



CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY
AND RELATED DOCUMENTS

ISSUED TO

CREATIVE MONTESSORI ACADEMY
(A PUBLIC SCHOOL ACADEMY)

BY THE

CENTRAL MICHIGAN UNIVERSITY
BOARD OF TRUSTEES
(AUTHORIZING BODY)

JULY 1, 2022

TABLE OF CONTENTS

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

AUTHORIZING RESOLUTION

**AUTHORIZATION OF PUBLIC SCHOOL ACADEMY AND APPOINTMENT OF INITIAL
BOARD OF DIRECTORS**

Creative Montessori 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 Creative Montessori Academy for a term not to exceed five (5) years.
8. The university president or designee has recommended for appointment Amphy Negron to a term which expires August 30, 2023; Walker Evans to a term which expires August 30, 2024; Donald Treadwell to a term which expires August 30, 2025; and Jessica Pinto and Tammy Duty to terms which expire August 30, 2022, and to additional terms which expire August 30, 2026.
9. Creative Montessori Academy's application has been submitted under Act 362 of the Public Acts of 1993, being 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 Creative Montessori 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 Creative Montessori 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 Creative Montessori Academy is able to comply with all terms and conditions of the contract.

CMU BDT APPROVED

Date: April 24, 2022
Signature: Mary Jane Flanagan

BE IT FURTHER RESOLVED, That the following individuals are appointed to serve as initial members of the board of directors of Creative Montessori Academy commencing the date upon which the oaths of public office are taken, but not prior to July 1, 2022.

Initial Members of the Board of Directors. The initial board of directors of Creative Montessori Academy shall consist of five (5) positions.

Amphy Negron
Lincoln Park, Michigan
operations manager, Southwest Counseling Solutions
(to fill a position ending August 30, 2023)

Walker Evans
Brownstown, Michigan
retired
(to fill a position ending August 30, 2024)

Donald Treadwell
Grosse Ile, Michigan
president, Treadwell & Associates, Inc.
(to fill a position ending August 30, 2025)

Jessica Pinto
Livonia, Michigan
vice president of member services, Southern Wayne County Regional Chamber of Commerce
(to fill a position ending August 30, 2026)

Tammy Duty
Rockwood, Michigan
teacher, Taylor School District
(to fill a position ending August 30, 2026)

CMU BDT APPROVED

Date: April 26, 2022

Signature: Mary Jane Flanagan



BOARD OF TRUSTEES

PROPOSAL FOR BOARD ACTION: CONSENT AGENDA

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

Project Description:

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

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

Proposed by: Provost Gealt

PROPOSED RESOLUTION: CONSENT AGENDA

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

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

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

CMU BDT APPROVED

Date: 2/15/18

Signature: M. J. Mangano

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

The Central Michigan University Board of Trustees declares that the method of selection, length of term, and number of board members shall be as follows.

Method of Selection and Appointment

The Central Michigan University Board of Trustees ("University Board") shall prescribe the method of appointment for members of an academy's board of directors. The director of the charter schools office is authorized to develop and administer an academy board selection and appointment process that includes an *Application for Public School Academy Board Appointment* and is in accord with these policies:

- a. The University Board shall appoint the initial and subsequent academy board of directors by resolution, except as prescribed by subparagraphs d and e. The director of the charter schools office shall recommend qualified individuals to the University Board, and ensure that the board of directors includes representation from the local community where the academy is located.
- b. The academy board of directors, by resolution and majority vote, shall nominate its subsequent members, except as provided otherwise. The academy board of directors shall recommend to the director of the charter schools office at least one nominee for each vacancy. Nominees shall submit the *Application for Public School Academy Board Appointment* for review by the charter schools office. The director of the charter schools office may or may not recommend the appointment of a nominee submitted by the academy board. If the director of the charter schools office does not recommend the appointment of a nominee submitted by the academy board, he/she may select and recommend another nominee or may request the academy board submit a new nominee for consideration.
- c. An individual appointed to fill a vacancy created other than by the expiration of a term shall be appointed for the unexpired term of that vacant position.
- d. Under exigent conditions, and with the approval of the University Board's chair and the president, the director of the charter schools office may appoint a qualified individual to an academy's board of directors. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under this provision.
- e. In the event that the health, safety and welfare of an academy's students, property or funds are at risk, the president, after consulting with the University Board's chair, may appoint a person to serve as a conservator for the academy. Upon appointment, the conservator shall have all the powers of the academy's board of directors and shall act in the place and stead of the academy's board of directors. After the President appoints a conservator, the full Board of Trustees shall receive notice of the appointment as soon as possible. The president shall appoint the conservator for a definite term which may be extended in writing. During the conservator's appointment, the academy's board of directors, and all powers of the academy's board of directors, are suspended. The charter contract shall set forth any additional powers granted to the conservator during their appointment. All appointments made under this

Date: 2/15/18

Signature: My Hanagar

provision must be presented to the University Board for final determination at its next regularly scheduled meeting.

Length of Term

The director of an academy board shall serve at the pleasure of the University Board. Terms of the initial positions of the academy board of directors shall be staggered in accordance with *The Academy Board of Directors Table of Staggered Terms and Appointments* established and administered by the director of the charter schools office. Subsequent appointments shall be for a term of office not to exceed four (4) years, except as prescribed by *The Academy Board of Directors Table of Staggered Terms and Appointments*.

Removal and Suspension

If the University Board determines that an academy board member's service in office is no longer necessary, then the University Board may remove an academy board member with or without cause and shall specify the date when the academy board member's service ends. An academy board member may also be removed as part of a reconstitution under the charter contract or from office by a two-thirds (2/3) vote of the academy's board of directors for cause.

With the approval of the University Board's chair and the president, the director of the charter schools office may suspend an academy board member's service, if in his/her judgment the person's continued presence would constitute a risk to persons or property, or would seriously impair the operation of the academy. Any suspension made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any suspensions made under this provision.

Number of Directors

The number of members of the academy board of directors shall not be less than five (5) nor more than nine (9). If the academy board of directors fails to maintain its full membership by making appropriate and timely nominations, the University Board or its designee may deem that failure an exigent condition.

Qualifications of Academy Board Members

To be qualified to serve on an academy's board of directors, a person shall, among other things: (a) be a citizen of the United States; (b) be a resident of the State of Michigan; (c) submit all materials requested by the charter schools office including, but not limited to, the *Application for Public School Academy Board Appointment* which must include authorization to process a criminal background check; and (d) annually submit a conflict of interest disclosure as prescribed by the charter schools office.

The members of an academy board of directors shall not include: (a) employees of the academy; (b) any director, officer, or employee of an educational management organization or educational management corporation that contracts with the academy; (c) a Central Michigan University official or employee, as a representative of Central Michigan University.

