, or by any individual working for or supervised by Choice Schools, which (i) were not directly developed exclusively by staff working at the Academy; or (ii) were paid for by Choice Schools with Choice Schools 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 Choice Schools 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 Choice Schools at the direction of the Board with Academy funds. Choice Schools 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 Choice Schools and/or used by the Academy are subject to disclosure under the Code and the Freedom of Information Act.

D. Marks. The Academy and Choice Schools 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, the Academy's logo. The parties acknowledge that all Hillsdale Marks as defined in the Hillsdale agreement with the Academy are proprietary and may be used only as conditioned by the terms of that agreement. The Academy and Choice Schools agree not to use Marks of the other party or of Hillsdale without prior written approval from the appropriate party.

ARTICLE IX

INDEMNIFICATION

A. Indemnification of Choice Schools. To the extent permitted by law, the Academy shall indemnify and hold Choice Schools (which term for purposes of this Paragraph A, includes Choice School'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 Choice Schools 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 Choice Schools.

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, Choice Schools 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 Choice Schools with any agreements, covenants, warranties, or undertakings of Choice Schools contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of Choice Schools contained in or made pursuant to this Agreement. In addition, Choice Schools 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 Choice Schools, and Choice School's Board of Directors, officers, employees, agents and representatives, from any and all claims and liabilities which Choice Schools 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, Choice Schools 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 Choice School'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, Choice Schools hereby promises to indemnify, defend and hold harmless the University from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines, penalties, demands, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees), of settlement and prosecution imposed upon or incurred by the University, and not caused by the sole negligence of the University, which arise out of or are in any manner connected with the University Board's approval of the Academy's Application, the University Board's consideration of or issuance of a Contract, Choice School'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 Choice Schools, or which arise out of Choice School's failure to comply with the Contract or applicable law. The parties expressly acknowledge and agree that the University may commence legal action against Choice Schools 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 Choice Schools required by this Agreement. The Academy shall, upon request, present evidence to Choice Schools that it maintains the requisite insurance in compliance with the provisions of this paragraph. Choice Schools 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 Choice Schools. Choice Schools 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 Choice Schools, Choice Schools agrees to comply with the change in the type or amount, as requested, within thirty (30) days after notice of the insurance coverage change. Choice School's insurance is separate from and in addition to the insurance the Academy Board is required to obtain under the Contract. Choice Schools 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 Choice Schools under Choice School'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 understanding between the Academy and Choice Schools 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, pandemic, infectious disease 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 both by email, regular mail, or overnight courier service, and shall be effective when received by the parties or three (3) days after being 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. Each party agrees to additionally provide all noticed by email at the email

address listed below or the then-current email address for the Academy Board President as retained by Choice Schools in its records. All notices, requests, consents, demands and other communication shall be addressed as follows:

If to Choice Schools:

Choice Schools Associates
Attn: Sarah Wildey
5251 Clyde Park Avenue SW
Wyoming, MI 49509
Email: sarahwildey@choiceschools.com

If to the Academy:

Founders Grove Classical Academy
Attn: Board President
1025 E Wheeler St. Midland, MI 48640
Email: the email address on record at
Choice Schools for the then-current
Board President

A courtesy copy of the notice should also be provided by email to 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 Choice Schools, 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. Choice Schools 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. Nondiscrimination. Choice Schools agrees not to discriminate against an employee or applicant for employment with respect to hire, tenure, terms, conditions, or privileges of employment, or a matter directly or indirectly related to employment, because of race, color, religion, national origin, age, sex, sexual orientation, gender identity or expression, height, weight,

or marital status. Choice Schools also agrees to include this provision in the terms of any subcontract agreement it enters into. Breach of this covenant may be regarded as a material breach of this Agreement.

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

K. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to Choice Schools any of the powers or authority of the Board that are not subject to delegation by the Board under Michigan Law or the Contract.

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

M. Warranties and Representations. The Academy and Choice Schools 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.

N. 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 Midland, 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.

O. 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.

P. 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.
ACADEMY**

FOUNDERS GROVE CLASSICAL

BY 
Sarah Wildey (Jan 20, 2026 09:03:55 EST)
Sarah Wildey, Chief Executive Officer

BY 
Sara Ladwein (Jan 19, 2026 10:48:47 EST)
President, Board of Directors

Date: Jan 20, 2026

Date: Jan 19, 2026

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(s) 6-3

Floor Plan(s)..... 6-4

Financing Documents 6-5

Certificate(s) of Use and Occupancy 6-6

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 Founders Grove Classical Academy (the "Academy") is as follows:

Address: 1025 E. Wheeler
Midland, MI 48642

Description: The Academy's facility at this Site is located on approximately 6.77 acres in Midland on East Wheeler Street, between Washington Street and Claremont Street. The Site includes a two-story brick permanent building, parking, outdoor space suitable for a playground, and common areas.

The facility has approximately 27,824 square feet of space on the first and second floors; however, the Academy will only be utilizing space on the first floor. The first floor includes ten classrooms, five restrooms, two special services rooms, a cafeteria, a teacher work room, and storage and office areas.

Configuration of Grade Levels: Kindergarten through Fifth Grade.

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Midland Public Schools
ISD: Midland Educational Service Agency

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.

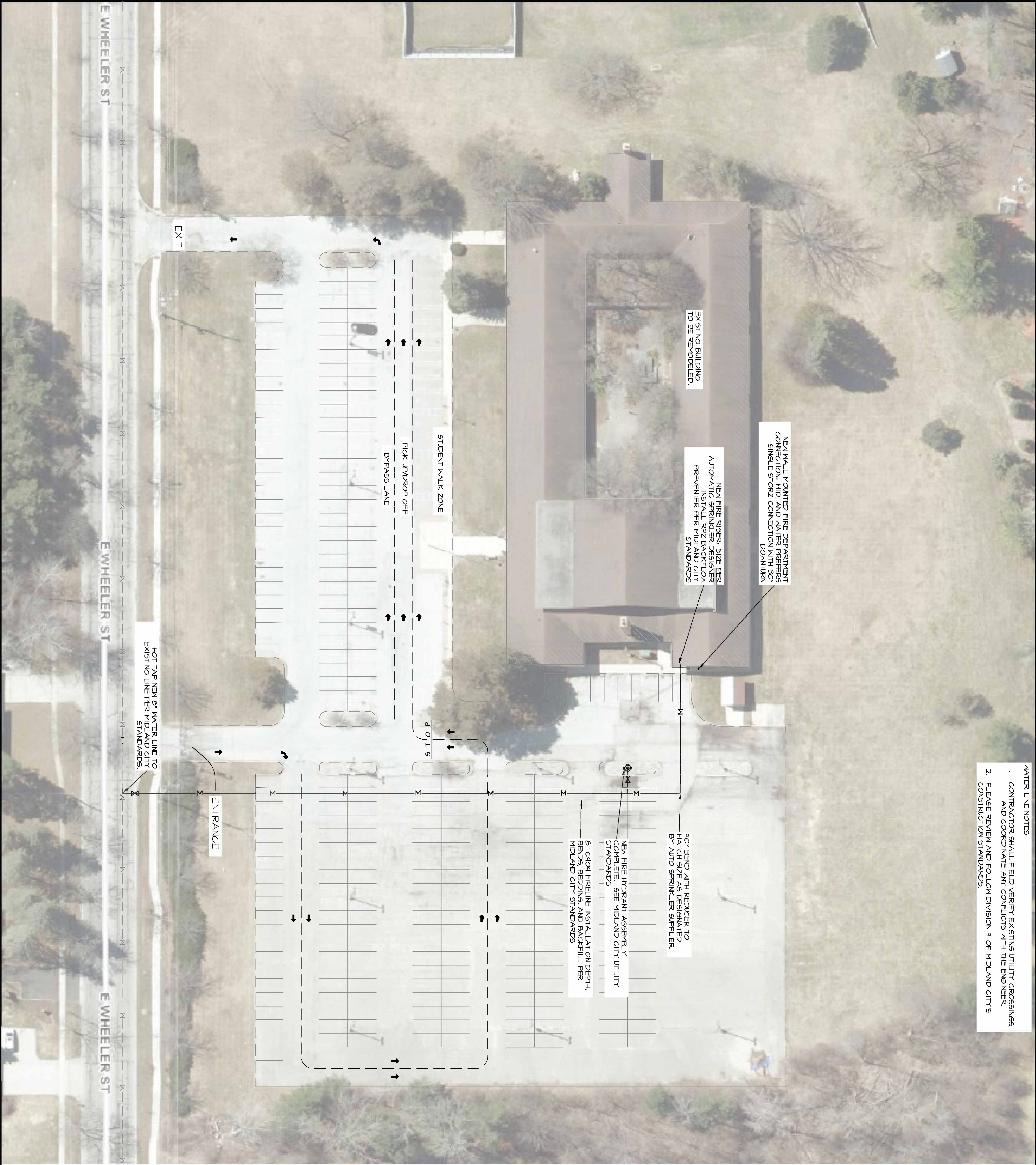
- A. Narrative description of physical facility
- B. Size of building
- C. Scaled floor plan
- D. Copy of executed lease or purchase agreement

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.

- WATER LINE NOTES:
1. CONTRACTOR SHALL FIELD VERIFY EXISTING UTILITY CROSSINGS, AND COORDINATE ANY CONFLICTS WITH THE ENGINEER.
 2. PLEASE REVIEW AND FOLLOW DIVISION 9 OF MIDLAND CITY'S CONSTRUCTION STANDARDS.





SITE

These documents are approved for compliance with the MICHIGAN FIRE INSURANCE SCHEDULE (MIFIS) and the conditions of approval.



BUILDING

These documents are approved for compliance with the STATE OF MICHIGAN BUILDING CODE and the conditions of approval.



FOUNDERS GROVE
1025 E. WHEELER ST.
MIDLAND MICHIGAN

SEAL:

DATE: 2/10/2026
PROJECT: MW-075
MANAGER: ALC
REVISIONS
MARK DATE/DESC.

SILVERPEAK
ENGINEERING



177 E. ANTELOPE DR. STE. B
LAYTON, UT 84041
PHONE: (801) 499-5054

STRUCTURAL CIVIL SURVEY WWW.SILVERPEAKENG.COM



UTILITY PLAN

SHEET NUMBER:
C400

GENERAL NOTES-FLOOR PLANS

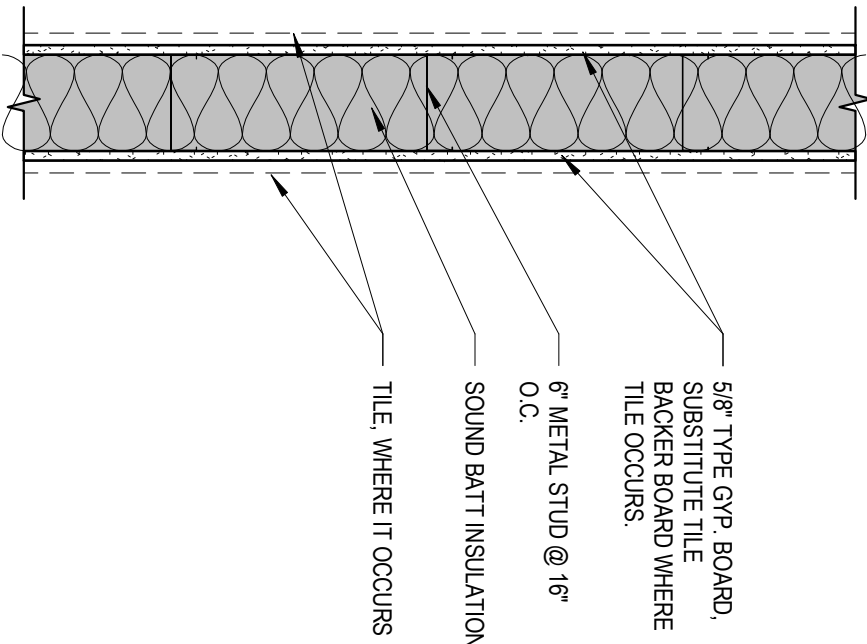
- SEE ENLARGED PLANS FOR INTERIOR DIMENSIONS
- WINDOW DIMENSIONS ARE TO THE C.O. OF WINDOW OPENING UNLESS NOTED OTHERWISE
- OF OPENING FOR SERVING TABLE WITH KITCHEN SUPPLIER. COORDINATE EXACT SIZE
- CLABBIES & LOCKER NOTE:
 - PROVIDE ADA ACCESSIBLE CLABBIES & COAT HOOKS AS APPL. LOBBIE. SEE PLAN FOR LOCATIONS
 - A MINIMUM OF 5% OF LOCKERS PROVIDED IN AN ACCESSIBLE SPACE SHALL BE ACCESSIBLE PER
 - FEDERAL REHABILITATION FIRESTOP SYSTEMS.
 - A FIRE RESISTIVE WALL OR FLOOR MUST BE SEALED BACK TO ITS ORIGINAL FIRE INTEGRITY WHEN PENETRATED. CONTRACTOR TO USE THE UL DESIGN NUMBERS BELOW TO MAINTAIN FIRE RESISTIVE INTEGRITY.
 - STUD WALLS: WY-1002
 - CONCRETE FLOOR ASSEMBLY: F-A-1008
 - FIRE RISER ROOM
 - ELEVATOR SHAFT
 - ELEVATOR EQUIPMENT ROOM
 - STANDARD DOOR
 - OWNER PROVIDE HAND SINK, 4-COMP SINK & HOOD. ALL OTHER KITCHEN EQUIPMENT PROVIDED BY OWNER.
 - 7. PROVIDE WOOD BLOCKING FOR ALL RESTROOM PARTITIONS ADA GRADE BARS, HANDRAILS, ETC. SEE MANUFACTURER'S RECOMMENDATIONS FOR LOCATIONS OF BLOCKING.
 - 8. PROVIDE WOOD BLOCKING FOR WHITEBOARD(S) SEE MANUFACTURER'S RECOMMENDATIONS FOR LOCATION OF BLOCKING(S).

FLOOR PLAN LEGEND

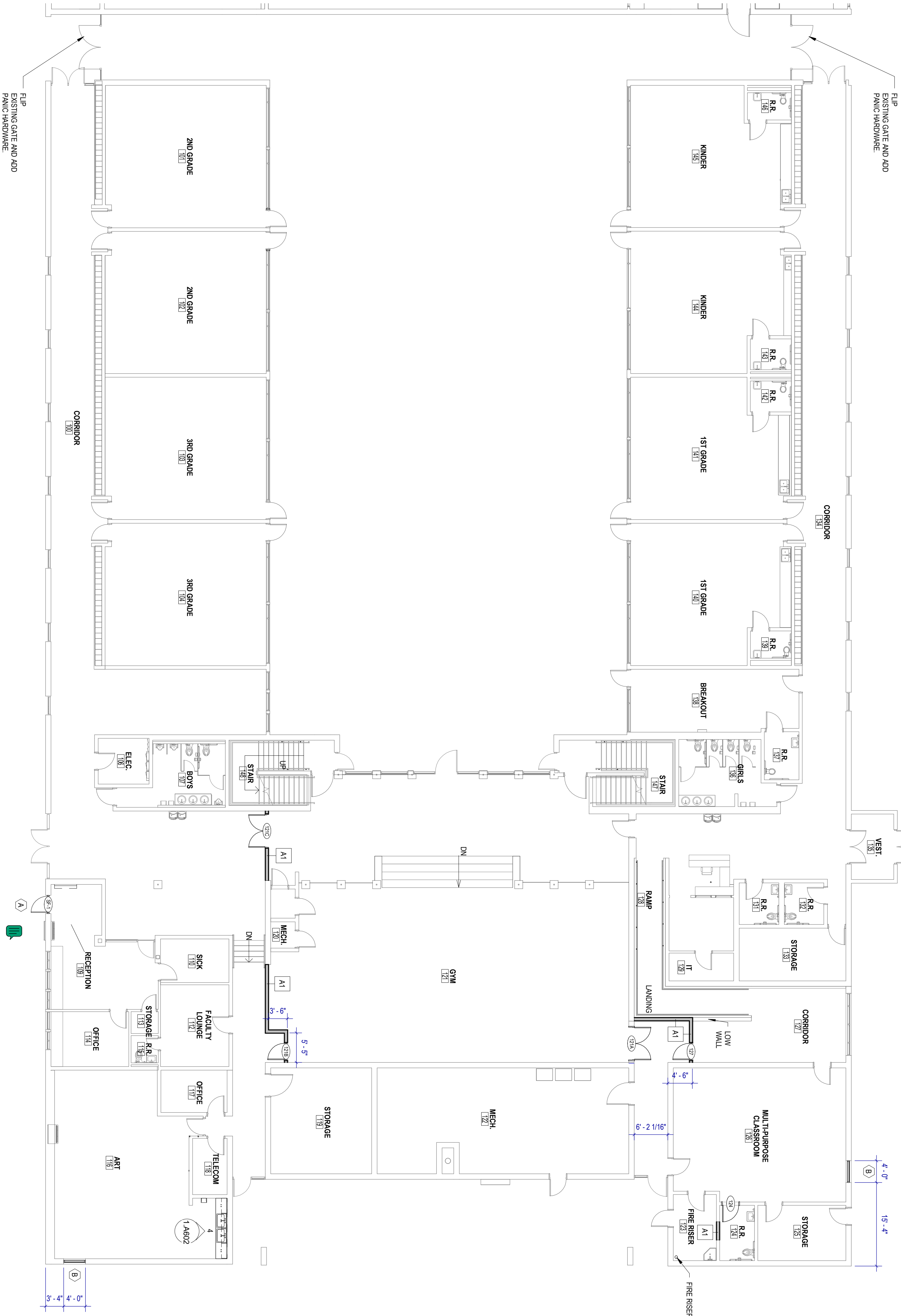
SYMBOL	DESCRIPTION
11	WALL TYPE 11-G. SEE WALL TYPES SHEET 1.A.101.
10	DOOR TAG. SEE DOOR SCHEDULE SHEET 1.A.801.