CMU BDT APPROVED

Date: 2/15/18

Signature: m J. Flanagan

Oath of Public Office

All members of the academy board of directors must take the constitutional oath of office and sign the *Oath of Public Office* before beginning their service. No appointment shall be effective prior to the filing of the *Oath of Public Office* with the charter schools office.

Note: These provisions shall be implemented with new charter contracts and shall be phased in as existing charter contracts are reissued or amended. The charter schools office is authorized to negotiate changes in the terms and conditions of charter contracts to fully implement these provisions.

Amended by Board of Trustees: 18-0215

Adopted by Board of Trustees: 98-0918, 06-1207, 07-0712 and 11-0714

CMU BDT APPROVED

Date: 2/15/18

Signature: my Haneja

TERMS AND CONDITIONS OF CONTRACT

**TERMS AND CONDITIONS
OF CONTRACT**

DATED: JULY 1, 2022

ISSUED BY

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

**CONFIRMING THE STATUS OF
CREATIVE MONTESSORI ACADEMY**

AS A

PUBLIC SCHOOL ACADEMY

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

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

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

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

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

Section 12.22. Confidential Address Restrictions26

Section 12.23. Partnership Agreement26

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

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

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

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

WHEREAS, the Central Michigan University Board of Trustees has considered and has approved the issuance of a contract to Creative Montessori 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 Creative Montessori 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 Creative Montessori 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 21, 2022, 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: Amended Bylaws, Schedule 3: Fiscal Agent Agreement, Schedule 4: Oversight, Compliance and Reporting Agreement, Schedule 5: Description of Staff Responsibilities, Schedule 6: Physical Plant Description, Schedule 7: Required Information for a Public School Academy, and Schedule 8: Information Available to the Public and the Center.
- (s) "State Board" means the State Board of Education, established pursuant to Article 8, Section 3 of the 1963 Michigan Constitution and MCL 388.1001 et seq.
- (t) "State School Aid Fund" means the State School Aid Fund established pursuant to Article IX, Section 11 of the Michigan Constitution of 1963, as amended.
- (u) "State School Reform/Redesign Office" means the office created within the Michigan Department of Technology Management and Budget by Executive Reorganization Order 2015-02 codified at MCL 18.445, and transferred from the Michigan Department of Technology Management and Budget to the Michigan Department of Education by Executive Reorganization Order 2017-02, codified at MCL 388.1282.
- (v) "Superintendent" means the Michigan Superintendent of Public Instruction.
- (w) "Terms and Conditions" means this document entitled "Terms and Conditions of Contract, Dated July 1, 2022, Issued by the Central Michigan University Board of Trustees Confirming the Status of Creative Montessori 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 an 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: Amended Bylaws. As set forth in the Method of Selection, Appointment and Removal Resolution, a Director serves at the pleasure of the University Board, and may be removed with or without cause at any time.

Section 4.4. Incompatible Public Offices and Conflicts of Interest Statutes. The Academy shall comply with the Incompatible Public Offices statute, being MCL 15.181 et seq. of the Michigan Compiled Laws, and the Contracts of Public Servants with Public Entities statute, being MCL 15.321 et seq. of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to

conflicts of interest. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited conflicts of interest for purposes of this Contract:

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

Section 4.5. Prohibition of Identified Family Relationships. The Academy Board shall prohibit specifically identified family relationships pursuant to applicable law and the Terms and Conditions of this Contract. Language in this Section controls over section 1203 of the Code. Notwithstanding any other provision of this Contract, the following shall be deemed prohibited familial relationships for the purposes of this Contract:

- (a) No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner:
 - (i) Is employed by the Academy;
 - (ii) Works at or is assigned to work at the Academy;
 - (iii) Has an ownership, officer, policymaking, managerial, administrative non-clerical, or other significant role with the Academy's Educational Service Provider or employee leasing company;
 - (iv) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy; or
 - (v) Is a current Academy Board member.
- (b) The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this subsection, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

Section 4.6. Oath of Public Office. Before entering upon the duties of a public school board member, each Academy Board member shall take the constitutional oath of office as required by the Code and as set forth in the Method of Selection, Appointment and Removal Resolution.

Section 4.7. Academy Counsel. The Academy Board shall select, retain and pay legal counsel to represent the Academy. The Academy shall not retain any attorney to represent the Academy if the attorney or the attorney's law firm also represents the Academy's Educational Service Provider or any person or entity leasing real property to the Academy, if any.

ARTICLE V CORPORATE STRUCTURE OF THE ACADEMY

Section 5.1. Nonprofit Corporation. The Academy shall be organized and operate as a public school academy corporation organized under the Michigan Nonprofit Corporation Act, as amended, Act No. 162 of the Public Acts of 1982, being Sections 450.2101 to 450.3192 of the Michigan Compiled Laws. Notwithstanding any provision of the Michigan Nonprofit Corporation Act, as amended, the Academy shall not take any action inconsistent with the provisions of Part 6A of the Code or other Applicable Law.

Section 5.2. Articles of Incorporation. The Restated Articles of Incorporation of the Academy, as set forth in Schedule 1, shall be the Articles of Incorporation of the Academy.

Section 5.3. Bylaws. The Amended Bylaws of the Academy, as set forth in Schedule 2, shall be the Bylaws of the Academy.

ARTICLE VI OPERATING REQUIREMENTS

Section 6.1. Governance Structure. The Academy shall be organized and administered under the direction of the Academy Board and pursuant to the Governance Structure as set forth in Schedule 7a. The Academy shall have four officers: President, Vice-President, Secretary and Treasurer. The officer positions shall be filled by persons who are members of the Academy Board. A description of their duties is included in Schedule 2.

Section 6.2. Educational Goal and Related Measures. The Academy shall achieve, or demonstrate measurable progress for all groups of pupils toward the achievement of, the educational goal and related measures identified in Schedule 7b and the results of the academic assessments identified in Schedule 7e. Upon request, the Academy shall provide the Center with a written report, along with supporting data, assessing the Academy's progress toward achieving this goal.

Section 6.3. Educational Programs. The Academy shall implement, deliver and support the educational programs identified in Schedule 7c.

Section 6.4. Curriculum. The Academy shall implement, deliver and support the curriculum identified in Schedule 7d.

Section 6.5. Methods of Pupil Assessment. The Academy shall properly administer the academic assessments identified in Schedule 7e and in accordance with the requirements detailed in the Master Calendar. The Academy also shall assess pupil performance using all applicable testing that the Code or the Contract require. The Academy shall provide the Center direct access to the results of these assessments, along with any other measures of academic achievement reasonably requested by the Center.