WALL TYPE A1

1" = 1'-0"



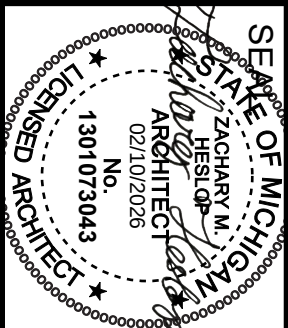
2
1.A101



LEVEL 1 FLOOR PLAN

3/32" = 1'-0"

1
1.A101



FOUNDERS GROVE CHARTER
1025 E. WHEELER ST.
MIDLAND, MI 48642

SILVERPEAK
ENGINEERING



177 E. ANTELOPE DR. STE. B
LAYTON, UT 84041
PHONE: (801) 499-5054

STRUCTURAL CIVIL SURVEY WWW.SILVERPEAKENG.COM

Founders Grove Classical Academy

BOND PURCHASE AGREEMENT

by and between

**FOUNDERS GROVE CLASSICAL ACADEMY,
as Issuer,**

and

**RAYMOND JAMES & ASSOCIATES, INC.,
as Underwriter**

Dated: March 11, 2026

Relating to:

**\$8,275,000
Founders Grove Classical Academy
Public School Academy Revenue Bonds
Series 2026**

\$8,275,000
Founders Grove Classical Academy
Public School Academy Revenue Bonds, Series 2026

BOND PURCHASE AGREEMENT

March 11, 2026

Founders Grove Classical Academy
1025 East Wheeler Street
Midland, Michigan

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (herein called the “Underwriter”), hereby offers to enter into this Bond Purchase Agreement (this “Agreement”) with Founders Grove Classical Academy (the “Issuer”) for the purchase by the Underwriter and sale by the Issuer of the Bonds described below. This offer is made subject to acceptance by the Issuer by the execution hereof by the authorized officer of the Issuer prior to 1:00 p.m., Eastern time, on March 12, 2026, and upon such acceptance, this Agreement shall be in full force and effect in accordance with its terms and shall be binding upon the Issuer and the Underwriter. If not so accepted, this Bond Purchase Agreement will be subject to withdrawal by the Underwriter upon notice delivered by the Underwriter to the Issuer at any time prior to the acceptance hereof by the Issuer.

1. Purchase and Sale. Subject to the satisfaction by the Issuer of the terms and conditions set forth herein, subject also to the conditions precedent set forth herein, and in reliance upon the representations herein set forth or incorporated by reference, the Underwriter hereby agrees to purchase and the Issuer hereby agrees to sell and cause to be authenticated and delivered by UMB Bank, N.A., as trustee (the “Trustee”), to the Underwriter all (but not less than all) of the Issuer’s Public School Academy Revenue Bonds, Series 2026, in the aggregate principal amount of \$8,275,000 (the “Bonds” or the “Series 2026 Bonds”), at an aggregate purchase price of \$8,138,462.50, such purchase price represents the par amount of the Bonds (\$8,275,000), less Underwriter’s discount (\$136,537.50).

The Bonds shall be issued and secured under and pursuant to a Trust Indenture, dated as of March 1, 2026 (the “Trust Indenture”), and under and pursuant to the Resolution of the Issuer approving and authorizing the execution of this Agreement and certain related documents, adopted on February 16, 2026 (the “Bond Resolution”), and shall mature on the dates, shall bear interest at the annual rates and shall be subject to optional, mandatory and extraordinary redemption as set forth in Schedule I hereto. The Underwriter agrees to make a public offering of the Bonds at the respective initial offering prices set forth in Schedule I hereto, which prices may be changed from time to time by the Underwriter after the initial public offering.

Pursuant to the Trust Indenture, the Issuer will use the proceeds of the Bonds to finance the: (i) acquisition, renovation, equipping and furnishing of a school facility located in Midland, Michigan (the “Facility”); (ii) payment of capitalized interest (iii) funding of a debt service reserve fund; and (iv) payment of certain costs associated with the issuance of the Bonds. The Bonds will be further secured by a Mortgage, dated as of March 1, 2026 (the “Mortgage”), granting a lien on and security interest in the Issuer’s Facility, which includes the Main Facility and the Auxiliary Facility (as defined in the Indenture).

2. Establishment of Issue Price. The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” certificate substantially in the form attached hereto as Exhibit A, together with the supporting pricing wires, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer, and Shifman & Carlson, P.C., Farmington Hills, Michigan (“Bond Counsel”), to accurately reflect the sales price or prices and the initial offering price or prices of the Bonds to the public.

The Underwriter confirms that it has offered the Bonds to the public on or before the Sale date at the specified offering price (the “initial offering price”) for each maturity, or at the corresponding yield or yields, set forth in, set forth in Schedule I attached hereto. Schedule I also sets forth, as of the Sale date, any maturity at least 10% of which has first been sold to the Public at the respective initial offering price.

The Underwriter acknowledges that sales of any Bonds to any person that is a related party to a Member of the Distribution Group shall not constitute sales to the Public for purposes of this Section. Further, for purposes of this Section 2:

- (i) “Public” means any person other than a Member of the Distribution Group or a related party to a Member of the Distribution Group
- (ii) “Maturity” means Bonds with the same credit and payment terms;
- (iii) “Member of the Distribution Group” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public);
- (iv) A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of

another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

- (v) “Sale Date” means the date of execution of this Bond Purchase Agreement by all parties.

3. Preliminary Limited Offering Memorandum and Limited Offering Memorandum.

(a) The Issuer shall deliver or cause to be delivered to the Underwriter (at the Issuer’s expense), promptly after acceptance hereof, copies of the final limited offering memorandum relating to the Bonds, inclusive of appendices and exhibits thereto (the “Limited Offering Memorandum”), with only such changes as shall have been accepted by the Underwriter. The Issuer heretofore authorized and hereby ratifies the distribution by the Underwriter of the Preliminary Limited Offering Memorandum, dated March 5, 2026, in offering the Series 2026 Bonds to prospective purchasers.

(b) The Issuer agrees to deliver to the Underwriter, at such addresses as the Underwriter shall specify, as many copies of the final Limited Offering Memorandum as the Underwriter shall reasonably request as necessary to comply with Paragraph (b)(4) of Rule 15c2-12 of the Securities and Exchange Commission promulgated under the Securities Exchange Act of 1934 (the “Rule”) and all other applicable rules of the Municipal Securities Rulemaking Board (the “MSRB”). The Issuer agrees to deliver such final Limited Offering Memoranda within seven business days after the execution hereof.

(c) The Underwriter shall give notice to the Issuer on the date after which no participating underwriter, as such term is defined in the Rule, remains obligated to deliver the Limited Offering Memorandum pursuant to Paragraph (b)(4) of the Rule.

(d) The Underwriter agrees from the time the final Limited Offering Memorandum becomes available, until the earlier of (i) ninety (90) days from the end of the underwriting period or (ii) the time when the final Limited Offering Memorandum is available to any person from the MSRB through the MSRB’s Electronic Municipal Market Access System, but in no case less than twenty-five (25) days following the end of the underwriting period, the Underwriter shall send or cause to be sent no later than the next business day, by first class mail or other equally prompt means to any potential customer, on request, at least one copy of the final Limited Offering Memorandum.

4. Closing. At or before 12:00 p.m. Eastern time, on March 13, 2026, or such later date and/or time as mutually agreed upon (the “Closing” or the “Closing Date”), the Academy will deliver or cause to be delivered to the Underwriter, at the offices of Bond Counsel, or at such other place as mutually agreed upon, through the facilities of The Depository Trust Company (“DTC”), the Series 2026 Bonds in definitive fully registered form, duly executed and authenticated. In addition, the other documents hereinafter mentioned will be delivered to the offices of Bond Counsel, and the Underwriter will accept such delivery and cause the purchase price thereof to be

paid in federal funds payable to the order of the Academy or the order of such person as the Academy shall direct and such funds shall be available to the Academy on the date of Closing.

The Series 2026 Bonds will be delivered as fully registered bonds in Authorized Denominations and registered in the name of Cede & Co., as nominee of DTC, and in such amounts as the Underwriter may have requested not less than five (5) Business Days (as defined in the Indenture) prior to the Closing. The Academy will deposit with the Trustee, as agent to DTC (or such other acceptable depository institution), any or all of the Series 2026 Bonds, registered in such name or names as the Underwriter may request.

It is anticipated that CUSIP identification numbers will be printed on the Series 2026 Bonds, but neither the failure to print such numbers on any Series 2026 Bond nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the Underwriter to accept delivery of and pay for any Series 2026 Bonds. The Underwriter will cooperate with the Academy to obtain the CUSIP numbers. Simultaneously with the delivery of the Series 2026 Bonds, Bond Counsel shall deliver to the Underwriter the opinions, dated the date of Closing, as provided in Section 7(b)(iv) below.

5. Representations of the Issuer. In order to induce the Underwriter to enter into this Agreement and to make the offering and sale of the Bonds, the Issuer hereby represents, warrants and agrees with the Underwriter as follows:

(a) The statements and information contained in the Limited Offering Memorandum are, and will be as of the Closing Date, true and correct in all material respects and do not, and will not as of the Closing Date, contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements made therein, in light of the circumstances under which they are made, not misleading, provided, however, that the Issuer did not prepare, but did review the statements and information (i) set forth and incorporated by reference in the Limited Offering Memorandum in “THE SERIES 2026 BONDS — BOOK-ENTRY-ONLY-SYSTEM,” which was furnished by DTC; and (ii) furnished in writing by the Underwriter for use in the Limited Offering Memorandum as described in Section 6(c) hereof, as to which statements and information the Issuer makes no representation other than that the Issuer has no knowledge or notice that such information is inaccurate or misleading. If, at any time prior to the later of (i) receipt of notice from the Underwriter pursuant to Section 3(c) hereof that final Limited Offering Memorandums are no longer required to be delivered under the Rule, or (ii) the date described in Section 3(e) hereof, any event occurs with respect to the Issuer as a result of which the Limited Offering Memorandum as then amended or supplemented might include an untrue statement of a material fact, or omit to state any fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriter in writing of such event. Upon the request of the Underwriter, the Issuer shall prepare and deliver to the Underwriter, at the expense of the Issuer, as many copies of an amendment or supplement to the Limited Offering Memorandum which will correct any untrue statement or omission therein as the Underwriter may reasonably request. Any amendment of or supplement to the Limited Offering Memorandum to be distributed pursuant to this Section 5, Paragraph (a), shall contain a statement that the Underwriter has neither participated in the preparation thereof nor made any independent investigation of the facts contained therein and does

not assume any responsibility for the sufficiency, accuracy or completeness of the information contained therein.

(b) The Issuer is duly organized and existing and in good standing as a nonprofit corporation, public school academy and public agency under the laws of the State of Michigan (the “State”) and has all necessary power and authority to enter into and perform its duties under the Trust Indenture, the Mortgage, a Continuing Disclosure Agreement, dated as of March 1, 2026, between the Issuer and the Trustee, as dissemination agent (the “Continuing Disclosure Agreement”), the Educational Services Provider Agreement, dated as of July 1, 2026 (the “Management Agreement”) between Choice Schools Associates, L.L.C. (“Choice Schools”) and the Issuer, the State School Aid Payment Agreement, dated as of March 1, 2026 (the “State Aid Agreement”), between the Issuer and the Trustee and acknowledged by the Central Michigan University Board of Trustees (the “Authorizing Body”), the Standard Form of Agreement Between Owner and Architect dated February 11, 2026 (the “Architect Contract”) between the Issuer and Silverpeak Engineering, Inc. (the “Architect”), the Collateral Assignment of Architect Contract, dated as of March 1, 2026, executed by the Issuer in favor the Trustee and acknowledged and consented to by the Architect (the “Assignment of Architect Contract”), the Standard Form of Agreement between Owner and Construction Manager as Constructor where the basis of payment is the Cost of the Work Plus a Fee with a Guaranteed Maximum Price, dated March 2, 2026 (the “Construction Contract”) between the Issuer and One West Construction, L.L.C. (the “Construction Manager”), the Collateral Assignment of Construction Contract, dated as of March 1, 2026, executed by the Issuer in favor the Trustee and acknowledged and consented to by the Construction Manager (the “Assignment of Construction Contract”), the Environmental Indemnification Agreement, dated as of March 1, 2026, between the Issuer and the Trustee (the “Environmental Indemnification Agreement”), the Subordination of Management Fees Agreement, dated March 1, 2026, by and among Choice Schools, the Issuer and the Trustee (the “Subordination of Fees Agreement”), and this Agreement (collectively, the “Issuer Documents”), and, when executed and delivered by the respective parties thereto, the Issuer Documents will constitute legally valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or limiting creditors’ rights generally. The Issuer has full legal right, power and authority under the constitution and the laws of the State to execute and deliver the Preliminary Limited Offering Memorandum and Limited Offering Memorandum and to carry out and consummate all transactions contemplated by the Issuer Documents.

(c) The execution and delivery of the Issuer Documents, the issuance of the Bonds and compliance with the provisions hereof have been, or by the Closing Date will be, duly authorized by all necessary corporate action on the part of the Issuer and will not conflict with or constitute a breach of or default under any law, administrative regulation, court decree, resolution, charter, bylaw or any agreement to which the Issuer is subject or by which it is bound or by which its properties may be affected.

(d) Except as may be required under Blue Sky or other securities laws of the United States or any state, there is no consent, approval, authorization or other order of, filing with, or certification by, any regulatory authority having jurisdiction over the Issuer, including the Authorizing Body, required for the execution and delivery of the Bonds or the entering into of the

Issuer Documents or the consideration by the Issuer of the other transactions contemplated thereby and by this Agreement, except as has already been obtained.

(e) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body in or of any state and the federal government having jurisdiction, including the Authorizing Body, which would constitute a condition precedent to the performance by the Issuer of its obligations under the Issuer Documents have been obtained or, if not, will be obtained at the time of or prior to the Closing.

(f) The Issuer consents to the use by the Underwriter of the Limited Offering Memorandum in connection with the Underwriter's actions in obtaining qualification of the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may reasonably designate.

(g) The Bonds, when duly issued, authenticated and delivered by the Issuer in accordance with the Trust Indenture and sold to the Underwriter as provided herein, will be the validly issued and outstanding general obligations of the Issuer entitled to the benefits of the Trust Indenture.

(h) There is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental agency, public board or body, pending or, to the best of the Issuer's knowledge, threatened, against the Issuer affecting the existence of the Issuer or the titles of its officers to their respective offices or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents or contesting the powers of the Issuer to execute and deliver or to consummate the transactions contemplated in such documents or the Preliminary Limited Offering Memorandum, Limited Offering Memorandum, or contesting in any way the completeness or accuracy of the Preliminary Limited Offering Memorandum, Limited Offering Memorandum or any amendment or supplement thereto, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents.

(i) The Underwriter represents, and the Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the Issuer and the Underwriter, (ii) in connection with such transaction, the Underwriter is acting solely as a principal and not as an agent or a fiduciary of the Issuer, (iii) the Underwriter has not assumed (individually or collectively) a fiduciary responsibility in favor of the Issuer with respect to (x) the offering of the Bonds or the process leading thereto (whether or not the Underwriter has advised or is currently advising the Issuer on other matters) or (y) any other obligation to the Issuer except the obligations expressly set forth in this Agreement and (iv) the Underwriter has financial and other interests that differ from those of the Issuer; (v) the Issuer has consulted with its own legal and other professional advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

(j) The Mortgage shall be duly recorded to the extent necessary to preserve the validity or priority of the lien created thereby.