Section 6.6. Application and Enrollment of Students. The Academy shall comply with the application and enrollment requirements identified in Schedule 7f.

Section 6.7. School Calendar and School Day Schedule. The Academy shall comply with the school calendar and school day schedule requirements as set forth in Schedule 7g.

Section 6.8. Age or Grade Range of Pupils. The Academy shall comply with the age or grade ranges as stated in Schedule 7h.

Section 6.9. Collective Bargaining Agreements. Collective bargaining agreements, if any, with employees of the Academy shall be the responsibility of the Academy.

Section 6.10. Accounting Standards. The Academy shall at all times comply with generally accepted public sector accounting principles and accounting system requirements that comply with the State School Aid Act of 1979, as amended, the Uniform Budgeting and Accounting Act, MCL 141.421, et seq., and applicable State Board and Michigan Department of Education rules.

Section 6.11. Annual Financial Statement Audit. The Academy shall conduct an annual financial statement audit prepared and reviewed by an independent certified public accountant. The Academy Board shall select, retain and pay the Academy's independent auditor. The Academy Board shall not approve the retention of any independent auditor if that independent auditor or auditor's firm is also performing accounting and/or auditing services for the Academy's Educational Service Provider, if applicable. The Academy shall submit the annual financial statement audit and auditor's management letter to the Center in accordance with the Master Calendar. The Academy Board shall provide to the Center a copy of any responses to the auditor's management letter in accordance with the Master Calendar.

Section 6.12. Address and Description of Physical Plant. The address and description of the physical plant for the Academy is set forth in Schedule 6. With the approval of the University Board, the Academy Board may operate the same configuration of age or grade levels at more than one (1) site if each configuration of age or grade levels and each site identified in Schedule 6 are under the direction and control of the Academy Board. University Board consideration regarding requests to add additional site(s) shall include, but not be limited to, the Academy Board's demonstration that it meets all statutory requirements under the Code.

Section 6.13. Contributions and Fund Raising. The Academy may solicit and receive contributions and donations as permitted by law. No solicitation shall indicate that a contribution to the Academy is for the benefit of Central Michigan University.

Section 6.14. Disqualified Organizational or Contractual Affiliations. The Academy shall comply with all state and federal law applicable to public schools concerning church-state issues. To the extent disqualified under the state or federal constitutions, the Academy shall not be organized by a church or other religious organization and shall not have any organizational or contractual affiliation with or constitute a church or other religious organization. Nothing in this Section shall be deemed to diminish or enlarge the civil and political rights, privileges and capacities of any person on account of his or her religious belief.

Section 6.15. Method for Monitoring Academy's Compliance with Applicable Law and its Targeted Educational Outcomes. The Academy shall perform the compliance certification duties required by the University Board as outlined in the Oversight, Compliance and Reporting Agreement set forth as Schedule 4. In addition to the University Board's oversight responsibilities and other Academy compliance and reporting requirements set forth in this Contract, the Academy's compliance with the annual Master

Calendar shall serve as one means by which the University will monitor the Academy's compliance with Applicable Law.

Section 6.16. Matriculation Agreements. Before the Academy Board approves a matriculation agreement with another public school, the Academy shall provide a draft copy of the agreement to the Center for review. Any matriculation agreement entered into by the Academy shall be added to Schedule 7f through a contract amendment approved in accordance with the Contract.

Section 6.17. Postings of Accreditation Status. The Academy shall post notices to the Academy's homepage of its website disclosing the accreditation status of each school as required by the Code.

ARTICLE VII TUITION PROHIBITED

Section 7.1. Tuition Prohibited; Fees and Expenses. The Academy shall not charge tuition. The Academy may impose fees and require payment of expenses for activities of the Academy where such fees and payments are not prohibited by Applicable Law.

ARTICLE VIII COMPLIANCE WITH APPLICABLE LAWS

Section 8.1. Compliance with Applicable Law. The Academy shall comply with all applicable state and federal laws. Nothing in this Contract shall be deemed to apply any other state or federal law to the Academy.

ARTICLE IX AMENDMENT

Section 9.1. Amendments. The University Board and the Academy acknowledge that the operation and administration of a public school academy and the improvement of educational outcomes over time will require appropriate amendment of this Contract. In order to assure a proper balance between the need for independent development of the Academy and the statutory responsibilities of the University Board as an authorizing body, the parties have established a flexible process for amending this Contract.

Section 9.2. Process for Amendment Initiated by the Academy. The Academy, by a majority vote of its Board of Directors, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The proposal will be made to the University Board through its designee. The University Board delegates to the Center Director the review and approval of changes or amendments to this Contract. In the event that a proposed change is not accepted by the Center Director, the University Board may consider and vote upon a change proposed by the Academy following an opportunity for a presentation to the University Board by the Academy.

Section 9.3. Process for Amendment Initiated by the University Board. The University Board, or an authorized designee, may, at any time, propose specific changes in this Contract or may propose a meeting to discuss potential revision of this Contract. The University Board delegates to the Center Director the review and approval of changes or amendments to this Contract. The Academy Board may delegate to a Director of the Academy the review and negotiation of changes or amendments to this Contract. The

Contract shall be amended as requested by the University Board upon a majority vote of the Academy Board.

Section 9.4. Final Approval of Amendments. Amendments to this Contract take effect only after they have been approved by the Academy Board and by the University Board or the Center Director. If the proposed amendment conflicts with any of the University Board's general policies on public school academies, the proposed amendment shall take effect only after approval by the Academy Board and the University Board.

Section 9.5. Change in Existing Law. If, after the effective date of this Contract, there is a change in Applicable Law which alters or amends the responsibilities and obligations of either the Academy or the University Board, this Contract shall be altered or amended to reflect the change in existing law as of the effective date of such change. To the extent possible, the responsibilities and obligations of the Academy and the University Board shall conform to and be carried out in accordance with the change in Applicable Law.

Section 9.6. Emergency Action on Behalf of University Board. Notwithstanding any other provision of this Contract to the contrary, the contents of this Section shall govern in the event of an emergency situation that arises between meetings of the University Board. An emergency situation shall be deemed to occur if the University President, in his or her sole discretion, determines that the facts and circumstances warrant that emergency action take place before the next meeting of the University Board. Upon the determination that an emergency situation exists, the University President may temporarily take action on behalf of the University Board with regard to the Academy or the Contract, so long as such action is in the best interest of the University Board and the University President consults with the University Board Chairperson prior to taking the intended actions. When acting during an emergency situation, the University President shall have the authority to act in place of the University Board, and such emergency action shall only be effective in the interim before the earlier of (a) rejection of the emergency action by the Chairperson of the University Board; or (b) the next meeting of the University Board. The University President shall immediately report such action to the University Board for confirmation at the next meeting so that the emergency action continues or, upon confirmation by the University Board, becomes permanent.