(k) The Issuer is a corporation organized and operated exclusively for charitable purposes, not for pecuniary profit, and no part of the net earnings of which inures to the benefit of any person, private stockholder or individual, all within the meaning, respectively, of Subsection 3(a)(4) of the Securities Act of 1933, as amended, and of Subsection 12(g)(2)(D) of the Securities Exchange Act of 1934, as amended.

(l) The Issuer has never been in default, at any time, as to the payment of principal of or interest or premium on (i) any obligation for the payment of indebtedness which the Issuer has issued or guaranteed, or (ii) any obligation with respect to which the Issuer is or was an obligor; except as specifically disclosed in the Limited Offering Memorandum.

(m) There are no affiliations, interrelationships and / or conflicts of interest between the various parties to the Issuer Documents that have not been disclosed in the Limited Offering Memorandum.

(n) The Issuer acknowledges that the Underwriter is acting as an underwriter for the Bonds and has not agreed to serve as a financial advisor to the Issuer.

6. Indemnification. (a) To the extent permitted by law, the Issuer agrees to indemnify and hold harmless the Underwriter and each person, if any, who controls (as such term is defined in Section 15 of the Securities Act of 1933, as amended, and Section 20 of the Securities Exchange Act of 1934, as amended, collectively the "Securities Acts") the Underwriter (i) against any and all judgments, losses, claims, damages and liabilities arising out of any information contained in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum (except information furnished in writing by the Underwriter expressly for inclusion in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum) that is untrue or incorrect, or is alleged to be untrue and incorrect, in any material respect or the omission therefrom, or the alleged omission therefrom, of any material fact required to be stated therein or necessary to make the statements therein in the light of the circumstances under which they were made, not misleading (unless resulting from the Underwriter's or such controlling person's (as aforesaid) gross negligence or intentional or willful misconduct); and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission if such settlement is effected with the written consent of the Issuer. In case any claim shall be made or action brought against the Underwriter or any controlling person based upon the Preliminary Limited Offering Memorandum or Limited Offering Memorandum, in respect of which indemnity may be sought against the Issuer, the Underwriter or such controlling person shall promptly notify the Issuer in writing setting forth the particulars of such claim or action, and the Issuer shall assume the defense thereof including the retaining of counsel and the payment of all expenses. No failure of the Underwriter to give, and no delay in giving, that notice shall relieve the Issuer to any extent from any of its covenants, agreements or obligations under this paragraph, unless that failure or delay prejudices the defense by the Issuer of the action, claim or proceeding, and only to the extent of that prejudice. The Underwriter or any such controlling person shall have the right to retain separate counsel in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Underwriter or such controlling person, as the case may be, unless the retaining of such counsel has been specifically authorized by the Issuer or except as otherwise provided in the Issuer Documents.

(b) The Underwriter agrees to indemnify and hold harmless the Issuer and any member, officer, director, trustee, official and employee of the Issuer (each an “Issuer Indemnified Party” and collectively the “Issuer Indemnified Parties”) and each person, if any, who controls (as such term is defined in the Securities Acts) the Issuer (i) against any and all losses, claims, damages and liabilities arising out of any information furnished in writing by the Underwriter for use in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum, that is untrue in any material respect, or the omission therefrom of any such information, which is required to be contained therein or which is necessary to make the statements therein, in the light of the circumstances under which they are made, not misleading in any material respect; or arising out of violations by the Underwriter of representations made by it in this Agreement or violations by it of applicable securities laws; and (ii) to the extent of the aggregate amount paid in settlement of any litigation commenced or threatened arising from a claim based upon any such untrue statement or omission, or violation, if such settlement is effected with the written consent of the Underwriter. In case any claim shall be made or action brought against an Issuer Indemnified Party or such controlling person (as aforesaid) based upon the Preliminary Limited Offering Memorandum, Limited Offering Memorandum or this Agreement, in respect of which indemnity may be sought against the Underwriter, the Issuer or such controlling person shall promptly notify the Underwriter in writing setting forth the particulars of such claim or action and the Underwriter shall assume the defense thereof, including the retaining of counsel and the payment of all expenses. No failure of the Issuer to give, and no delay in giving, that notice shall relieve the Underwriter to any extent from any of its covenants, agreements or obligations under this paragraph, unless that failure or delay prejudices the defense by the Underwriter of the action, claim or proceeding, and only to the extent of that prejudice. The Issuer Indemnified Party or any controlling person shall have the right to retain separate counsel, in any such action and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the party retaining such counsel unless the retaining of such counsel has been specifically authorized by the Underwriter.

(c) For the purpose of paragraphs (a) and (b) of this Section 6, the information furnished in writing by the Underwriter for use in the Limited Offering Memorandum shall consist of the interest rates and prices of the Bonds set forth on the cover pages of, and under the caption “Underwriting” in, the Limited Offering Memorandum.

(d) If the indemnification provided for in subsection (a) of this Section is unavailable to the Underwriter (or any controlling person thereof) in respect of any losses, claims, damages or liabilities referred to therein, then the Issuer shall, in lieu of indemnifying the Underwriter, contribute to the amount paid or payable by the Underwriter as a result of such losses, claims, damages or liabilities in such proportion as is appropriate to reflect the relative benefits received by the Issuer and the Underwriter, respectively, from the underwriting of the Bonds. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Issuer shall contribute to such amount paid or payable by the Underwriter in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer and the Underwriter, respectively, in connection with the statements or omission which resulted in such losses, claims, damages or liabilities, as well as any other relevant equitable considerations. The relative benefit received by the Issuer or the Underwriter, respectively, shall be deemed to be in the same proportion as the total proceeds from the underwriting of the Bonds (before deducting costs and expenses other than underwriting fees and expenses), on the one hand,

bear to the total underwriting fees and expenses received by the Underwriter, on the other hand. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact related to information supplied by the Issuer or the Underwriter and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission, provided, however, that in the case of an allegation or a determination that arises out of or is based upon a failure in connection with the public offering of the Bonds to register any security under the 1933 Act or to qualify any indenture under the Trust Indenture Act of 1939, the fault shall be deemed entirely that of the Issuer. The Issuer and the Underwriter, respectively, agree that it would not be just and equitable if contribution pursuant to this Section were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section. The amount paid or payable by the Underwriter as a result of the losses, claims, damages or liabilities referred to above in this Section shall be deemed to include any legal or other expenses reasonably incurred by the Underwriter (or any controlling person thereof) in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (d), the Underwriter shall not be required to contribute any amount in excess of the underwriting fee paid to the Underwriter under Section 9 hereof. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the 1933 Act) shall be entitled to contribution from any person who is not guilty of such fraudulent misrepresentation.

7. Conditions Precedent. The Underwriter enters into this Agreement in reliance upon the representations and warranties of the Issuer contained herein and in the Issuer Documents and in reliance upon the representations of the Issuer to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder both on and as of the date hereof and as of the Closing Date. Accordingly, the Underwriter's obligation under this Agreement to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions:

(a) the representations and warranties of the Issuer contained herein shall be true and correct on the date hereof and as of the Closing, as if made on and at the Closing:

(b) at or prior to the Closing, the Underwriter shall receive the following documents:

- i. an executed copy of the Trust Indenture;
- ii. an executed copy of the Mortgage;
- iii. an executed copy of the Continuing Disclosure Agreement;
- iv. the approving opinion of Shifman & Carlson, P.C., as Bond Counsel and counsel to the Issuer, in form reasonably acceptable to the Underwriter, and a supplemental opinion of Bond Counsel as to the exemption from registration of the Bonds;

- v. a certificate of the Authorizing Body in form satisfactory to the Underwriter;
- vi. evidence of the proper recording, in applicable real estate records, of the Mortgage;
- vii. a certificate of the Issuer, dated the Closing Date, relating to the accuracy of the information in the Limited Offering Memorandum, incumbency and signature of authorized officers, execution and delivery of the Bonds and the other documents to which the Issuer is a party, no litigation and continued existence, in form reasonably acceptable to the Underwriter;
- viii. a certified copy of the Bond Resolution adopted by the Board of the Issuer authorizing the execution and delivery of the Bonds, the Trust Indenture and all related documents;
- ix. a mortgagee's title insurance policy which shall evidence good and marketable title in the Facilities insuring the Trustee's interest granted by the Mortgage, in form reasonably satisfactory to the Underwriter;
- x. organizational documents of the Issuer certified by an authorized officer of the Issuer;
- xi. the Nonarbitrage and Tax Compliance Certificate of the Issuer;
- xii. a certificate, dated the Closing Date, signed by an authorized officer or officers of the Trustee, to the effect that the Trustee is a national banking association, duly organized and existing under the laws of the United States of America, and has full power and authority to conduct its activities, to execute, deliver and perform its obligations under the Trust Indenture, and to carry out the transactions contemplated thereby, and that the Trust Indenture constitutes the legal, valid and binding obligation of the Trustee, enforceable against the Trustee;
- xiii. an executed copy of the State Aid Agreement;
- xiv. an executed copy of the Architect Contract
- xv. an executed copy of the Assignment of Architect Contract;
- xvi. an executed copy of the Construction Contract
- xvii. an executed copy of the Assignment of Construction Contract;
- xviii. an executed copy of the Environmental Indemnification Agreement;

- xix. an executed copy of the Subordination of Fees Agreement; and
- xx. such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the representations of the Issuer herein and in the Limited Offering Memorandum, and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the Issuer.

(c) at the Closing, the Issuer Documents and all other documents related thereto shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter, and there shall be in full force and effect such resolutions and there shall have been executed and delivered such opinions, certificates, proceedings, instruments and other documents as, in the opinion of Bond Counsel or counsel to the Underwriter, shall be necessary in connection with the transactions contemplated hereby.

If the conditions to the Underwriter's obligations contained in this Agreement are not satisfied or if the Underwriter's obligations shall be terminated for any reason permitted herein, this Agreement shall terminate and neither the Underwriter nor the Issuer shall have any further obligation hereunder except as provided in paragraph (8) below.

8. Underwriter's Right to Cancel. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (i) between the date hereof and the Closing Date, legislation shall have been enacted by the Congress of the United States or the legislature of the State of Minnesota or the State of Michigan or legislation shall have been reported out of committee of either body or be pending in committee of either body, or a decision shall have been rendered by a court of the United States or the Tax Court of the United States, or a ruling shall have been made or a regulation or temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service, with respect to federal taxation upon revenues or other income of the general character to be derived from the Bonds which, in the reasonable judgment of the Underwriter, materially adversely affects the market for the Bonds, or (ii) there shall exist any event which, in the reasonable judgment of the Underwriter, either; (a) makes untrue or incorrect in any material respect, as of such time, any statement or information contained in the Preliminary Limited Offering Memorandum or Limited Offering Memorandum; or (b) is not reflected in the Preliminary Limited Offering Memorandum, or the Limited Offering Memorandum but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred any outbreak of hostilities or other national or international calamity or crisis, the effect of which outbreak, calamity or crisis on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would make it impracticable for the Underwriter to market or enforce contracts for the sale of the Bonds, or (iv) there shall be in force a general suspension of trading on the New York Stock Exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by that Exchange or by order of

the Securities and Exchange Commission or any other governmental authority having jurisdiction, or (v) a general banking moratorium shall have been declared by either Federal, Minnesota or Michigan authorities having jurisdiction and be in force, or (vi) there shall be any material adverse change in the affairs of the Issuer, or (vii) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or the change to the net capital requirements of, underwriters established by the New York Stock Exchange, the Securities and Exchange Commission, any other federal or state agency or the Congress of the United States, or by Executive Order, or (viii) the marketability of the Bonds or the market price thereof, in the opinion of the underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets.

9. Payment of Expenses. Fees, expenses and costs incident to the execution and performance of this Agreement and to the authorization, issuance and sale of the Bonds to the Underwriter, including the cost of printing the Preliminary Limited Offering Memorandum and the Limited Offering Memorandum (in reasonable quantities); CUSIP Service Bureau charges; clearing, administrative and processing fees; travel and miscellaneous expenses; advertising expenses; and fees and expenses of counsel, including Blue Sky and legal investment services (including filing and registration fees), and rating agency fees, if any, shall be the obligation of the Issuer. All expenses expected to be paid pursuant to this Agreement shall be paid by the Trustee from Bond proceeds. The Underwriter's compensation in the amount of \$136,537.50 is reflected in the discounted purchase price for the Bonds.

10. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at the address set forth above, and any such notice or other communications to be given to the Underwriter may be given by delivering the same in writing to Raymond James & Associates, Inc., 880 Carillon Parkway, St. Petersburg, Florida 33716. The approval of the Underwriter when required hereunder or the determination of its satisfaction as to any document referred to herein shall be in writing signed by the Underwriter and delivered to the Issuer.

11. Benefit. This Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Underwriter, but excluding any purchaser of a Bond from the Underwriter) and, to the extent expressed herein, controlling persons thereof, and no other persons, partnership, association or corporation shall acquire or have any right hereunder or by virtue hereof. All representations and agreements of the parties to this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of the Underwriter and shall survive the delivery of and payment for the Bonds. Any and all controversies, disputes or claims between the Underwriter or the Issuer and affiliates or controlling persons thereof arising out of or relating to this Agreement or executed in connection herewith, or any breach hereof or thereof, or any services to be rendered hereunder or thereunder, shall be resolved by arbitration in Hennepin County, Minnesota, in accordance with the rules then observed by the National Association of Securities Dealers, and judgment upon any award rendered may be entered by any court of competent jurisdiction. Time shall be of the essence of this Agreement.

12. Governing Law. This Agreement shall be governed by, construed and enforced in accordance with the laws of the State of Minnesota.

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

14. Representations and Covenants of the Underwriter. The Underwriter hereby represents and covenants to the Issuer that:

(a) The Underwriter will comply with any registration or qualification requirements applicable to the Underwriter or the Bonds under any securities or “blue sky” law of any jurisdiction in which such registration or qualification is required.

(b) The Underwriter has been duly incorporated and is validly existing as a Delaware corporation and has full power and authority to enter into and perform this Agreement. This Agreement constitutes the legal, valid and binding obligation of the Underwriter, enforceable against the Underwriter in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors’ rights generally now existing or hereafter enacted and by the application of general principles of equity including equitable subordination.

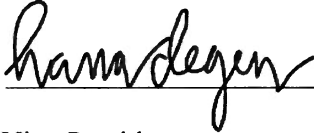
(c) The agreements, representations and warranties of the Underwriter and its officials or officers set forth in, or made pursuant to, this Agreement will remain in full force and effect, regardless of any investigation or statement as to the results thereof made by or on behalf of the Underwriter, or any of its officials, officers or directors or agents or any controlling person referred to in Section 6, and will survive delivery of any payment for the Bonds, the maturity of the Bonds and any termination of this Agreement.

15. Issuer Acknowledgment. The Issuer acknowledges and agrees that the Underwriter has not undertaken and does not undertake to provide tax advice relating to the treatment of interest on the Bonds. No recourse shall be had against the Underwriter for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of the Issuer arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with the Bonds or otherwise relating to the tax treatment of interest on the Bonds, except for a loss, damage, liability, cost or expense directly attributable to representations made by the Underwriter recklessly or in bad faith in its certificate delivered at Closing.

16. Electronic Signatures. The parties agree that the electronic signature of a party to this Agreement shall be as valid as an original signature of such party and shall be effective to bind such party to this Agreement. For purposes hereof: (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC.,
Underwriter

By: 
Its: Vice President

Accepted this March 11, 2026, at 2:00 a.m./p.m.

Underwriter Signature page for Bond Purchase Agreement
FOUNDERS GROVE CLASSICAL ACADEMY
PUBLIC SCHOOL ACADEMY REVENUE BONDS, SERIES 2026

Accepted and Agreed to:

FOUNDERS GROVE CLASSICAL ACADEMY

By:  _____

Its: Board President

Issuer Signature page for Bond Purchase Agreement
FOUNDERS GROVE CLASSICAL ACADEMY
PUBLIC SCHOOL ACADEMY REVENUE BONDS, SERIES 2026

Schedule I

\$8,275,000

**FOUNDERS GROVE CLASSICAL ACADEMY
PUBLIC SCHOOL ACADEMY REVENUE BONDS, SERIES 2026**

Maturity Date and Schedule of the Series 2026 Bonds

Term Bond

\$8,275,000 8.00% Series 2026 Term Bond due June 1, 2061
Price of 100.000% to Yield 8.00%
CUSIP®: 35055QAA0

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2029	55,000	2046	210,000
2030	60,000	2047	225,000
2031	65,000	2048	245,000
2032	70,000	2049	265,000
2033	75,000	2050	285,000
2034	85,000	2051	310,000
2035	90,000	2052	335,000
2036	95,000	2053	360,000
2037	105,000	2054	390,000
2038	115,000	2055	420,000
2039	120,000	2056	455,000
2040	130,000	2057	490,000
2041	145,000	2058	530,000
2042	155,000	2059	570,000
2043	165,000	2060	615,000
2044	180,000	2061	665,000
2045	195,000		

* *Stated Maturity.*

Redemption

The Series 2026 Bonds maturing on or after June 1, 2032, are subject to redemption prior to maturity at the option of the Academy upon written request by the Academy to the Trustee in whole or in part on any day commencing June 1, 2031, at a price equal to 103% of the principal amount thereof between June 1, 2031 and May 31, 2032, 102% of the principal amount thereof between June 1, 2032 and May 31, 2033, 101% of the principal amount thereof between June 1, 2033 and May 31, 2034, and at 100% of the principal amount thereof thereafter, plus accrued interest to the date fixed for redemption, and in such order of

maturity as the Academy shall direct, provided that no Bond may be redeemed in part if the principal amount to be Outstanding following such partial redemption is not an Authorized Denomination.

At least 10% of the maturities of the Series 2026 Bonds have been first sold to the Public at the respective initial offering price.

MORTGAGE

**FOUNDERS GROVE CLASSICAL ACADEMY
as Mortgagor**

to

**UMB BANK, N.A.
as Mortgagee**

RELATING TO:

**FOUNDERS GROVE CLASSICAL ACADEMY
Public School Academy Revenue Bonds, Series 2026**

Dated as of March 1, 2026

Prepared by, and when recorded, return to:

Robert Gavin, Esq.
Shifman & Carlson, P.C.
33533 West 12 Mile Road, Suite 295
Farmington Hills, MI 48331

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EXHIBIT A LEGAL DESCRIPTION

EXHIBIT B PERMITTED ENCUMBRANCES

MORTGAGE

THIS MORTGAGE ("Mortgage") is made as of March 1, 2026, by and between FOUNDERS GROVE CLASSICAL ACADEMY, as Mortgagor ("Mortgagor") and UMB BANK, N.A., a national banking association duly organized and existing under the laws of the United States of America, in its capacity as bond trustee for the Bonds (as defined below), as Mortgagee ("Mortgagee").

PRELIMINARY STATEMENTS

A. Pursuant to the Trust Indenture, dated as of March 1, 2026, (the "Trust Indenture"), between Mortgagor and UMB Bank, N.A., as trustee under the Trust Indenture, Mortgagor is issuing its Public School Academy Revenue Bonds, Series 2026 in the aggregate principal amount of \$8,275,000 (the "Bonds") for the purposes set forth in the Trust Indenture. All capitalized terms used but not otherwise defined herein shall have the meanings assigned to such terms in the Trust Indenture.

B. Pursuant to the Trust Indenture, certain state school aid payments have been pledged and assigned by Mortgagor to Mortgagee for the payment of the principal of and interest on the Bonds.

C. The Bonds are secured by the Trust Estate (as defined in the Trust Indenture), including a lien on and security interest in the Mortgaged Estate (defined below) pursuant to this Mortgage, granted by Mortgagor.

GRANTING CLAUSES

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

Land

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

Improvements

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

Personalty

All equipment, goods, inventory, and other tangible personal property (other than Fixtures as herein defined) which are owned by the Mortgagor, including (but not limited to) furniture, furnishings, equipment, machinery, building materials, appliances, goods, supplies, tools, books, records (whether in written or electronic form), and computer equipment (hardware and software) (the foregoing, collectively, the "Personalty").

Rents, Revenues And Derivative Interests

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

Intangibles

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

Claims And Awards

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

Proceeds

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

A security interest is granted by this Mortgage in that portion of the Mortgaged Estate which constitutes UCC Property (as herein defined) pursuant to and as set forth in ARTICLE IV hereof.

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

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

THIS MORTGAGE SHALL SECURE THE FOLLOWING INDEBTEDNESS AND OBLIGATIONS:

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

(ii) Payment of all indebtedness and performance of all obligations and covenants of Mortgagor under the Trust Indenture and each agreement of Mortgagor incorporated by reference therein or herein, or contained therein or herein;

(iii) Payment of all of the principal of and interest on any future advances under the Trust Indenture, this Mortgage, and any other instrument or other document given to evidence or further secure the payment and performance of any of the obligations thereunder; and

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

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

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

Mortgage, that until this Mortgage is released, any debt owed by Mortgagor under the Trust Indenture, including advances made subsequent to the recording of this Mortgage, shall be secured with the priority afforded this Mortgage as recorded.

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

ARTICLE I. REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

Mortgagor hereby represents, warrants, covenants and agrees:

Section 1.01 Payment of Secured Obligations.

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

Section 1.02 Title of Mortgagor.

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

Section 1.03 [Reserved]

Section 1.04 Maintenance; Repair; Alterations.

Mortgagor shall: (i) keep the Mortgaged Estate in good condition and repair, subject to reasonable and ordinary wear and tear; not remove, demolish or substantially alter (except such alterations as may be required by applicable laws, ordinances or regulations or as permitted under the Trust Indenture) any of the Improvements; (ii) complete promptly and in good and workmanlike manner any building or other improvement which may be constructed on the Land and promptly restore in like manner any Improvement which may be damaged or destroyed thereon, subject to the provisions of Section 1.07 hereof, and pay when due all claims for labor performed and materials furnished therefor; (iii) comply with all applicable laws, ordinances, regulations, covenants, conditions and restrictions now or hereafter affecting the Mortgaged Estate or any part thereof or requiring any alterations or improvements; (iv) not commit or permit any waste or deterioration of the Mortgaged Estate; (v) keep and maintain abutting grounds, sidewalks, roads, parking and landscape areas in good and neat order and repair; (vi) comply with the provisions of any lease, if this Mortgage is on a leasehold; (vii) use the Mortgaged Estate and continue to cause the Mortgaged Estate to be used as permitted under applicable law; and (viii) not commit, suffer or permit any act to be done in or upon the Mortgaged Estate in violation of any applicable law, ordinance or regulation.

Section 1.05 Required Insurance.

Mortgagor shall provide, maintain and keep at all times in force those policies of insurance required in the Trust Indenture.

Section 1.06 Delivery of Insurance Policies; Payment of Premiums.

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

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

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

Section 1.07 Insurance Proceeds.

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

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

Section 1.08 Assignment of Policies Upon Foreclosure.

In the event of the foreclosure of this Mortgage, or other transfer of title to the Mortgaged Estate, or any part thereof, by nonjudicial foreclosure sale or deed in lieu of foreclosure, the purchaser of the Mortgaged Estate, or such part thereof, shall succeed to all of Mortgagor's rights, including any rights to unexpired insurance and unearned or returnable premiums, in and to all insurance policies required by Section 1.05 hereof, subject to limitations on assignment of blanket

policies, and limited to such rights as relate to the Mortgaged Estate or such part thereof. If Mortgagee acquires title to the Mortgaged Estate, or any part thereof, in any manner, it shall thereupon (as between Mortgagor and Mortgagee) become the sole and absolute owner of the insurance policies, and all proceeds payable thereunder with respect to the Mortgaged Estate, or such part thereof, required by Section 1.05 hereof, with the sole right to collect and retain all unearned or returnable premiums thereon with respect to the Mortgaged Estate, or such part thereof, if any.

Section 1.09 Expenses; Indemnification; Waiver of Offset.

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

(b) If (i) any sale (or prerequisite to a sale), action or proceeding shall be commenced by Mortgagee (including but not limited to any sale of the Mortgaged Estate, or any action to foreclose this Mortgage or to collect the Secured Obligations), or any action or proceeding is commenced to which Mortgagee is made a party, or in which it becomes necessary to defend or uphold the rights granted by this Mortgage (including, without limitation, any proceeding or other action relating to the bankruptcy, insolvency or reorganization of Mortgagor or any other person or entity obligated hereunder), or in which Mortgagee is served with any legal process, discovery notice or subpoena, and (ii) in each of the foregoing instances such action or proceeding in any manner relates to or arises out of this Mortgage or issuance of the Bonds or acceptance of a guaranty from a guarantor of the Secured Obligations or any of the transactions contemplated by this Mortgage and such action or proceeding does not relate to or arise out of the gross negligence or willful misconduct of Mortgagee as applicable, then Mortgagor will immediately reimburse or pay to Mortgagee all of the expenses which have been or may be incurred by Mortgagee with respect to the foregoing (including reasonable counsel fees and disbursements), together with interest thereon, and any such sum and the interest thereon shall be included in the Secured Obligations and have the full benefit of this Mortgage, prior to any right, or title to, interest in or claim upon the Mortgaged Estate attaching or accruing to this Mortgage, and shall be deemed to be secured by this Mortgage. In any action or proceeding to sell the Mortgaged Estate, to foreclose this Mortgage, or to recover or collect the Secured Obligations, the provisions of law respecting the recovering of costs, disbursements and allowances shall prevail unaffected by this covenant.

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

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

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

Section 1.10 Taxes and Impositions.

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

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

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

Section 1.11 Utilities.

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

Section 1.12 Actions Affecting Mortgaged Estate.

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

Section 1.13 Actions by Mortgagee To Preserve Mortgaged Estate.

Should Mortgagor fail to make any payment or to do any act as and in the manner provided in this Mortgage, Mortgagee, in its sole discretion, and without notice to, or demand upon, Mortgagor and without releasing Mortgagor from any Secured Obligation, may make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof. In connection therewith (without limiting its general powers), Mortgagee shall have, and is hereby given the right, but not the obligation: (i) to enter upon and take possession of the Mortgaged Estate; (ii) to make additions, alterations, repairs and improvements to the Mortgaged Estate which it may consider necessary or proper to keep the Mortgaged Estate in good condition and repair; (iii) to appear and participate in any action or proceeding affecting or which may affect the security hereof or the rights or powers of Mortgagee; (iv) to pay, purchase, contest or compromise any encumbrance, claim, charge, lien or debt which in the judgment of Mortgagee may affect or appears to affect the security of this Mortgage or be prior or superior hereto; and (v) in exercising such powers, to pay necessary expenses, including employment of counsel or other necessary or desirable consultants. Any such costs and expenses incurred by Mortgagee and any such amounts paid by Mortgagee shall be secured hereby with the same priority afforded this Mortgage as recorded. Mortgagor shall immediately upon demand therefor by Mortgagee pay all of the foregoing costs and expenses incurred by Mortgagee in connection with the exercise by Mortgagee of the foregoing rights, including without limitation costs of evidence of title, court costs, appraisals, surveys and reasonable attorneys' fees provided, however, that Mortgagor shall not be liable to pay for any such costs or expenses incurred by Mortgagee due to the gross negligence or willful misconduct of Mortgagee or its affiliates, directors, officers, agents or employees.

Section 1.14 Survival of Warranties.

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

Section 1.15 Eminent Domain.

Should the Mortgaged Estate, or any part thereof or interest therein, be taken or damaged by reason of any public improvement or condemnation proceeding, or in any other manner ("Condemnation"), or should Mortgagor receive any notice or other information regarding such proceeding, Mortgagor shall give prompt written notice thereof to Mortgagee. Mortgagee may participate in any such Condemnation proceedings, and Mortgagor shall from time to time deliver to Mortgagee all instruments requested by Mortgagee to permit such participation. Mortgagor shall, at its sole cost and expense, diligently prosecute any such proceedings and shall consult with Mortgagee and its attorneys and experts, and cooperate with it in the carrying on or defense of any such proceedings. All proceeds of Condemnation awards or proceeds of sale in lieu of Condemnation with respect to the Mortgaged Estate and all judgments, decrees and awards for injury or damage to the Mortgaged Estate or any part thereof or interest therein shall be used in accordance with Section 8.01 of the Trust Indenture. The balance of proceeds (referred to in the Trust Indenture as "Net Proceeds"), if any, shall be applied as directed by Mortgagor in accordance with the provisions of the Trust Indenture.

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

Section 1.16 Additional Security.

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

Section 1.17 Additional Indebtedness.

Except as provided in the Trust Indenture and except for the Permitted Encumbrances, Mortgagor shall not further encumber the Mortgaged Estate or any portion thereof (including, without limitation, secured transactions under the Uniform Commercial Code in effect in the State, the "UCC").

Section 1.18 Successors and Assigns.

This Mortgage applies to, inures to the benefit of and binds all parties hereto, their heirs, legatees, devisees, administrators, executors successors and assigns. The covenants and

agreements of Mortgagor contained herein shall apply to and be binding upon any successor owner of the Mortgaged Estate or any part thereof.

Section 1.19 Inspections.

Mortgagee, or its agents, representatives, or workmen, are authorized to enter upon reasonable notice of at least two Business Days to Mortgagor at any reasonable time upon or in any part of the Mortgaged Estate for the purpose of inspecting the same and all books, records and documents relating thereto, and for the purpose of performing any of the acts it is authorized to perform under the terms of the Trust Indenture.

Section 1.20 Liens.

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

Section 1.21 Restrictions Affecting Title.

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

Section 1.22 Further Assurances.

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

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

deliver such instruments, it being stipulated that such power of attorney is coupled with an interest and is irrevocable and binding.

Section 1.23 Performance of Covenants; Incorporation of Representations and Warranties.

Mortgagor shall faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Trust Indenture and in all of its proceedings pertaining to this Mortgage. The covenants, representations and warranties of Mortgagor set forth in the Trust Indenture are incorporated by reference into this Mortgage as if stated in full in this Mortgage and such representations and warranties as incorporated herein shall be deemed to have been made as of the date of this Mortgage and shall survive the execution and delivery of this Mortgage.

Section 1.24 Notification of Event of Default Under Mortgage.

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

Section 1.25 [Reserved].

Section 1.26 Organization; Due Authorization.

Mortgagor is a public school academy duly organized, validly existing, and in good standing under the laws of the State and has the requisite power, authority, and legal right to carry on the business conducted by it, and to engage in the transactions contemplated by the Trust Indenture. The execution and delivery of the Trust Indenture and this Mortgage and the performance and observance of the respective provisions thereof have all been authorized by all necessary actions of Mortgagor.

Section 1.27 Liabilities; Compliance With Other Instruments.

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

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

Section 1.28 Enforceability.

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

Section 1.29 Pending Litigation.

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

Section 1.30 Compliance With Law.

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

Section 1.31 After-Acquired Property.

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

Section 1.32 Transfer of Interests in Mortgagor or Mortgaged Estate.

Except in accordance with the terms and restrictions of the Trust Indenture, and except for the Permitted Encumbrances, Mortgagor shall not, by operation of law or otherwise, sell, convey, alienate, transfer, grant, bargain, mortgage, encumber or assign ownership or control of all or any interest in Mortgagor or any part of the Mortgaged Estate or any interest therein, without the prior written consent of Mortgagee given in accordance with the terms of the Trust Indenture.

Section 1.33 Lease Provisions.

Any lease of all or any part of the Mortgaged Estate by Mortgagor permitted under this Mortgage and the Trust Indenture shall contain a provision obligating such lessee to enter into a subordination, attornment and non-disturbance agreement with Mortgagee, in form and substance satisfactory to Mortgagee.

Section 1.34 Defeasance Terminates Lien.

Upon defeasance of all Outstanding Bonds in accordance with the Trust Indenture, the lien of this Mortgage upon the Mortgaged Estate shall cease, and Mortgagee and Trustee shall execute and deliver to Mortgagor at Mortgagor's sole cost and expense all documents necessary to effect such a release.

ARTICLE II. ENVIRONMENTAL MATTERS**Section 2.01 Environmental Matters.**

Mortgagor hereby incorporates and reaffirms those covenants and representations contained in Sections 7.06, 7.07 and 7.08 of the Trust Indenture (including its covenant to provide certain environmental indemnifications) as an integral part of this Mortgage; provided, however, it is the intent of the parties that the environmental indemnifications contained herein are separate and independent obligations of Mortgagor which shall survive any release, foreclosure or other satisfaction of this Mortgage, and such indemnifications shall not be subject to any anti-deficiency defense.

ARTICLE III. ASSIGNMENT OF RENTS AND LEASES**Section 3.01 Assignment of Rents.**

Mortgagor hereby absolutely assigns and transfers to Mortgagee all the Rents of the Mortgaged Estate and hereby gives to and confers upon Mortgagee the right, power and authority to collect such Rents. The assignment of the Rents of the Mortgaged Estate in this Article III is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest.