ARTICLE X CONTRACT REVOCATION, TERMINATION, AND SUSPENSION

Section 10.1. Statutory Grounds for Revocation. In addition to the other grounds for revocation in Section 10.2 and the automatic revocation in Section 10.3 of these Terms and Conditions, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- (a) Failure of the Academy to demonstrate improved pupil academic achievement for all groups of pupils or abide by and meet the educational goal and related measures set forth in this Contract;
- (b) Failure of the Academy to comply with all Applicable Law;
- (c) Failure of the Academy to meet generally accepted public sector accounting principles and to demonstrate sound fiscal stewardship; or
- (d) The existence of one or more other grounds for revocation as specified in this Contract.

Section 10.2. Other Grounds for Revocation. In addition to the statutory grounds for revocation set forth in Section 10.1 and the grounds for an automatic revocation set forth in Section 10.3, the University Board may revoke this Contract, pursuant to the procedures set forth in Section 10.6, upon a determination that one or more of the following has occurred:

- (a) The Academy fails to achieve or demonstrate measurable progress toward achieving the educational goal and related measures identified in this Contract;
- (b) The Academy fails to properly implement, consistently deliver, and support the educational programs or curriculum identified in this Contract;
- (c) The Academy is insolvent, has been adjudged bankrupt, or has operated for two or more school fiscal years with a Fund Balance Deficit;
- (d) The Academy has insufficient enrollment to successfully operate a public school academy, or the Academy has lost more than fifty percent (50%) of its student enrollment from the previous school year;
- (e) The Academy fails to fulfill the compliance and reporting requirements or defaults in any of the terms, conditions, promises or representations contained in or incorporated into this Contract or, during the term of this Contract, it is discovered by the Center that the Academy failed to fulfill the compliance and reporting requirements or there was a violation of a prior Contract issued by the University Board;
- (f) The Academy files amendments to its Articles of Incorporation with the Michigan Department of Licensing and Regulatory Affairs, without first obtaining the Center's approval;
- (g) The Center Director discovers grossly negligent, fraudulent or criminal conduct by the Academy's applicant(s), directors, officers, employees or agents in relation to their performance under this Contract; or
- (h) The Academy's applicant(s), directors, officers, employees or agents have provided false or misleading information or documentation to the Center in connection with the University Board's approval of the Application, the issuance of this Contract, or the Academy's reporting requirements under this Contract or Applicable Law.

Section 10.3. Automatic Amendment Of Contract; Automatic Termination of Contract If All Academy Sites Closed; Economic Hardship Termination. Except as otherwise provided in this Section 10.3, if the University Board is notified by the Department that an Academy site is subject to closure under section 507 of the Code, MCL 380.507 ("State's Automatic Closure Notice"), then this Contract shall automatically be amended to eliminate the Academy's authority to operate certain age and grade levels at the site or sites identified in the State's Automatic Closure Notice. If the State's Automatic Closure Notice includes all of the Academy's existing sites, then this Contract shall automatically be terminated at the end of the current school year in which either the State's Automatic Closure Notice is received without any further action of the University Board or the Academy.

Following receipt of the State's Automatic Closure Notice, the Center Director shall forward a copy of the notice to the Academy Board and request a meeting with the Academy Board representatives to discuss the Academy's plans and procedures for the elimination of certain age or grade levels at the identified site or sites, or if all of the Academy's existing sites are included in that notice, then wind-up and dissolution of the Academy corporation at the end of the current school year. All Academy inquiries and

requests for reconsideration of the State’s Automatic Closure Notice, including the granting of any hardship exemption by the Department rescinding the State’s Automatic Closure Notice (“Pupil Hardship Exemption”), shall be directed to the Department, in a form and manner determined by the Department. If the Department rescinds the State’s Automatic Closure Notice for an Academy site or sites by granting a Pupil Hardship Exemption, the Academy is not required to close the identified site(s), but shall present to the Center a proposed Contract amendment incorporating the Department’s school improvement plan, if applicable, for the identified site(s).

If the Department elects not to issue a Pupil Hardship Exemption and the Center Director determines, in his or her discretion, that the closure of one or more sites as directed by the Department creates a significant economic hardship for the Academy as a going concern or the possibility of a mid-year school closure, then the Center Director may recommend to the University Board that the Contract be terminated at the end of the current school year (hereinafter “Economic Hardship Termination”). If the University Board approves the Economic Hardship Termination recommendation, then this Contract shall terminate at the end of the current school year without any further action of the parties.

The University Board’s revocation procedures set forth in Section 10.6 do not apply to an automatic termination initiated by the State’s Automatic Closure Notice or an Economic Hardship Termination under this Section 10.3.

Section 10.4. Grounds and Procedures for Academy Termination of Contract. The Academy Board, by majority vote of its Directors, may, at any time and for any reason, request termination of this Contract. The Academy Board’s request for termination shall be made to the Center Director not less than six (6) calendar months in advance of the Academy’s proposed effective date of termination. Upon receipt of an Academy request for termination, the Center Director shall present the Academy Board’s request for termination to the University Board. A copy of the Academy Board’s resolution approving of the Contract termination, including a summary of the reasons for terminating the Contract, shall be included with the Academy Board’s request for termination. Upon receipt of the Academy Board’s request for termination, the University Board shall consider and vote on the proposed termination request. The University Board may, in its sole discretion, waive the six (6) month advance notice requirement for terminating this Contract.

Section 10.5. Grounds and Procedures for University Termination of Contract. The University Board, in its sole discretion, reserves the right to terminate the Contract (i) for any reason or for no reason provided that such termination shall not take place less than six (6) months from the date of the University Board’s action; or (ii) if there is a change in Applicable Law that the University Board, in its sole discretion, determines impairs its rights and obligations under the Contract or requires the University Board to make changes in the Contract that are not in the best interest of the University Board or the University, then such termination shall take effect at the end of the current Academy fiscal year. Following University Board approval, the Center Director shall provide notice of the termination to the Academy. If during the period between the University Board action to terminate and the effective date of termination, the Academy has violated the Contract or Applicable Law, the Contract may be revoked or suspended sooner pursuant to this Article X. If this Contract is terminated pursuant to this Section 10.5, the revocation procedures in Section 10.6 shall not apply.

Section 10.6. University Board Procedures for Revoking Contract. Except for the automatic revocation and procedures initiated by the State of Michigan set forth in Section 10.3, the University Board’s process for revoking the Contract is as follows:

- (a) Notice of Intent to Revoke. The Center Director, upon reasonable belief that grounds for revocation of the Contract exist, shall notify the Academy Board of such grounds by issuing the Academy Board a Notice of Intent to Revoke for non-compliance with the Contract or

Applicable Law. The Notice of Intent to Revoke shall be in writing and shall set forth in sufficient detail the alleged grounds for revocation.

- (b) Academy Board's Response. Within thirty (30) days of receipt of the Notice of Intent to Revoke, the Academy Board shall respond in writing to the alleged grounds for revocation. The Academy Board's response shall be addressed to the Center Director, and shall either admit or deny the allegations of non-compliance. If the Academy's response includes admissions of non-compliance with the Contract or Applicable Law, the Academy Board's response must also contain a description of the Academy Board's plan and timeline for correcting the non-compliance with the Contract or Applicable Law. If the Academy's response includes a denial of non-compliance with the Contract or Applicable Law, the Academy's response shall include sufficient documentation or other evidence to support a denial of non-compliance with the Contract or Applicable Law. A response not in compliance with this Section shall be deemed to be non-responsive. As part of its response, the Academy Board may request that a meeting be scheduled with the Center Director prior to a review of the Academy Board's response.
- (c) Plan of Correction. Within fifteen (15) days of receipt of the Academy Board's response or after a meeting with Academy Board representatives, the Center Director shall review the Academy Board's response and determine whether a reasonable plan for correcting the deficiencies can be formulated. If the Center Director determines that a reasonable plan for correcting the deficiencies set forth in the Notice of Intent to Revoke can be formulated, the Center Director shall develop a plan for correcting the non-compliance ("Plan of Correction") which may include Reconstitution pursuant to 10.6(d) of these Terms and Conditions. In developing a Plan of Correction, the Center Director is permitted to adopt, modify or reject some or all of the Academy Board's response for correcting the deficiencies outlined in the Notice of Intent to Revoke. The Notice of Intent to Revoke shall be closed if the Center Director determines any of the following: (i) the Academy Board's denial of non-compliance is persuasive; (ii) the non-compliance set forth in the Notice of Intent to Revoke has been corrected by the Academy Board; or (iii) the Academy Board has successfully completed the Plan of Correction.
- (d) University Board's Contract Reconstitution Provision. The Center Director may reconstitute the Academy in an effort to improve student educational performance or to avoid interruption of the educational process. Reconstitution may include, but is not limited to, one of the following actions: (i) removal of 1 or more members of the Academy Board; (ii) termination of at-will board appointments of 1 or more Academy Board members in accordance with the Method of Selection, Appointment and Removal Resolution; (iii) withdrawing approval of a contract under Section 506 of the Code; or (iv) the appointment of a new Academy Board or a Conservator to take over operations of the Academy.

Except as otherwise provided in this subsection, reconstitution of the Academy does not prohibit the Department from issuing an order under section 507 of the Code, MCL 380.507, directing the automatic closure of the Academy's site(s).

- (e) Request for Revocation Hearing. The Center Director may initiate a revocation hearing before the University Charter Schools Hearing Panel if the Center Director determines that any of the following has occurred:
 - (i) the Academy Board has failed to respond to the Notice of Intent to Revoke as set forth in Section 10.6(b);
 - (ii) the Academy Board's response to the Notice of Intent to Revoke is non-responsive;

- (iii) the Academy Board's response admits violations of the Contract or Applicable Law which the Center Director deems cannot be remedied or cannot be remedied in an appropriate period of time, or for which the Center Director determines that a Plan of Correction cannot be formulated;
- (iv) the Academy Board's response contains denials that are not supported by sufficient documentation or other evidence showing compliance with the Contract or Applicable Law;
- (v) the Academy Board has not complied with part or all of a Plan of Correction established in Section 10.6(c);
- (vi) the Academy Board has engaged in actions that jeopardize the financial or educational integrity of the Academy; or
- (vii) the Academy Board has been issued multiple or repeated Notices of Intent to Revoke.

The Center Director shall send a copy of the request for revocation hearing to the Academy Board at the same time the request is sent to the Hearing Panel. The request for revocation shall identify the reasons for revoking the Contract.

- (f) Hearing before the University Charter Schools Hearing Panel. Within thirty (30) days of receipt of a request for revocation hearing, the Hearing Panel shall convene a revocation hearing. The Hearing Panel shall provide a copy of the notice of hearing to the Center and the Academy Board at least ten (10) days before the hearing. The purpose of the Hearing Panel is to gather facts surrounding the Center Director's request for Contract revocation, and to make a recommendation to the University Board on whether the Contract should be revoked. The revocation hearing shall be held at a location, date and time as determined by the Center Director and shall not last more than three hours. The hearing shall be transcribed and the cost shall be divided equally between the University and the Academy. The Center Director or his or her designee, and the Academy Board or its designee, shall each have equal time to make their presentation to the Hearing Panel. Although each party is permitted to submit affidavits and exhibits in support of their positions, the Hearing Panel will not hear testimony from any witnesses for either side. The Hearing Panel may, however, question the Center Director and the Academy Board. Within thirty (30) days of the revocation hearing, the Hearing Panel shall make a recommendation to the University Board concerning the revocation of the Contract. For good cause, the Hearing Panel may extend any time deadline set forth in this subsection. A copy of the Hearing Panel's recommendation shall be provided to the Center and the Academy Board at the same time that the recommendation is sent to the University Board.
- (g) University Board Decision. If the Hearing Panel's recommendation is submitted to the University Board at least fourteen (14) days before the University Board's next regular meeting, the University Board shall consider the Hearing Panel's recommendation at its next regular meeting and vote on whether to revoke the Contract. The University Board reserves the right to modify, reject or approve all or any part of the Hearing Panel's recommendation. The University Board shall have available to it copies of the Hearing Panel's recommendation and the transcript from the hearing. The University Board may waive the fourteen (14) day submission requirement or hold a special board meeting to consider the Hearing Panel's recommendation. A copy of the University Board's decision shall be provided to the Center, the Academy Board and the Department.
- (h) Effective Date of Revocation. If the University Board votes to revoke the Contract, the revocation shall be effective on the date of the University Board's act of revocation, or at a later date as determined by the University Board.

- (i) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a recommendation is made by the Hearing Panel to revoke the Contract, or a decision by the University Board to revoke the Contract, may be withheld by the University Board or returned to the Michigan Department of Treasury upon request. The University Board may also direct that a portion of the Academy's state school aid funds be directed to fund the Academy's Dissolution account established under Section 10.9 of these Terms and Conditions.