While the assignment made in this Mortgage is present, direct, and continuing, the execution and delivery hereof shall not in any way impair or diminish the obligations of Mortgagor under the provisions of any lease nor shall any of the obligations contained in any lease be imposed upon Mortgagee.

Section 3.02 Collection Upon Default.

Upon any Event of Default as described below in Section 5.01 under this Mortgage or the Trust Indenture, Mortgagee may, at any time without notice, either in person, by agent or by a receiver appointed by a court, and without regard to the adequacy of any security for the Secured Obligations (i) enter upon and take possession of the Mortgaged Estate, or any part thereof, and in its own name sue for or otherwise collect such Rents, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection, including attorneys' fees, upon any Secured Obligations, and in such order as Mortgagee may determine, and (ii) prepare and submit any applications or other documentation as necessary in order to permit Mortgagee to collect the Rents of the Mortgaged Estate. The collection of such Rents, or the entering upon and taking possession of the Mortgaged Estate shall not cure or waive any default or notice of default hereunder or invalidate any act done in response to such default or pursuant to such notice of default.

Mortgagee shall not be liable to Mortgagor, anyone claiming under or through Mortgagor or anyone having an interest in the Mortgaged Estate by reason of anything done or left undone by Mortgagee hereunder, except to the extent of Mortgagee's gross negligence or willful misconduct.

ARTICLE IV. SECURITY AGREEMENT

Section 4.01 Creation of Security Interest.

With respect to any portion of the Mortgaged Estate which now or in the future constitutes (a) fixtures governed by the UCC (such portion being the "Fixtures"), (b) Personalty, and (c) Intangibles (the Fixtures, Personalty, and Intangibles being collectively referred to as "UCC Property"), this Mortgage shall constitute a security agreement between Mortgagor as the debtor and Mortgagee as the secured party, and Mortgagor hereby grants to Mortgagee a security interest in such UCC Property. Cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the UCC. Mortgagor will execute and file or record (and deliver a copy thereof) to Mortgagee all financing statements that may from time to time be required by law or as requested by the Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any searches required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the UCC with respect to such property, and it is expressly agreed that if upon an Event of Default Mortgagee should proceed to dispose of such property in accordance with the provisions of the UCC. Ten days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the UCC requiring such notice; provided, however, that Mortgagee may at its option dispose of such property in accordance with Mortgagee's rights and remedies with respect to the real property pursuant to the provisions of this Mortgage, in lieu of proceeding under the UCC.

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

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

Section 4.02 Warranties; Representations and Covenants of Mortgagor.

Mortgagor hereby warrants, represents and covenants, with respect to the UCC Property, as follows:

- (a) except for the security interest granted hereby, Mortgagor is, and as to any of the UCC Property to be acquired after the date hereof will be, the sole owner of the

UCC Property, free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever except for purchase money liens and Permitted Encumbrances. Mortgagor will notify Mortgagee of, and will defend the UCC Property against, all prohibited claims and demands of all persons at any time claiming the same or any interest therein;

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

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

(d) the UCC Property will be kept on or at the Project and Mortgagor will not remove the UCC Property from the Project without the prior written consent of Mortgagee given in accordance with the terms of the Trust Indenture, except such portions or items of personal property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor with new items of equal or greater quality; and

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

ARTICLE V. EVENTS OF DEFAULT AND REMEDIES UPON DEFAULT

Section 5.01 Events of Default.

Any one or more of the following events shall be deemed an event of default hereunder (each, an "Event of Default"):

(a) the occurrence of a default in the payment or performance of the Secured Obligations or the occurrence of a default or an Event of Default by Mortgagor under the Trust Indenture (other than this Mortgage) subject to any applicable notice or cure periods provided therein;

(b) failure by Mortgagor to punctually perform or observe any covenant or agreement contained in this Mortgage (other than the monetary obligations described in paragraph (a) above) and such failure shall not have been cured within 30 days (or such longer period as permitted under the Trust Indenture) after written notice from Mortgagee of such failure;

(c) if Mortgagor shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent within the meaning of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.*, as amended (the "Bankruptcy Code"), or shall file any petition or answer seeking or acquiescing in any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief for itself under any present or future

federal, state or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors; or shall seek or consent to or acquiesce in the appointment of any trustee, receiver or liquidator of Mortgagor of all or any part of the Mortgaged Estate, or of any or all of the royalties, rents, issues or profits thereof, or shall make any general assignment for the benefit of creditors, or shall admit in writing its inability to pay its debts generally as they become due;

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

(e) if a writ of execution or attachment or any similar process shall be issued or levied against all or any part of or interest in the Mortgaged Estate, or any judgment involving monetary damages shall be entered against Mortgagor which shall become a lien on the Mortgaged Estate or any portion thereof or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 60 days after its entry or levy;

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

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

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

Section 5.02 Acceleration Upon Default; Additional Remedies.

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

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

(b) Either in person or by agent, with or without bringing any action or proceeding, or by a receiver appointed by a court, and without regard to the adequacy of its security, enter upon and take possession of the Mortgaged Estate or any part thereof and do any acts which it deems necessary or desirable to preserve the value, marketability or rentability of the Mortgaged Estate, or part thereof or interest therein, increase the income therefrom or protect the security hereof and, with or without taking possession of the Mortgaged Estate, take any action described in Article II, III or IV hereof, sue for or otherwise collect the Rents thereof, including those past due and unpaid, and apply the same, less costs and expenses of operation and collection including reasonable attorneys' fees, upon any Secured Obligations, all in such order as Mortgagee may determine. The entering upon and taking possession of the Mortgaged Estate, the taking of any action described in Article II, III or IV hereof, the collection of such Rents and the application thereof as aforesaid, shall not cure or waive any default or notice of default or invalidate any act done in response to such default or pursuant to such notice of default and, notwithstanding the continuance in possession of the Mortgaged Estate or the collection, receipt and application of rents, issues or profits (including the Rents), Mortgagee shall be entitled to exercise every right provided for the Trust Indenture or by law upon occurrence of any Event of Default, including the right to exercise the power of sale herein conferred;

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

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

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

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

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

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

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

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

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

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

This Mortgage contains a power of sale and upon the occurrence of an Event of Default may be foreclosed by advertisement. In foreclosure by advertisement and the sale of the Mortgaged Estate in connection therewith, no hearing is required and the only notice required is the publication of notice in a local newspaper and the posting of a copy of the notice on the premises. The Mortgagor hereby waives all rights under the Constitution and laws of the United States and the State to a hearing prior to sale in connection with foreclosure of this Mortgage by advertisement and all notice requirements except as set forth in the Michigan statute providing for foreclosure by advertisement.

Section 5.03 [Reserved].

Section 5.04 Appointment of Receiver.

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

Section 5.05 Remedies Not Exclusive.

Mortgagee shall be entitled to enforce payment and performance of any Secured Obligation hereby and to exercise all rights and powers under this Mortgage or under the Trust Indenture or other agreement or any laws now or hereafter in force. Neither the acceptance of this Mortgage nor its enforcement, whether by court action or pursuant to the power of sale or other powers herein contained, shall prejudice or in any manner affect Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee, it being agreed that Mortgagee shall be entitled to enforce this Mortgage and any other security now or hereafter held by Mortgagee in such order and manner as it may in its absolute discretion determine. No remedy herein conferred upon or reserved to Mortgagee is intended to be exclusive of any other remedy given hereunder or now or hereafter existing at law or in equity or by statute. Every power or remedy given by the Trust Indenture to Mortgagee, or to which Mortgagee may be otherwise entitled, may be exercised, concurrently or independently, from time to time and as often as may be deemed expedient by Mortgagee. Mortgagee may pursue inconsistent remedies.

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

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

Section 5.06 Possession of Mortgaged Estate.

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

Section 5.07 Relief from Stay.

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

Section 5.08 Cash Collateral.

To the fullest extent allowed by applicable law, Mortgagor hereby acknowledges and agrees that in the event that Mortgagor commences a case under the Bankruptcy Code or is the subject of an involuntary case that results in an order for relief under the Bankruptcy Code: (i) that all of the Rents are, and shall for purposes be deemed to be, "proceeds, product, offspring, rents, or profits" of the Project covered by the lien of the Mortgage, as such quoted terms are used in Section 552(b) of the Bankruptcy Code; (ii) that in no event shall Mortgagor assert, claim or contend that any portion of the Rents are, or should be deemed to be, "accounts" or "accounts receivable" within the meaning of the Bankruptcy Code and/or applicable state law; (iii) that the Rents are and shall be deemed to be in any such bankruptcy proceeding "cash collateral" of

Mortgagee as that term is defined in Section 363 of the Bankruptcy Code; and (iv) that Mortgagee has valid, effective, perfected, enforceable and matured rights in and to the Rents without any further action required on the part of Mortgagee to enforce or perfect its rights in and to such cash collateral, including, without limitation, providing notice to Mortgagor under Section 546(b) of the Bankruptcy Code.

ARTICLE VI. MISCELLANEOUS

Section 6.01 Governing Law.

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

Section 6.02 Waiver of Rights

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

Section 6.03 Limitation of Interest.

All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are expressly limited so that in no event shall the amount paid, or agreed to be paid to Mortgagee for the use, forbearance, or detention of the money to be held pursuant to the Trust Indenture or otherwise, or for the performance or payment of any covenant or obligation contained herein, exceed the maximum amount permissible under applicable law. If

the fulfillment of any provision hereof shall exceed the limit of validity prescribed by law, then the obligation to be fulfilled shall be reduced to the limit of such validity. If from any such circumstance Mortgagee or holders of the Bonds shall ever receive as interest under the Bonds or this Mortgage or otherwise anything of value which would exceed interest at the highest lawful rate, such amount that would be excessive interest shall be applied to the reduction of the principal amount owing under the Bonds or on account of other Secured Obligations and not to the payment of interest, or if such excessive interest exceeds the unpaid balance of principal of the Bonds and such other Secured Obligations, such excess shall be refunded to Mortgagor. All sums paid or agreed to be paid to Mortgagee for the use, forbearance, or detention of the Secured Obligations shall, to the extent permitted by applicable law, be amortized, prorated, allocated and spread throughout the full term of such obligations until payment in full so that the rate of interest on account of Secured Obligations is uniform throughout the term thereof. The terms and provisions of this paragraph shall control all agreements between Mortgagor and Mortgagee.

Section 6.04 [Reserved]

Section 6.05 Notices.

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

If to Mortgagor:	Founders Grove Classical Academy 1025 E Wheeler Street Midland, MI 48642 Attention: Board President
With a copy to:	Robert Gavin, Esq. Shifman & Carlson, P.C. 33533 West Twelve Mile Road Suite 295 Farmington Hills, MI 48331 rgavin@shifmancarlsonlaw.com
If to Mortgagee:	UMB Bank, N.A. 3940 Peninsular Drive Suite 230 Grand Rapids, MI 49546

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

Section 6.06 Captions.

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

Section 6.07 Invalidity of Certain Provisions; Conflicting Provisions.

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

Section 6.08 Subrogation.

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

Section 6.09 Change in Ownership.

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

Section 6.10 Assignment of Mortgagee's Interest.

It is expressly agreed that any and all terms of this Mortgage, the Trust Indenture and all other agreements made or executed by Mortgagor or others in favor of Mortgagee, and all rights, powers, privileges, options and remedies conferred upon Mortgagee herein and therein, shall inure to and be for the benefit of, and may be exercised by, Mortgagee and its successors and assigns, and the words "Mortgagee" shall also mean and include the successor or successors and the assign or assigns of Mortgagee and its successors and assigns. Mortgagor hereby specifically grants unto Mortgagee the right and privilege, at Mortgagee's option, but subject nevertheless to the provisions of the Trust Indenture, to transfer and assign to any third person all or any part of Mortgagee's rights to receive funds or payments hereunder. Mortgagee shall provide notice under Section 6.05 of any such assignment.

Section 6.11 Time Is of the Essence.

Time is of the essence under this Mortgage and the Trust Indenture.

Section 6.12 Obligations of Mortgagor.

The obligations of Mortgagor to make payments hereunder and under the Trust Indenture and to perform and observe all agreements on its part contained herein and therein shall be absolute and unconditional. Until this Mortgage is terminated or payment in full of all Bonds is made or is provided for in accordance with the Trust Indenture, Mortgagor (i) will not suspend or discontinue any payments under the Trust Indenture or neglect to perform any of its duties required thereunder or hereunder; (ii) will perform and observe all of its obligations set forth in the Trust Indenture, this Mortgage and the Bonds; (iii) except as provided herein will not terminate the Trust Indenture or this Mortgage for any cause; and (iv) agrees that each and all of the matters provided for by the Trust Indenture and so incorporated herein to the same extent and with the same force and effect as if each and all of said representations, warranties, terms, provisions, restrictions, covenants and agreements so incorporated hereby by reference were set out and repeated herein at length. Any provisions governing the rights, immunities and protections of the Trustee under the Indenture are incorporated by reference into this Mortgage as being applied to the Mortgagee as though fully set forth herein.

Section 6.13 Immunity of Individuals.

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

Section 6.14 Supplements; Amendments.

This Mortgage may be supplemented or amended by written agreement between Mortgagor and Mortgagee in accordance with the applicable provisions of the Trust Indenture.

Section 6.15 Power of Attorney.

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

Section 6.16 Mortgagee as Trustee.

The Mortgagee is acting in its capacity as Trustee under the Trust Indenture. In the event any provision of this Mortgage requires the approval, consent, or action by the Mortgagee, the Mortgagee must undertake to grant or deny such approval or consent, or perform such action, only subject to and as directed by the terms of the Trust Indenture, and may, in the Mortgagee's sole discretion, require direction of the Bondholder Representative (or if none, the direction of the of the holders of a majority in aggregate principal amount of the Outstanding Bonds (as defined in the Indenture)) prior to undertaking any such approval, consent, or action.

[SIGNATURES ON FOLLOWING PAGE]

FOUNDERS GROVE CLASSICAL ACADEMY

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EXHIBIT A

LEGAL DESCRIPTION

The Land referred to herein below is situated in the County of Midland, State of Michigan and is described as follows:

Property 1

Part of the Southeast 1/4 of Section 3, T14N, R2E, being further described as: Commencing at the South 1/4 corner of said Section; thence North 89°49'08" East along the South line of said Section, 348.18 feet to the Point of Beginning; thence North 00°13'18" West, 567.63 feet to the Southwesterly line of Park Manor Estates No. 1 as recorded in Liber O of Plats, Page 14 of Midland County Records; thence North 66°17'49" East along said Southwesterly line of Park Manor Estates No. 1, 24.62 feet to the Southerly line of said Park Manor Estates No. 1; thence North 89°49'08" East, along said Southerly line of Park Manor Estates No. 1, 521.53 feet to the Westerly line of Park Manor Estates No. 2 as recorded in Liber O of Plats, Page 70, Midland County Records; thence South 00°15'51" East, along said Westerly line of Park Manor Estates No. 2, if extended, 577.47 feet to said South Section line; thence South 89°49'08" West, along said South Section line, 544.54 feet to the Point of Beginning.

Property 2

Part of the Southeast 1/4, Fractional Section 3, T14N - R02E, City of Midland, Midland County, Michigan. Being further described as Beginning at the South 1/4 corner of said Section; thence N00°19'55"W along the West line of said Section, 175.20'; thence N89°49'08"E, 180.00'; thence N00°19'55"W, 318.85' to the Southerly line of PARK MANOR ESTATES No. 1, as recorded in Liber O of Plats, Pages 14, 15 & 16 in the Midland County Register of Deeds; thence N66°17'49"E along said Southerly line, 184.40'; thence S00°13'18"E, 567.63' to the South line of said Section; thence S89°49'08"W along said South Section line, 348.18' to the Point of Beginning.

EXHIBIT B
PERMITTED EXCEPTIONS
AS DISCLOSED IN TITLE INSURANCE POLICY

The Academy Board shall provide to the Center a copy of each Certificate of Use and Occupancy issued by the Department of Licensing and Regulatory Affairs' Bureau of Construction Codes, demonstrating occupancy approval for the facility located at 1025 E. Wheeler, Midland, MI 48642. The Academy shall be able to demonstrate that the entire facility is approved for occupancy at all times in which it is occupied by the Academy. The Certificate(s) of Use and Occupancy shall be inserted here upon issuance and receipt.

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 3-5 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 3-5 at the Academy will be assessed using the following measures and targets:

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

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAMS

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

Mission

Founders Grove Classical Academy (“Academy”) teaches and equips scholars to become moral and intellectual leaders in a self-governing society. We inspire wonder.