Section 10.7. Contract Suspension. The University Board's process for suspending the Contract is as follows:

- (a) The Center Director Action. If the Center Director determines, in his or her sole discretion, that certain conditions or circumstances exist such that the Academy Board:
 - (i) has placed staff or students at risk;
 - (ii) is not properly exercising its fiduciary obligations to protect and preserve the Academy's public funds and property;
 - (iii) has lost its right to occupancy of the physical facilities described in Schedule 6, and cannot find another suitable physical facility for the Academy prior to the expiration or termination of its right to occupy its existing physical facilities;
 - (iv) has failed to secure or has lost the necessary fire, health, and safety approvals as required by Schedule 6;
 - (v) has willfully or intentionally violated this Contract or Applicable Law; or
 - (vi) has violated Section 10.2(g) or (h),

then the Center Director may immediately suspend the Contract, pending completion of the procedures set forth in Section 10.6. A copy of the suspension notice, setting forth the grounds for suspension, shall be sent to the Academy Board and to the Hearing Panel. If this subsection is implemented, the notice and hearing procedures set forth in Section 10.6 shall be expedited as much as possible.

- (b) Disposition of State School Aid Funds. Notwithstanding any other provision of the Contract, any state school aid funds received by the University Board after a decision by the Center Director to suspend the Contract, shall be retained by the University Board for the Academy until the Contract is reinstated, or shall be returned to the Michigan Department of Treasury upon the State's request.
- (c) Immediate Revocation Proceeding. If the Academy Board, after receiving a notice of Contract suspension from the Center Director, continues to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may immediately convene a revocation hearing in accordance with the procedures set forth in section 10.6(e) of this Contract. The Hearing Panel has the authority to accelerate the timeline for revoking the Contract, provided that notice of the revocation hearing shall be provided to the Center and the Academy Board at least five (5) days before the hearing. If the Hearing Panel determines that the Academy Board has continued to engage in conduct or activities that are covered by the suspension notice, the Hearing Panel may recommend revocation of the Contract. The University Board shall proceed to consider the Hearing Panel's recommendation in accordance with sections 10.6(f) through (h).

Section 10.8. Conservator; Appointment By University President. Notwithstanding any other provision of the Contract, in the event that the University President, in his or her sole discretion, determines

that the health, safety and welfare of Academy students, property or funds are at risk, the University President, after consulting with the University Board Chairperson, may appoint a person to serve as the Conservator of the Academy. Upon appointment, the Conservator shall have all the powers and authority of the Academy Board under this Contract and Applicable Law and shall act in the place and stead of the Academy Board. The University President shall appoint the Conservator for a definite term which may be extended in writing at his or her sole discretion. During the appointment, the Academy Board members and their terms in office are suspended and all powers of the Academy Board are suspended. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. During their appointment, the Conservator shall have the following powers:

- (a) take into his or her possession all Academy property and records, including financial, board, employment and student records;
- (b) institute and defend actions by or on behalf of the Academy;
- (c) continue the business of the Academy including entering into contracts, borrowing money, and pledging, mortgaging, or otherwise encumbering the property of the Academy as security for the repayment of loans. However, the power shall be subject to any provisions and restrictions in any existing credit documents;
- (d) hire, fire, evaluate and discipline employees of the Academy;
- (e) settle or compromise with any debtor or creditor of the Academy, including any governmental or taxing authority;
- (f) review all outstanding agreements to which the Academy is a party and to take those actions which the Academy Board may have exercised to pay, extend, rescind, renegotiate or settle such agreements as needed; and
- (g) perform all acts necessary and appropriate to fulfill the Academy's purposes as set forth under this Contract or Applicable Law.

Section 10.9. Academy Dissolution Account. If the University Board terminates, revokes or fails to issue a new Contract to the Academy, the Center Director shall notify the Academy that, beginning thirty (30) days after notification of the University Board's decision, the University Board may direct up to \$10,000 from each subsequent State School Aid Fund payment, not to exceed a combined total of \$30,000, to a separate Academy account ("Academy Dissolution Account") to be used exclusively to pay the costs associated with the wind-up and dissolution responsibilities of the Academy. Within five (5) business days of the Center Director's notice, the Academy Board Treasurer shall provide the Center Director, in a form and manner determined by the Center, with account detail information and authorization to direct such funds to the Academy Dissolution Account. The Academy Dissolution Account shall be under the sole care, custody and control of the Academy Board, and such funds shall not be used by the Academy to pay any other Academy debt or obligation until such time as all the wind-up and dissolution expenses have been satisfied. An intercept agreement entered into by the Academy and a third-party lender or trustee shall include language that the third party lender or trustee acknowledges and consents to the funding of the Academy's dissolution account in accordance with this Contract. Any unspent funds remaining in the Academy's dissolution account after payment of all wind-up and dissolution expenses shall be returned to the Academy.

ARTICLE XI
PROVISIONS RELATING TO PUBLIC SCHOOL ACADEMIES

Section 11.1. The Academy Budget; Transmittal of Budgetary Assumptions; Budget Deficit; Enhanced Deficit Elimination Plan. The Academy agrees to comply with all of the following:

- (a) The Academy Board is responsible for establishing, approving, and amending an annual budget in accordance with the Uniform Budgeting and Accounting Act, MCL 141.421, et seq. The Academy Board shall submit to the Center a copy of its annual budget for the upcoming fiscal year in accordance with the Master Calendar. The budget must detail budgeted expenditures at the object level as described in the Department's Michigan School Accounting Manual. In addition, the Academy Board is responsible for approving all revisions and amendments to the annual budget. In accordance with the Master Calendar, revisions or amendments to the Academy's budget shall be submitted to the Center following Academy Board approval.
- (b) Unless exempted from transmitting under section 1219 of the Code, MCL 380.1219, the Academy, on or before July 7th of each school fiscal year, shall transmit to the Center for Educational Performance and Information ("CEPI") the budgetary assumptions used when adopting its annual budget pursuant to the Uniform Budgeting and Accounting Act, MCL 141.421 et seq.
- (c) The Academy shall not adopt or operate under a deficit budget, or incur an operating deficit in a fund during any fiscal year. At any time during the term of this Contract, the Academy shall not have an existing deficit fund balance, incur a deficit fund balance, or adopt a current year budget that projects a deficit fund balance. If the Academy has an existing deficit fund balance, incurs a deficit fund balance in the most recently completed school fiscal year, or adopts a current year budget that projects a deficit fund balance, all of the following apply:
 - (i) The Academy shall notify the Superintendent and the State Treasurer immediately upon the occurrence of the circumstance, and provide a copy of the notice to the Center;
 - (ii) Within 30 days after making notification under subdivision (i), the Academy shall submit to the Superintendent in the form and manner prescribed by the Department an amended budget for the current school fiscal year and a deficit elimination plan approved by the Academy Board, with a copy to the State Treasurer. The Academy shall transmit a copy of the amended budget and the deficit elimination plan to the Center; and
 - (iii) After the Superintendent approves Academy's deficit elimination plan, the Academy shall post the deficit elimination plan on the Academy's website.
- (d) If the Academy is required by the State Treasurer to submit an enhanced deficit elimination plan under section 1220 of the Code, MCL 380.1220, the Academy shall do all of the following:
 - (i) The enhanced deficit elimination plan shall be approved by the Academy Board before submission;
 - (ii) After the State Treasurer approves an enhanced deficit elimination plan for the Academy, the Academy shall post the enhanced deficit elimination plan on the Academy's website; and
 - (iii) As required, submit to the Superintendent and State Treasurer an enhanced monthly monitoring reports in a form and manner prescribed by the State Treasurer and post such monthly reports on the Academy's website.

Section 11.2. Insurance. The Academy Board shall secure and maintain in its own name, as the "first named insured," insurance coverage as required by the University's insurance carrier.

The insurance must be obtained from a licensed mutual, stock, or other responsible company licensed to do business in the State of Michigan. The Academy may join with other public school academies to obtain insurance if the Academy Board finds that such an association provides economic advantages to the Academy, provided that each Academy maintains its identity as first named insured. The Academy shall list the University on the insurance policies as an additional insured as required by the University's insurance carrier. The coverage provided to the University as an additional covered person or organization will be primary and non-contributory with the University's insurance carrier. The Academy shall have a provision included in all policies requiring notice to the University, at least thirty (30) days in advance, upon termination or non-renewal of the policy for any reason other than nonpayment which would require a ten (10) day advance notice to the University. In addition, the Academy shall provide the Center copies of all insurance policies required by this Contract.

When changing insurance programs or carriers, the Academy must provide copies of the proposed policies to the Center at least thirty (30) days prior to the proposed change. The Academy shall not cancel or change its existing carrier without the prior review of the Center.

The University's insurance carrier periodically reviews the types and amounts of insurance coverage that the Academy must secure in order for the University to maintain insurance coverage for the authorization and oversight of the Academy. In the event that the University's insurance carrier requests additional changes in coverage identified in this Section 11.2, the Academy agrees to comply with any additional changes in the types and amounts of coverage requested by the University's insurance carrier within thirty (30) days after notice of the insurance coverage change.

The Academy may expend funds for payment of the cost of participation in an accident or medical insurance program to insure protection for pupils while attending school or participating in a school program or activity. Other insurance policies and higher minimums may be required depending upon academic offerings and program requirements.

Pursuant to Section 3.6 of these Terms and Conditions, the University requires that any Educational Service Provider or employee leasing company that enters into a contract with the Academy must obtain insurance coverage similar to the insurance coverage that is currently required for the Academy. Accordingly, any agreement between the Academy and an Educational Service Provider or employee leasing company shall contain a provision requiring the Educational Service Provider or employee leasing company to comply with the coverage requirements recommended by the University's insurance carrier. Furthermore, the agreement between the Educational Service Provider or employee leasing company and the Academy shall contain a provision stating that "in the event that the University's insurance carrier recommends any change in coverage by the Educational Service Provider or employee leasing company, the Educational Service Provider or employee leasing company agrees to comply with any changes in the type and amount of coverage as requested by the University or the University's insurance carrier within thirty (30) days after notice of the insurance coverage change."

Section 11.3. Legal Liabilities and Covenant Against Suit. The Academy acknowledges and agrees that it has no authority to extend the faith and credit of the University or to enter into a contract that would bind the University. The Academy also is limited in its authority to contract by the amount of funds obtained from the state school aid fund, as provided hereunder, or from other independent sources. The Academy hereby covenants not to sue the University Board, the University or any of its Trustees, officers, employees, agents or representatives for any matters that arise under this Contract. The University does not assume any obligation with respect to any director, employee, agent, parent, guardian, student, or independent

contractor of the Academy, and no such person shall have the right or standing to bring suit against the University Board, the University or any of its Trustees, employees, agents, or independent contractors as a result of the issuance, non-issuance, oversight, revocation, termination or suspension of this Contract.

Section 11.4. Lease or Deed for Proposed Site. The Academy shall provide to the Center copies of its proposed lease or deed for the premises in which the Academy shall operate. Following the Center's review, a copy of the Academy's lease or deed shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.5. Certificate(s) of Use and Occupancy. The Academy Board shall: (i) ensure that the Academy's physical facilities comply with all fire, health and safety standards applicable to schools; and (ii) possess the necessary occupancy certificates for the Academy's physical facilities. The Academy Board shall not occupy or use any facility until approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs, Bureau of Construction Codes. Copies of these Certificate(s) of Use and Occupancy shall be incorporated into this Contract under Schedule 6 and in accordance with Article IX, as applicable.

Section 11.6. New Building Construction or Renovations. The Academy shall not commence construction on a new school building or the major renovation of an existing school building unless the Academy consults on the plans of the construction or major renovation regarding school safety issues with the law enforcement agency that is or will be the first responder for that school building. School building includes either a building intended to be used to provide pupil instruction or a recreational or athletic structure or field used by pupils.

Section 11.7. Criminal Background and History Checks; Disclosure of Unprofessional Conduct. The Academy shall comply with section 1230 and 1230a of the Code concerning criminal background and criminal history checks for its teachers, school administrator(s), and for any other position requiring State Board approval. In addition, the Academy shall comply with section 1230b of the Code concerning the disclosure of unprofessional conduct by persons applying for Academy employment. This Section 11.7 shall apply to such persons irrespective of whether they are employed by the Academy or employed by another entity contracting with the Academy.

Section 11.8. Special Education. Pursuant to Section 1701a of the Code, the Academy shall comply with Article III, Part 29 of the Code, MCL 380.1701 et seq., concerning the provision of special education programs and services at the Academy as referenced in Contract Schedule 7c. Upon receipt, the Academy shall notify the Center of any due process or state complaint filed against the Academy or notice of state audit.

Section 11.9. Information Available to the Public and the Center.

- (a) Information to be provided by the Academy. In accordance with Applicable Law, the Academy shall make information concerning its operation and management, including, without limitation, information in Schedule 8 available to the public and the Center.
- (b) Information to be provided by Educational Service Provider. The agreement between the Academy and the Educational Service Provider shall contain a provision requiring the Educational Service Provider to make information concerning the operation and management of the Academy, including the information in Schedule 8, available to the Academy as deemed necessary by the Academy Board in order to enable the Academy to fully satisfy its obligations under paragraph 11.9 (a) above.