Vision

Our scholars desire the truth, do the good, and love the beautiful.

Virtues

- COURAGE—I will choose rightly in the face of fear or temptation.
- RESPECT—I will honor everything according to its nature.
- EXCELLENCE—I will do my best to demonstrate intellectual and moral virtue.
- INTEGRITY—I will think and act consistent with truth and goodness.
- HUMILITY—I will moderate myself while giving due attention to others.
- SELF GOVERNMENT—I will exercise control over my thoughts and actions.
- WONDER— I will seek to understand with an open mind and an amazement of the world around me.

The mission statement of Founders Grove Classical Academy is to teach and equip scholars to become moral and intellectual leaders in a self-governing society. We inspire wonder. The goal is to develop within its students the intellectual and personal habits, virtues and skills upon which responsible, independent and flourishing lives are built, in the firm belief that such lives are the basis of a free and just society. The Academy prepares students to be leaders in their homes and communities, entrepreneurs in business, and statesmen in government. Through content-rich curriculum with a strong emphasis in civics, the Academy provides a traditional education with a constant view towards developing exceptional American citizens.

Program Delivery

The Academy provides a full and complete education that challenges students to excel both in learning and in character development. Classical education upholds a standard of excellence and has proven itself over the course of time. This classical educational program will succeed through the Academy’s high standards and curriculum, supported by a well-regulated campus. The Academy consistently reinforces high academic achievement, personal discipline, ethics and responsibility through the study of subjects in the classical tradition. Academy students are highly literate and ethical citizens, are prepared to continue academic achievement and ready to become responsible members of the community. Academy students are well-prepared to advance into any life endeavor and to inspire others. The curriculum has been carefully selected to facilitate those goals.

The Academy collaborates with the Barney Charter School Initiative (“BCSI”) in design and execution of the educational program. BCSI has collaborated with nearly two dozen other classical

schools and has developed a curriculum that has shown success across a wide variety of student backgrounds. The curriculum is characterized by a strong emphasis on language, content-richness in all subjects, a strong core curriculum and a focus upon the historical, literary and scientific traditions of the United States and of Western civilization at large.

Several unique innovations characterize the Academy:

1. All students in grades three, four, and five are introduced to Latin roots which have been demonstrated to improve reading comprehension and vocabulary and bolster performance in all subjects.
2. Upper level students study history mainly through primary source documents to foster analytical skills and essential insight into culture and heritage.
3. All students are trained in study skills such as time management, organization and note taking that are essential for building stamina for further academic pursuits.
4. The program introduces and seeks to instill virtues of character in the lower grades through these pillars of character education: courage, respect, excellence, integrity, humility, self-government, and wonder. Instruction in the classical virtues (prudence, justice, temperance and fortitude) are introduced in the upper grades as a continuance of the elementary character program and a necessary support of the classical curriculum.

To achieve the mission, the Academy emphasizes an education in the humanities, sciences and arts in several current and research-based curricula/programs, which include:

- The Core Knowledge® Sequence: a specific, grade-by-grade core curriculum of common learning;
- Literacy Essentials: a systematic synthetic phonics program borrowing from the Orton Gillingham research that teaches the 71 letter-sound combinations of the English language;
- Singapore Math®: a conceptual approach to mathematical skill building and problem Solving.

Core Knowledge, Literacy Essentials and Singapore Math are designed to build foundations of knowledge in the elementary years. Because children learn by building on what they already know, this curriculum benefits students with varying learning abilities. Emphasizing foundational skills and rich content, teachers can effectively bring students with academic problems up to grade level as well as strengthen the knowledge base and challenge the academic potential of every student at or above grade level. The Academy's curriculum has proven to be successful for all students, including special needs students and English Language Learners ("ELL").

Students presenting academic difficulty need programs that address remediation directly and target specific deficiencies. The time-tested, multi-sensory, brain-based approach that addresses multiple student learning styles is the Literacy Essentials method, *The Writing & Spelling Road to Reading & Thinking*. Literacy Essentials is appropriate for teaching all students the explicit phonics, reading and language arts that must be learned to succeed. Literacy Essentials provides a strong foundation for students who exhibit academic progress, and is an effective remedial program for students with academic challenges. ELL students also benefit because Literacy Essentials provides limited

concepts at a given time and is practiced until students achieve mastery. The Academy believes one of the best forms of remediation is through a solid phonics program.

Low performing students are identified through the use of assessment and diagnostic tools. Students who score below grade level are given extra support to reach grade level within the classroom, such as small group setting and differentiated instruction, as well as pull out instruction.

Homework and classwork help are offered during specific study hall hours throughout the week to assist students in need of extra practice. Teachers are available during a time outside of the instructional block. This additional contact with students can help provide structured practice and further feedback. When learning gains are not progressing at an appropriate rate, the Academy provides for tutoring. These sessions are programmed within the operating budget and are applied to those students requiring extra intervention to reach grade level expectations.

A 2007 longitudinal study led by Dr. Greg Duncan of Northwestern University concluded that early literacy and math skill acquisition is the greatest predictor of later learning. (Source: Duncan, G.J., et. al., "School Readiness and Later Achievement" *Developmental Psychology*, Vol. 43, No. 6: 2007.) By choosing sound research-based programs like Literacy Essentials and Singapore math, coupled with a classical curriculum that, by definition, is a literacy-focused curriculum, the Academy provides students with these skills early on to ensure a successful academic future.

The Academy seeks to provide a content-rich curriculum using time-tested instructional approaches with proven track records of success. The term "innovative learning methods" refers to new ideas and new manners of delivering instruction to students. While schools should always have the worthy goal of improving student learning outcomes and concrete methods of self-evaluation, the Academy believes the greater goal is to produce students who communicate effectively, are virtuous, possess cultural literacy, and are active and productive members of American society. To accomplish this valuable goal, the Academy uses time-honored instructional methods that may not fit the standard definition of "innovative", but whose results speak volumes. These methods are the cornerstone of classical education and support mastery of the Michigan Academic Standards ("MAS"):

- *Explicit and Systematic Phonics Instruction* - Through the direct teaching of letter-sound relationships through a specified sequence, the foundation for literacy is established and provides students the ability to decode the printed word. Scientific research supports this method.
- *Explicit English Grammar Instruction* - Using tools such as diagramming and the study of root words, students are equipped to speak and write with a high degree of communicative competence. As students learn to identify parts of speech and seek to develop syntax, the students are able to communicate more clearly on all levels. The more students learn about the English language and its structure, the ability to easily and fluently express more complex thoughts becomes evident.
- *Ability Groupings* - Instructional supports and strategies are most effective through the use of flexible Ability Groupings in the core subjects of reading, writing and math. To best differentiate instruction, providing individualized supports for all learners while

maintaining the same expectations of outcome, ability groupings will allow the Academy to tailor instructional techniques and class time to meet the needs of all students. Students are placed into Ability Groupings upon admission using initial assessments that indicate strengths and weaknesses. Students are moved across groupings as additional assessments suggest. Students are responsible for mastery of the same skills and concepts and are required to take the same assessments regardless of grouping. Using differentiated instructional strategies enables teachers to optimize the learning of all students.

- *Utilization of Primary Source Documents*- Primary sources are materials that were created by those who participated in or witnessed the events of the past and can include letters, reports, photographs, drawings, sound recordings, motion pictures, and artifacts as well as books. Although sometimes life lessons (e.g., motives, ethics, and “cause and effect”) are not necessarily obvious or easy to define, primary sources can bring them to life by reflecting events and experiences that actually occurred and introduce students to the individuals who lived them.
- *Teaching of Study Skills* - Time management, organizing, memory techniques, note taking, and outlining are emphasized and integrated throughout the curriculum to equip students for higher learning. Developing stamina for challenging and complex work is imperative for the promotion of a strong work ethic.
- *The Socratic Method* - The use of direct, intentional questions to guide students’ understanding of problems and their solutions is a fundamental part of instruction, particularly in literature and history courses.

Instructional Design

The primary instructional strategies employed at the Academy are the lecture and the Socratic method/discussion. The Socratic discussion is the ideal mode of classical instruction, but the Academy founders understand that young and inexperienced students require guidance to partake in or profit from such a discussion; therefore, the guiding principle for most instruction is that instruction be “teacher directed.” Most of the time teacher-directed instruction takes the form of a lecture, story, read-aloud or teacher-led discussion. Teacher-led discussion helps to model inquiry and analysis for students as a way of preparing them to engage in more open Socratic discussion in high school.

Projects, student-led discussion, student-led inquiry, and other popular modes of instruction have a limited place at the Academy, and only within the broader context of the mission, curriculum and school culture. Teachers receive training and feedback about when best to employ these and other methods, with an emphasis placed on teacher-led, content-rich instruction in all subjects. This emphasis is consistent with the tradition of classical education and with the content-rich curriculum the Academy employs.

One instructional strategy that is more peculiar to the classical school is the use of primary sources for teaching history. Especially in the upper grades, history instruction depends upon primary source documents—artifacts, documents, recordings, or other sources of information created at the time under study.

Curriculum

The Academy curriculum has a core focus on science, math, English language arts and history. Second to the four core subjects, though integral to the curriculum, are the subjects of art, music and foreign language. The basis of the Academy curriculum is a collaboration between the school and BCSI. BCSI works as a curricular advisor, and has a complete set of curricular and resource recommendations from kindergarten through twelfth grade.

The basis of that curriculum in kindergarten through fifth grades is the Core Knowledge Sequence, prepared by the Core Knowledge Foundation. Following BCSI recommendations, the Academy supplements the Core Knowledge Sequence with the literacy program developed by Literacy Essentials. The Academy supplements the Core Knowledge Sequence in mathematics by using the Singapore Math curriculum. The Academy also includes the teaching of Latin and Greek roots in grades three, four, and five.

In the earliest grades, the curriculum focuses primarily on language, with the bulk of the school day given to teaching literacy and numeracy. Both subjects are foundational to a student's education, so the resources and methods deployed in each case must be consistent and excellent. The Academy uses the Literacy Essentials program to teach literacy and related skills, and the Singapore Math Program to teach numeracy.

Literacy Essentials is a multi-sensory, brain-based approach for teaching phonics, spelling, reading, handwriting and grammar. The Literacy Essentials program teaches the 71 letter-sound (phonogram) combinations used in the English language, beginning with the easiest sight-to-sound correspondences, and working towards those that are most complex. Syllabication is critical to a proper understanding of letter-sound relationships, so the Literacy Essentials program teaches syllabication from the beginning of kindergarten. Alongside learning phonograms and implementing these into a potent spelling and vocabulary regimen, students using the Literacy Essentials program learn handwriting, including cursive handwriting. As students grasp the basics of English literacy, the program lays a foundation in basic grammar and composition.

Teaching students to read is the primary focus of early elementary education at the Academy. Once students have transitioned from “learning to read” to “reading to learn,” the focus of the Academy curriculum appropriately shifts. From mid-elementary forward, the curriculum places a strong emphasis on reading, and especially upon reading works of great literature.

Once students learn how to read, reading comprehension exercises are slowly replaced with literature. From third grade forward, literature becomes a primary component of the curriculum, one of the four curricular cores. Literature in the younger grades (especially in grades 3-5) exposes students to a certain level of cultural literacy and understanding, thereby allowing students to understand the literary traditions inherited from characters like Robin Hood and writers like Robert Louis Stevenson.

The central position of language in the curriculum continues throughout the grades. In third, fourth, and fifth students learn Latin and Greek roots of English words. Latin is introduced and taught alongside English so that students learn the structural underpinnings of their own language, expand their vocabulary, and improve their reading comprehension.

As students mature in their facility with language, the curriculum directs time and intellectual energy into more content-based (as opposed to skill-based) aspects of the curriculum. The basis of these subjects is the Core Knowledge Sequence, made available through the Core Knowledge Foundation. This sequence was developed to provide comprehensive order to K-5 education, with the intention of training students in the art, literature, science, history, math and language that form their cultural and intellectual inheritance.

The Singapore Math Program provides students with a strong conceptual foundation in basic mathematics. From the earliest grades, this program emphasizes concepts, mental math and number sense while employing physical and graphical illustrations of underlying mathematical rules and phenomena. The program presents mathematical skill building and problem solving such that students have a better understanding of not only when to use a particular equation, but why. Moving students on to higher levels of skills before students are ready is not an option, so the program is employed at each student's ability level. Ability-level groups are determined at the beginning of each school year, and adjustments are made on an as-needed basis in order to best equip each student with the language of numeracy.

The Core Knowledge Sequence is based upon E.D. Hirsch's idea of cultural literacy, which makes it the ideal curriculum for a classical school. The Core Knowledge Sequence provides a grade-by-grade sequence of specific topics to be taught in grades kindergarten through five, and is the basic curricular framework for history, geography, literature, visual arts, music and science at the Academy. With cultural literacy as the guiding principle, the Core Knowledge sequence leads students through a comprehensive and grade-appropriate view of science, literature, art, music and history. Topics which are especially important for cultural literacy are repeated in a spiraling fashion—so that younger students build a firm but broad foundation in these topics while older students are able to achieve depth. The sequence provides a necessary order across grades and between schools and families, such that teachers can base lessons upon what students have learned and will learn, and parents can anticipate what students will learn in each grade.

The Core Knowledge Foundation provides resources to support some, but not the entirety, of the sequence, so teachers are supported but encouraged to reach beyond the immediate resources and take ownership of their lessons. The BCSI has found this arrangement valuable in striking a balance between teacher support and teacher freedom. Although the rhetoric surrounding a classical school often emphasizes the humanities, the sciences are no less important than the humanistic disciplines and do not play a secondary role at the Academy. The Core Knowledge science program focuses on thematically linked science topics and biographies of great scientists.

The order of the Core Knowledge program allows for regular repetition of the most important topics, such that students become well-versed in the fundamentals.

Learning Environment

The learning environment is primarily classroom-based, with a focus on direct-instruction from teachers and the use of the Socratic Method to engage students in thinking and discussion. Homework is used to support in-class work. Daily homework constitutes the majority of independent study for the students. Class sizes are kept reasonably small to ensure the teacher-to-

student ratio is most effective. Teachers are observed and coached to ensure all students are involved and engaged.

The Academy has at least a 90-minute morning period in kindergarten through fifth grades focusing on the various aspects of English language study: phonics, reading, vocabulary, study of Latin roots, spelling, grammar, handwriting and composition, with differentiated instruction for specific student learning needs, timely and specific feedback, and high student engagement to ensure the greatest impact. This morning period is supplemented with brief periods of punctuated practice throughout the day.

Academy students learn language and literature, history, geography, government, math, the sciences, music and the visual arts in a coherent and orderly program that runs from the rudiments of basic literacy and math skills to higher orders of thought and expression. Students are taught an organized sequence of skills and core knowledge through sound, time-proven methods. Students read classic works of literature, study the fine arts and learn first-hand accounts of history through the study of primary source documents, including the Declaration of Independence and the Constitution. Students also receive rigorous training in the fundamentals and theories of math and science, including the scientific method, and benefit from Socratic instructional techniques and training in study skills that further foster learning and character development. Through the Socratic Method, students learn to ask important questions, setting students on the path to understanding themselves and the world, and encouraging the students to act ethically and responsibly.

The Academy's robust academic program and training in the virtues is supported by a well-regulated campus that fosters positive relationships between students, parents and teachers. Teachers and volunteers receive training before implementing curriculum or assisting in the classroom. Teaching methods may be modified and differentiated to meet student needs. The success of every student depends upon his or her consistent effort and perseverance. Each student receives the support of every staff member whose focus is academic achievement and a commitment to educational excellence.

Curriculum Modification

The Academy automatically provides differentiated instruction in two main areas, with differentiated instruction in other areas provided on a case-by-case basis. In math, the first of these areas, students are grouped by ability; this requires a common math period for all students. Students are assessed after several weeks of math instruction, and this assessment provides teachers with both a baseline of student learning and a significant metric for placing students into ability groups. Ability grouping is a significant complement to the Singapore Math program, and helps to ensure that students receive the foundation in math that is necessary for understanding upper-level math.

The Academy also provides some differentiated instruction in the literacy and reading curriculum. By using the Literacy Essentials program with all students, the expectation is to meet many student literacy problems before the problems develop. Students who are reading and writing at a slower pace than their grade cohort are automatically trained in the language of instruction used in reading remediation—and receive remediation as problems are identified. The Academy provides struggling students with additional literacy instruction, through flexible scheduling blocks or

classroom pull-outs, as necessary. Additionally, students receive differentiated instruction in the course of reading practice, wherein students are grouped by ability and/or led through a reading practice regimen designed to meet each student at his or her ability level. Students who are behind their grade cohort may receive adapted reading assignments (or shorter adapted works of literature), audiobooks, read-alouds of the original, or other help as identified by the teacher and administrator.

Outside of mathematics and literacy, the Academy uses differentiated instruction on a case-by case basis. The Core Knowledge Sequence allows for a significant amount of latitude with regard to particular topics and works of literature. Students who are capable of work above their grade level may be given the option to read additional works of literature, read adapted works in an original or longer form, or study history and science content in a more comprehensive form (e.g. by reading upper-level texts or receiving instruction from upper-level teachers).

Students who are behind their grade cohort receive whatever instructional aids are called for by an Individualized Educational Program (“IEP”). Students with or without an IEP may also receive various instructional helps identified by the teacher or administrator, and student services such as adapted reading assignments, additional tutoring, oral exams, etc. In all cases where differentiated instruction is offered to students performing below grade level, the intent of the differentiated instruction is to bring student performance up to grade level standards. Highly effective teachers intentionally use all these strategies to engage students, including those performing below grade level, in maximizing the benefit from the curriculum.

For each student who does not meet state performance levels in reading, writing, mathematics and/or science, the Academy, in consultation with the student’s parent, will develop and implement progress monitoring to assist the student in meeting expectations for proficiency. Strategies may include, but are not limited to, summer school, parent tutorial programs, modified curriculum, reading instruction, after school instruction and other extended day services including tutoring, mentoring and intensive skills development programs.

The Academy intends to use progress monitoring unless the student has a disability and receives services on an IEP that more appropriately can address the identified deficiencies. The Academy may request that low performing students attend remediation programs held before or after regular school hours or during summer.

If upon subsequent evaluation the documented deficiency has not been remediated, the student may be retained. Each student who does not meet minimum performance expectations for the statewide assessment tests in reading, writing, science and mathematics will continue remedial instruction or supplemental instruction until expectations are met. Progress monitoring remains active until a student has made sufficient learning gains to illustrate proficiency.

The framework used to identify student learning deficiencies, develop hypotheses, formulate a plan, monitor progress and analyze results follows the Multi-Tiered Systems of Support (“MTSS”) model. The Academy set up systems and methodologies to address student needs that include data-based goals, reflection and review of instruction and methodology, differentiation of the instruction and other targeted interventions, as well as formative and summative assessments.

MTSS seeks to prevent academic failure through early intervention, frequent progress measurement, and increasingly intensive research-based instructional interventions for children who continue to have difficulty. The MTSS Model is as follows:

- Tier 1 (core instruction and universal supports available to all students): Tier 1 consists of the general academic and behavioral instruction and support that is designed and differentiated for all students in all settings. School wide progress monitoring and screenings are used to ensure that core instruction is effective and to identify students who may need additional support in order to be successful.
- Tier 2 (supplemental instruction or intervention provided to targeted groups of students): Tier 2 consists of more focused, targeted instruction or intervention and supplemental supports in addition to and aligned with the core instruction provided through Tier 1. For instance, an additional 30 minutes per day may be devoted to reading in a small group (3-6 students), with a focus on building accurate and automatic recognition of words in text. Adjustments can be made within Tier 2 to increase time on task or decrease student/teacher ratio.
- Tier 3 (intensive individualized intervention and supports provided to individual students): Tier 3 consists of the most intense (increased time, narrowed focus, very small group or individual) instruction and intervention based upon individual student need. Tier 3 supports are provided in addition to and aligned with the core (Tier 1) and supplemental (Tier 2) academic and behavioral instruction, interventions, and supports.

The tiers are not a “set” series of interventions or activities that all students move through. Rather, the tiers are fluid and flexible; students may move from a lower to a higher tier and back again, based on documented need. A student may be successful with Tier 1 supports for behavior and mathematics, require supplemental Tier 2 instruction for reading, and need intensive Tier 3 interventions for writing. As the student progresses and the performance gap with grade level and classroom peers closes, the student may no longer need anything beyond Tier 1. The MTSS framework is designed for all students, including general education students and exceptional student education (“ESE”) students with IEPs or Educational Plans (“EP”). “All students” includes those who struggle, those who excel and demonstrate needs beyond the core curriculum, and ELL students. If the Academy’s MTSS implementation team determines that a student is not making adequate progress after the provision of effective Tier 1, Tier 2, and Tier 3 intervention and supports for an appropriate amount of time, or that the services are effective but may require substantial and sustained effort that may include special education and related services in order to maintain progress, the team will refer the student for evaluation for ESE.

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

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

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

Assessment

The Academy fully participates in all aspects of state testing and other assessments as required by state statute. The Academy also conducts its own data analysis of student learning by any other proven assessment tools deemed necessary and appropriate, including, but not limited to, Literacy Essentials and Singapore math student inventories, Acadience® and NWEA® MAP® Growth™ as diagnostic reading assessments in tiered interventions, teacher-created assessments, portfolios and observation. This data is used to identify students not making adequate progress toward the state standards to implement an individualized program to improve measurable learning outcomes. The Academy seeks to analyze reports from different perspectives to maximize the usefulness of information gained from the accountability process. Such analysis may include viewing student-learning results by age groups, grade levels, previous academic experiences, gender, attendance and any other aspects of the student population that enhances the Academy's knowledge about student learning needs.

A key goal of the Academy's learning measurement process is to provide results of findings and outcomes by way of communication and feedback to students and overall stakeholders. Students, parents, staff and board members will receive published reports of student achievement on an individual and collective basis with the intention of encouraging community ownership of learning outcomes and increased accountability for the teaching and learning practices the school espouses. These practices are re-evaluated on an annual basis to allow for adjustment of techniques, strategies and other relevant programs with the intention of more significantly affecting learning outcomes.

Student assessment and performance data is regularly assessed by teachers and administration to guarantee that all students are receiving the support and instruction necessary. The Academy relies heavily upon the experienced and well-trained teachers to be constantly aware of individual needs within the classrooms. Teachers and administrators apply the data gathered to drive the intervention strategies and progress monitoring methods, making sure that each is an efficient use of time and resources. Teachers and administration hold team meetings to discuss the growth and progress of individual students. The curriculum allows for ease in differentiation, so teachers are able to readily accelerate or reinforce a student's learning.

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) 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 professional learning communities ("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 based on the Core Knowledge[®] Sequence, Literacy Essentials, Singapore Math[®], and the Michigan Model for Health[™]. The curriculum for all core subjects has been received, reviewed and approved by the Center.

Elementary

The following subjects/courses are offered at the Academy.

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

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

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

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

Academic Assessments to Be Administered:

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

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

APPLICATION AND ENROLLMENT OF STUDENTS

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

Enrollment Limits

The Academy will offer kindergarten through fifth grade. The maximum enrollment shall be 275 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 fifth grade. The Academy may add grades with the prior written approval of the authorizing body.

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

CONTRACT SCHEDULE 8

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

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

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

Information Available to the Public and the Center

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

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

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

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

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

AMENDMENT NO. 1

to the
October 27, 2025 Contract to Charter
A Public School Academy and Related Documents

Issued To

FOUNDERS GROVE CLASSICAL ACADEMY
(A PUBLIC SCHOOL ACADEMY)

By

THE CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

CONTRACT AMENDMENT NO. 1

FOUNDERS GROVE CLASSICAL ACADEMY

In accordance with Article IX of the Terms and Conditions of the Contract (the "Contract"), dated October 27, 2025, issued by the CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES (the "University Board") to FOUNDERS GROVE CLASSICAL ACADEMY (the "Academy"), the parties agree to amend the Contract as follows:

- 1.) Amend Schedule 6: Physical Plant Description, by replacing the Configuration of Grade Levels contained therein with the following:

"Configuration of Grade Levels: Kindergarten through Sixth Grade."

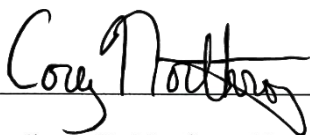
- 2.) Amend Schedule 7, Section b: Educational Goal and Related Measures, by replacing the materials contained therein with the materials attached as Tab 1.
- 3.) Amend Schedule 7, Section c: Educational Programs, by replacing the materials contained therein with the materials attached as Tab 2.
- 4.) Amend Schedule 7, Section d: Curriculum, by replacing the materials contained therein with the materials attached as Tab 3.
- 5.) Amend Schedule 7, Section f: Application and Enrollment of Students, by replacing the Enrollment Limits contained therein with the following:

"Enrollment Limits

The Academy will offer kindergarten through sixth grade. The maximum enrollment shall be 275 students. The Academy Board will annually adopt maximum enrollment figures prior to its application and enrollment period."

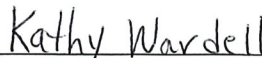
- 6.) Amend Schedule 7, Section h: Age or Grade Range of Pupils, by replacing the materials contained therein with the materials attached as Tab 4.

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, 2026.

 _____ Dated: 08/21/2026

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

 _____ Dated: 8/18/26
Kathy Wardell (Aug 18, 2026 20:45:52 EDT)

By:  _____
Founders Grove Classical Academy
Designee of the Academy Board

Founders Grove Classical Academy

Contract Amendment No. 1

Tab 1

EDUCATIONAL GOAL AND RELATED MEASURES

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

Educational Goal to be Achieved

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

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

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

Measure 1: Student Achievement

The academic achievement of **all students who have been at the academy for one or more years¹** in grades 3-6 will be assessed using the following measures and targets:

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

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

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

Measure 2: Student Growth

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

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

Founders Grove Classical Academy

Contract Amendment No. 1

Tab 2

EDUCATIONAL PROGRAMS

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

Mission

Founders Grove Classical Academy (“Academy”) seeks to promote academic excellence with a classical and virtuous foundation. We aim to inspire future intellectual, civic and moral leaders.

Vision

We inspire our students to pursue the truth, discern what is good and love the beautiful.

Virtues

- INTEGRITY—I do what is right, even when it is hard, I am honest and act responsibly.
- COURAGE—I stand for what is right even if I am the only one standing.
- RESPECT—I act honorably, always treating others with courtesy.
- EXCELLENCE—I do my best and seek to be exceptional.
- HUMILITY—I will pursue wisdom without arrogance.
- GRATITUDE—I am thankful and show appreciation. I am mindful of life’s blessings.
- WONDER— I am in awe of the world around me and continually seek greater understanding.

The mission statement of Founders Grove Classical Academy is to promote academic excellence with a classical and virtuous foundation. We aim to inspire future intellectual, civic and moral leaders. We inspire wonder. The goal is to develop within its students the intellectual and personal habits, virtues and skills upon which responsible, independent and flourishing lives are built, in the firm belief that such lives are the basis of a free and just society. The Academy prepares students to be leaders in their homes and communities, entrepreneurs in business, and statesmen in government. Through content-rich curriculum with a strong emphasis in civics, the Academy provides a traditional education with a constant view towards developing exceptional American citizens.

Program Delivery

The Academy provides a full and complete education that challenges students to excel both in learning and in character development. Classical education upholds a standard of excellence and has proven itself over the course of time. This classical educational program will succeed through the Academy’s high standards and curriculum, supported by a well-regulated campus. The Academy consistently reinforces high academic achievement, personal discipline, ethics and responsibility through the study of subjects in the classical tradition. Academy students are highly literate and ethical citizens, are prepared to continue academic achievement and ready to become responsible members of the community. Academy students are well-prepared to advance into any life endeavor and to inspire others. The curriculum has been carefully selected to facilitate those goals.

The Academy collaborates with the Barney Charter School Initiative (“BCSI”) in design and execution of the educational program. BCSI has collaborated with nearly two dozen other classical schools and has developed a curriculum that has shown success across a wide variety of student backgrounds. The curriculum is characterized by a strong emphasis on language, content-richness in all subjects, a strong core curriculum and a focus upon the historical, literary and scientific traditions of the United States and of Western civilization at large.

Several unique innovations characterize the Academy:

1. All students in grades three, four, and five are introduced to Latin roots which have been demonstrated to improve reading comprehension and vocabulary and bolster performance in all subjects. Students in grades six study Latin daily.
2. Upper level students study history mainly through primary source documents to foster analytical skills and essential insight into culture and heritage.
3. All students are trained in study skills such as time management, organization and note taking that are essential for building stamina for further academic pursuits.
4. The program introduces and seeks to instill virtues of character in the lower grades through these pillars of character education: responsibility, respect, courage, courtesy, honesty and citizenship.. Instruction in the classical virtues (prudence, justice, temperance and fortitude) are introduced in the upper grades as a continuance of the elementary character program and a necessary support of the classical curriculum.

To achieve the mission, the Academy emphasizes an education in the humanities, sciences and arts in several current and research-based curricula/programs, which include:

- The Core Knowledge® Sequence: a specific, grade-by-grade core curriculum of common learning;
- Access Literacy: a systematic synthetic phonics program borrowing from the Orton Gillingham research that teaches the 71 letter-sound combinations of the English language;
- Singapore Math®: a conceptual approach to mathematical skill building and problem Solving.

Core Knowledge, Access Literacy and Singapore Math are designed to build foundations of knowledge in the elementary years. Because children learn by building on what they already know, this curriculum benefits students with varying learning abilities. Emphasizing foundational skills and rich content, teachers can effectively bring students with academic problems up to grade level as well as strengthen the knowledge base and challenge the academic potential of every student at or above grade level. The Academy’s curriculum has proven to be successful for all students, including special needs students and English Language Learners (“ELL”).

Students presenting academic difficulty need programs that address remediation directly and target specific deficiencies. The time-tested, multi-sensory, brain-based approach that addresses multiple student learning styles is the Access Literacy method, *The Writing & Spelling Road to Reading & Thinking*. Access Literacy is appropriate for teaching all students the explicit phonics, reading and language arts that must be learned to succeed. Access Literacy provides a strong foundation for students who exhibit academic progress, and is an effective remedial program for students with

academic challenges. ELL students also benefit because Access Literacy provides limited concepts at a given time and is practiced until students achieve mastery. The Academy believes one of the best forms of remediation is through a solid phonics program.

Low performing students are identified through the use of assessment and diagnostic tools. Students who score below grade level are given extra support to reach grade level within the classroom, such as small group setting and differentiated instruction, as well as pull out instruction.

Homework and classwork help are offered during specific study hall hours throughout the week to assist students in need of extra practice. Teachers are available during a time outside of the instructional block. This additional contact with students can help provide structured practice and further feedback. When learning gains are not progressing at an appropriate rate, the Academy provides for tutoring. These sessions are programmed within the operating budget and are applied to those students requiring extra intervention to reach grade level expectations.

A 2007 longitudinal study led by Dr. Greg Duncan of Northwestern University concluded that early literacy and math skill acquisition is the greatest predictor of later learning. (Source: Duncan, G.J., et. al., “School Readiness and Later Achievement” *Developmental Psychology*, Vol. 43, No. 6: 2007.) By choosing sound research-based programs like Access Literacy and Singapore math, coupled with a classical curriculum that, by definition, is a literacy-focused curriculum, the Academy provides students with these skills early on to ensure a successful academic future.

The Academy seeks to provide a content-rich curriculum using time-tested instructional approaches with proven track records of success. The term “innovative learning methods” refers to new ideas and new manners of delivering instruction to students. While schools should always have the worthy goal of improving student learning outcomes and concrete methods of self-evaluation, the Academy believes the greater goal is to produce students who communicate effectively, are virtuous, possess cultural literacy, and are active and productive members of American society. To accomplish this valuable goal, the Academy uses time-honored instructional methods that may not fit the standard definition of “innovative”, but whose results speak volumes. These methods are the cornerstone of classical education and support mastery of the Michigan Academic Standards (“MAS”):

- *Explicit and Systematic Phonics Instruction* - Through the direct teaching of letter-sound relationships through a specified sequence, the foundation for literacy is established and provides students the ability to decode the printed word. Scientific research supports this method.
- *Explicit English Grammar Instruction* - Using tools such as diagramming and the study of root words, students are equipped to speak and write with a high degree of communicative competence. As students learn to identify parts of speech and seek to develop syntax, the students are able to communicate more clearly on all levels. The more students learn about the English language and its structure, the ability to easily and fluently express more complex thoughts becomes evident.
- *Ability Groupings* - Instructional supports and strategies are most effective through the use of flexible Ability Groupings in the core subjects of reading, writing and math. To best differentiate instruction, providing individualized supports for all learners while

maintaining the same expectations of outcome, ability groupings will allow the Academy to tailor instructional techniques and class time to meet the needs of all students. Students are placed into Ability Groupings upon admission using initial assessments that indicate strengths and weaknesses. Students are moved across groupings as additional assessments suggest. Students are responsible for mastery of the same skills and concepts and are required to take the same assessments regardless of grouping. Using differentiated instructional strategies enables teachers to optimize the learning of all students.

- *Utilization of Primary Source Documents*- Primary sources are materials that were created by those who participated in or witnessed the events of the past and can include letters, reports, photographs, drawings, sound recordings, motion pictures, and artifacts as well as books. Although sometimes life lessons (e.g., motives, ethics, and “cause and effect”) are not necessarily obvious or easy to define, primary sources can bring them to life by reflecting events and experiences that actually occurred and introduce students to the individuals who lived them.
- *Teaching of Study Skills* - Time management, organizing, memory techniques, note taking, and outlining are emphasized and integrated throughout the curriculum to equip students for higher learning. Developing stamina for challenging and complex work is imperative for the promotion of a strong work ethic.
- *The Socratic Method* - The use of direct, intentional questions to guide students’ understanding of problems and their solutions is a fundamental part of instruction, particularly in literature and history courses.

Instructional Design

The primary instructional strategies employed at the Academy are the lecture and the Socratic method/discussion. The Socratic discussion is the ideal mode of classical instruction, but the Academy founders understand that young and inexperienced students require guidance to partake in or profit from such a discussion; therefore, the guiding principle for most instruction is that instruction be “teacher directed.” Most of the time teacher-directed instruction takes the form of a lecture, story, read-aloud or teacher-led discussion. Teacher-led discussion helps to model inquiry and analysis for students as a way of preparing them to engage in more open Socratic discussion in high school.

Projects, student-led discussion, student-led inquiry, and other popular modes of instruction have a limited place at the Academy, and only within the broader context of the mission, curriculum and school culture. Teachers receive training and feedback about when best to employ these and other methods, with an emphasis placed on teacher-led, content-rich instruction in all subjects. This emphasis is consistent with the tradition of classical education and with the content-rich curriculum the Academy employs.

One instructional strategy that is more peculiar to the classical school is the use of primary sources for teaching history. Especially in the upper grades, history instruction depends upon primary source documents—artifacts, documents, recordings, or other sources of information created at the time under study.

Curriculum

The Academy curriculum has a core focus on science, math, English language arts and history. Second to the four core subjects, though integral to the curriculum, are the subjects of art, music and foreign language. The basis of the Academy curriculum is a collaboration between the school and BCSI. BCSI works as a curricular advisor, and has a complete set of curricular and resource recommendations from kindergarten through twelfth grade.

The basis of that curriculum in kindergarten through sixth grades is the Core Knowledge Sequence, prepared by the Core Knowledge Foundation. Following BCSI recommendations, the Academy supplements the Core Knowledge Sequence with the Access Literacy program developed by Literacy Essentials. The Academy supplements the Core Knowledge Sequence in mathematics by using the Singapore Math curriculum. The Academy also includes the teaching of Latin and Greek roots in grades three through six.

In the earliest grades, the curriculum focuses primarily on language, with the bulk of the school day given to teaching literacy and numeracy. Both subjects are foundational to a student's education, so the resources and methods deployed in each case must be consistent and excellent. The Academy uses the Access Literacy program to teach literacy and related skills, and the Singapore Math Program to teach numeracy.

Access Literacy is a multi-sensory, brain-based approach for teaching phonics, spelling, reading, handwriting and grammar. The Access Literacy program teaches the 71 letter-sound (phonogram) combinations used in the English language, beginning with the easiest sight-to-sound correspondences, and working towards those that are most complex. Syllabication is critical to a proper understanding of letter-sound relationships, so the Access Literacy program teaches syllabication from the beginning of kindergarten. Alongside learning phonograms and implementing these into a potent spelling and vocabulary regimen, students using the Access Literacy program learn handwriting, including cursive handwriting. As students grasp the basics of English literacy, the program lays a foundation in basic grammar and composition.

Teaching students to read is the primary focus of early elementary education at the Academy. Once students have transitioned from “learning to read” to “reading to learn,” the focus of the Academy curriculum appropriately shifts. From mid-elementary forward, the curriculum places a strong emphasis on reading, and especially upon reading works of great literature.

Once students learn how to read, reading comprehension exercises are slowly replaced with literature. From third grade forward, literature becomes a primary component of the curriculum, one of the four curricular cores. Literature in the younger grades (especially in grades 3-6) exposes students to a certain level of cultural literacy and understanding, thereby allowing students to understand the literary traditions inherited from characters like Robin Hood and writers like Robert Louis Stevenson.

The central position of language in the curriculum continues throughout the grades. In third, fourth, and fifth students learn Latin and Greek roots of English words. Latin is introduced and taught alongside English so that students learn the structural underpinnings of their own language, expand

their vocabulary, and improve their reading comprehension. Students in grade six study Latin daily.

As students mature in their facility with language, the curriculum directs time and intellectual energy into more content-based (as opposed to skill-based) aspects of the curriculum. The basis of these subjects is the Core Knowledge Sequence, made available through the Core Knowledge Foundation. This sequence was developed to provide comprehensive order to K-6 education, with the intention of training students in the art, literature, science, history, math and language that form their cultural and intellectual inheritance.

The Singapore Math Program provides students with a strong conceptual foundation in basic mathematics. From the earliest grades, this program emphasizes concepts, mental math and number sense while employing physical and graphical illustrations of underlying mathematical rules and phenomena. The program presents mathematical skill building and problem solving such that students have a better understanding of not only when to use a particular equation, but why. Moving students on to higher levels of skills before students are ready is not an option, so the program is employed at each student's ability level. Ability-level groups are determined at the beginning of each school year, and adjustments are made on an as-needed basis in order to best equip each student with the language of numeracy.

The Core Knowledge Sequence is based upon E.D. Hirsch's idea of cultural literacy, which makes it the ideal curriculum for a classical school. The Core Knowledge Sequence provides a grade-by-grade sequence of specific topics to be taught in grades kindergarten through six, and is the basic curricular framework for history, geography, literature, visual arts, music and science at the Academy. With cultural literacy as the guiding principle, the Core Knowledge sequence leads students through a comprehensive and grade-appropriate view of science, literature, art, music and history. Topics which are especially important for cultural literacy are repeated in a spiraling fashion—so that younger students build a firm but broad foundation in these topics while older students are able to achieve depth. The sequence provides a necessary order across grades and between schools and families, such that teachers can base lessons upon what students have learned and will learn, and parents can anticipate what students will learn in each grade.

The Core Knowledge Foundation provides resources to support some, but not the entirety, of the sequence, so teachers are supported but encouraged to reach beyond the immediate resources and take ownership of their lessons. The BCSI has found this arrangement valuable in striking a balance between teacher support and teacher freedom. Although the rhetoric surrounding a classical school often emphasizes the humanities, the sciences are no less important than the humanistic disciplines and do not play a secondary role at the Academy. The Core Knowledge science program focuses on thematically linked science topics and biographies of great scientists.

The order of the Core Knowledge program allows for regular repetition of the most important topics, such that students become well-versed in the fundamentals.

Learning Environment

The learning environment is primarily classroom-based, with a focus on direct-instruction from teachers and the use of the Socratic Method to engage students in thinking and discussion.

Homework is used to support in-class work. Daily homework constitutes the majority of independent study for the students. Class sizes are kept reasonably small to ensure the teacher-to-student ratio is most effective. Teachers are observed and coached to ensure all students are involved and engaged.

The Academy has at least a 90-minute morning period in kindergarten through sixth grades focusing on the various aspects of English language study: phonics, reading, vocabulary, study of Latin roots, spelling, grammar, handwriting and composition, with differentiated instruction for specific student learning needs, timely and specific feedback, and high student engagement to ensure the greatest impact. This morning period is supplemented with brief periods of punctuated practice throughout the day.

Academy students learn language and literature, history, geography, government, math, the sciences, music and the visual arts in a coherent and orderly program that runs from the rudiments of basic literacy and math skills to higher orders of thought and expression. Students are taught an organized sequence of skills and core knowledge through sound, time-proven methods. Students read classic works of literature, study the fine arts and learn first-hand accounts of history through the study of primary source documents, including the Declaration of Independence and the Constitution. Students also receive rigorous training in the fundamentals and theories of math and science, including the scientific method, and benefit from Socratic instructional techniques and training in study skills that further foster learning and character development. Through the Socratic Method, students learn to ask important questions, setting students on the path to understanding themselves and the world, and encouraging the students to act ethically and responsibly.

The Academy's robust academic program and training in the virtues is supported by a well-regulated campus that fosters positive relationships between students, parents and teachers. Teachers and volunteers receive training before implementing curriculum or assisting in the classroom. Teaching methods may be modified and differentiated to meet student needs. The success of every student depends upon his or her consistent effort and perseverance. Each student receives the support of every staff member whose focus is academic achievement and a commitment to educational excellence.

Curriculum Modification

The Academy automatically provides differentiated instruction in two main areas, with differentiated instruction in other areas provided on a case-by-case basis. In math, the first of these areas, students are grouped by ability; this requires a common math period for all students. Students are assessed after several weeks of math instruction, and this assessment provides teachers with both a baseline of student learning and a significant metric for placing students into ability groups. Ability grouping is a significant complement to the Singapore Math program, and helps to ensure that students receive the foundation in math that is necessary for understanding upper-level math.

The Academy also provides some differentiated instruction in the literacy and reading curriculum. By using the Access Literacy program with all students, the expectation is to meet many student literacy problems before the problems develop. Students who are reading and writing at a slower pace than their grade cohort are automatically trained in the language of instruction used in reading

remediation—and receive remediation as problems are identified. The Academy provides struggling students with additional literacy instruction, through flexible scheduling blocks or classroom pull-outs, as necessary. Additionally, students receive differentiated instruction in the course of reading practice, wherein students are grouped by ability and/or led through a reading practice regimen designed to meet each student at his or her ability level. Students who are behind their grade cohort may receive adapted reading assignments (or shorter adapted works of literature), audiobooks, read-alouds of the original, or other help as identified by the teacher and administrator.

Outside of mathematics and literacy, the Academy uses differentiated instruction on a case-by case basis. The Core Knowledge Sequence allows for a significant amount of latitude with regard to particular topics and works of literature. Students who are capable of work above their grade level may be given the option to read additional works of literature, read adapted works in an original or longer form, or study history and science content in a more comprehensive form (e.g. by reading upper-level texts or receiving instruction from upper-level teachers).

Students who are behind their grade cohort receive whatever instructional aids are called for by an Individualized Educational Program (“IEP”). Students with or without an IEP may also receive various instructional helps identified by the teacher or administrator, and student services such as adapted reading assignments, additional tutoring, oral exams, etc. In all cases where differentiated instruction is offered to students performing below grade level, the intent of the differentiated instruction is to bring student performance up to grade level standards. Highly effective teachers intentionally use all these strategies to engage students, including those performing below grade level, in maximizing the benefit from the curriculum.

For each student who does not meet state performance levels in reading, writing, mathematics and/or science, the Academy, in consultation with the student’s parent, will develop and implement progress monitoring to assist the student in meeting expectations for proficiency. Strategies may include, but are not limited to, summer school, parent tutorial programs, modified curriculum, reading instruction, after school instruction and other extended day services including tutoring, mentoring and intensive skills development programs.

The Academy intends to use progress monitoring unless the student has a disability and receives services on an IEP that more appropriately can address the identified deficiencies. The Academy may request that low performing students attend remediation programs held before or after regular school hours or during summer.

If upon subsequent evaluation the documented deficiency has not been remediated, the student may be retained. Each student who does not meet minimum performance expectations for the statewide assessment tests in reading, writing, science and mathematics will continue remedial instruction or supplemental instruction until expectations are met. Progress monitoring remains active until a student has made sufficient learning gains to illustrate proficiency.

The framework used to identify student learning deficiencies, develop hypotheses, formulate a plan, monitor progress and analyze results follows the Multi-Tiered Systems of Support (“MTSS”) model. The Academy set up systems and methodologies to address student needs that include data-

based goals, reflection and review of instruction and methodology, differentiation of the instruction and other targeted interventions, as well as formative and summative assessments. MTSS seeks to prevent academic failure through early intervention, frequent progress measurement, and increasingly intensive research-based instructional interventions for children who continue to have difficulty. The MTSS Model is as follows:

- Tier 1 (core instruction and universal supports available to all students): Tier 1 consists of the general academic and behavioral instruction and support that is designed and differentiated for all students in all settings. School wide progress monitoring and screenings are used to ensure that core instruction is effective and to identify students who may need additional support in order to be successful.
- Tier 2 (supplemental instruction or intervention provided to targeted groups of students): Tier 2 consists of more focused, targeted instruction or intervention and supplemental supports in addition to and aligned with the core instruction provided through Tier 1. For instance, an additional 30 minutes per day may be devoted to reading in a small group (3-6 students), with a focus on building accurate and automatic recognition of words in text. Adjustments can be made within Tier 2 to increase time on task or decrease student/teacher ratio.
- Tier 3 (intensive individualized intervention and supports provided to individual students): Tier 3 consists of the most intense (increased time, narrowed focus, very small group or individual) instruction and intervention based upon individual student need. Tier 3 supports are provided in addition to and aligned with the core (Tier 1) and supplemental (Tier 2) academic and behavioral instruction, interventions, and supports.

The tiers are not a “set” series of interventions or activities that all students move through. Rather, the tiers are fluid and flexible; students may move from a lower to a higher tier and back again, based on documented need. A student may be successful with Tier 1 supports for behavior and mathematics, require supplemental Tier 2 instruction for reading, and need intensive Tier 3 interventions for writing. As the student progresses and the performance gap with grade level and classroom peers closes, the student may no longer need anything beyond Tier 1. The MTSS framework is designed for all students, including general education students and exceptional student education (“ESE”) students with IEPs or Educational Plans (“EP”). “All students” includes those who struggle, those who excel and demonstrate needs beyond the core curriculum, and ELL students. If the Academy’s MTSS implementation team determines that a student is not making adequate progress after the provision of effective Tier 1, Tier 2, and Tier 3 intervention and supports for an appropriate amount of time, or that the services are effective but may require substantial and sustained effort that may include special education and related services in order to maintain progress, the team will refer the student for evaluation for ESE.

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

developed. IEPs will be developed, revised and implemented in accordance with the Individuals with Disabilities Education Improvement Act (“IDEIA”) and state law and regulations.

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

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

Assessment

The Academy fully participates in all aspects of state testing and other assessments as required by state statute. The Academy also conducts its own data analysis of student learning by any other proven assessment tools deemed necessary and appropriate, including, but not limited to, Access Literacy and Singapore math student inventories, DIBELS®, and NWEA® MAP® Growth™ and Developmental Reading Assessment® (“DRA”) as diagnostic reading assessments in tiered interventions, teacher-created assessments, portfolios and observation. This data is used to identify students not making adequate progress toward the state standards to implement an individualized program to improve measurable learning outcomes. The Academy seeks to analyze reports from different perspectives to maximize the usefulness of information gained from the accountability process. Such analysis may include viewing student-learning results by age groups, grade levels, previous academic experiences, gender, attendance and any other aspects of the student population that enhances the Academy’s knowledge about student learning needs.

A key goal of the Academy’s learning measurement process is to provide results of findings and outcomes by way of communication and feedback to students and overall stakeholders. Students, parents, staff and board members will receive published reports of student achievement on an individual and collective basis with the intention of encouraging community ownership of learning outcomes and increased accountability for the teaching and learning practices the school espouses. These practices are re-evaluated on an annual basis to allow for adjustment of techniques, strategies and other relevant programs with the intention of more significantly affecting learning outcomes.

Student assessment and performance data is regularly assessed by teachers and administration to guarantee that all students are receiving the support and instruction necessary. The Academy relies heavily upon the experienced and well-trained teachers to be constantly aware of individual needs within the classrooms. Teachers and administrators apply the data gathered to drive the intervention strategies and progress monitoring methods, making sure that each is an efficient use

of time and resources. Teachers and administration hold team meetings to discuss the growth and progress of individual students. The curriculum allows for ease in differentiation, so teachers are able to readily accelerate or reinforce a student's learning.

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) 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 professional learning communities ("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.

Founders Grove Classical Academy

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Tab 3

CURRICULUM

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article VI, Section 6.4, the Academy shall implement, deliver, and support the curriculum identified in this schedule.

The Academy has adopted Academy written curriculum based on the Core Knowledge® Sequence, Access Literacy, Singapore Math®, and the Michigan Model for Health™. The curriculum for all core subjects has been received, reviewed and approved by the Center.

Elementary

The following subjects/courses are offered at the Academy.

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

Founders Grove Classical Academy

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Tab 4

AGE OR GRADE RANGE FOR PUPILS TO BE ENROLLED

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

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

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