Section 11.10. Deposit of Public Funds by the Academy. The Academy Board agrees to comply with Section 1221 of the Revised School Code, being MCL 380.1221, regarding the deposit of all public or private funds received by the Academy. Such deposit shall be made within three (3) days after receipt of the funds by the Academy. Only Academy Board members or designated Academy Board employees may be a signatory on any Academy bank account.

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

ARTICLE XII GENERAL TERMS

Section 12.1. Notices. Any and all notices permitted or required to be given hereunder shall be deemed duly given: (i) upon actual delivery, if delivery is by hand; or (ii) upon receipt by the transmitting party of confirmation or answer back if delivery is by facsimile or electronic mail; or (iii) upon delivery into United States mail if delivery is by postage paid first class mail. Each such notice shall be sent to the respective party at the address indicated below or to any other address or person as the respective party may designate by notice delivered pursuant hereto:

If to the University Board:	The Governor John Engler Center for Charter Schools Attn: Executive Director Central Michigan University EHS 200 Mt. Pleasant, MI 48859
General Counsel:	General Counsel Central Michigan University Mt. Pleasant, MI 48859
Chief Financial Officer:	Vice President for Finance and Administrative Services Central Michigan University Mt. Pleasant, MI 48859
If to the Academy:	Academy Board President Creative Montessori Academy 12701 McCann Southgate, MI 48195

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

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

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

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

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

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

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

Section 12.9. Term of Contract. This Contract is for a fixed term and shall terminate at the end of the Contract term without any further action of either the University Board or the Academy. This Contract shall commence on the date first set forth above and shall remain in full force and effect for a period of five (5) academic years and shall terminate on June 30, 2027, unless sooner revoked, terminated, or suspended pursuant to Article X of these Terms and Conditions. Pursuant to University Board policy, the standards by which the Academy may be considered for the issuance of a new contract will be guided by the following core questions:

Is the Academy's academic program successful?

Is the Academy's organization viable?

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- (x) in the absence of, or in compliance with, a properly executed opt-out form, as adopted by the Academy in compliance with section 1136(6) of the Code, pertaining to uses for which the Academy commonly would disclose a pupil's "directory information."
- (c) If the Academy considers it necessary to make redacted copies of all or part of a student's education records in order to protect personally identifiable information of another student, the Academy shall not charge the parent or legal guardian for the cost of those redacted copies.
- (d) The terms "education records," "personally identifiable information," and "directory information" shall have the same meaning as defined in MCL 380.1136.

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

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

Section 12.22. Confidential Address Restrictions.

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

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

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

By: _____
Richard K. Studley, Chair

Date: _____

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

CREATIVE MONTESSORI ACADEMY

By:  _____
Board President

Date: 6/23/22

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

CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES

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

Date: 06/17/2022

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

CREATIVE MONTESSORI ACADEMY

By: _____
Board President

Date: _____

CONTRACT SCHEDULES

Schedules

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

CONTRACT SCHEDULE 1

RESTATED ARTICLES OF INCORPORATION



Form Revision Date 07/2016

RESTATED ARTICLES OF INCORPORATION

For use by DOMESTIC NONPROFIT CORPORATION

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

The identification number assigned by the Bureau is:	<input type="text" value="800856935"/>
The present name of the corporation is:	<input type="text" value="CREATIVE MONTESSORI ACADEMY"/>
All former names of the corporation are:	<input type="text"/>
The date of filing the original Articles of Incorporation was:	<input type="text" value="1/3/2001"/>

ARTICLE I

The name of the corporation is:

CREATIVE MONTESSORI ACADEMY

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 (MCL 380.501 - .507) of the Code.
2. The corporation, including all activities incident to its purposes, shall at all times be conducted so as to be a governmental entity pursuant to Section 115 of the United States Internal Revenue Code ("IRC") or any successor law. Notwithstanding any other provision of these Restated Articles, the corporation shall not carry on any other activity not permitted to be carried on by a governmental instrumentality exempt from federal income tax under Section 115 of the IRC or by a nonprofit corporation organized under the laws of the State of Michigan and subject to a Contract authorized under the Code.

ARTICLE III

The Corporation is formed upon basis.

If formed on a stock basis, the total number of shares the corporation has authority to issue is

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 or any successor law.
- b. Federal funds.
- c. Donations.
- d. Fees and charges permitted to be charged by public school academies.
- e. Other funds lawfully received.

The Corporation is formed on a basis.

ARTICLE IV

The street address of the registered office of the corporation and the name of the resident agent at the registered office (P.O. Boxes are not acceptable):

1. Agent Name: TAMMY DUTY
 2. Street Address: 12701 MCCANN STREET
- Apt/Suite/Other:

City: SOUTHGATE
State: MI Zip Code: 48195

3. Registered Office Mailing Address:

P.O. Box or Street Address: 12701 MCCANN STREET
Apt/Suite/Other:
City: SOUTHGATE
State: MI Zip Code: 48195

Use the space below for additional Articles or for continuation of previous Articles. Please identify any Article being continued or added.

ARTICLE V.

THE CORPORATION IS A GOVERNMENTAL ENTITY AND THE AUTHORIZING BODY FOR THE CORPORATION IS: CENTRAL MICHIGAN UNIVERSITY BOARD OF TRUSTEES.

ARTICLE VI.

THE CORPORATION AND ITS INCORPORATORS, BOARD MEMBERS, OFFICERS, EMPLOYEES, AND VOLUNTEERS HAVE GOVERNMENTAL IMMUNITY AS PROVIDED IN SECTION 7 OF ACT 170 OF 1964, BEING MCL 691.1407.

ARTICLE VII.

BEFORE EXECUTION OF A CONTRACT TO CHARTER A PUBLIC SCHOOL ACADEMY ("CONTRACT") 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 OF THE CORPORATION 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 MAY, BY A MAJORITY VOTE OF ITS BOARD OF DIRECTORS, 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 A PROPOSED CHANGE IS NOT ACCEPTED BY THE CENTER'S EXECUTIVE DIRECTOR, THE UNIVERSITY BOARD SHALL CONSIDER AND VOTE UPON A CHANGE PROPOSED BY THE CORPORATION FOLLOWING AN OPPORTUNITY FOR A WRITTEN AND ORAL PRESENTATION TO THE UNIVERSITY BOARD BY THE

CORPORATION.

AT ANY TIME AND FOR ANY REASON, THE UNIVERSITY BOARD OR AN AUTHORIZED DESIGNEE MAY PROPOSE SPECIFIC CHANGES TO THESE RESTATED ARTICLES OF INCORPORATION OR MAY PROPOSE A MEETING TO DISCUSS POTENTIAL REVISION. THE CORPORATION'S BOARD OF DIRECTORS MAY DELEGATE TO AN OFFICER OF THE CORPORATION THE REVIEW AND NEGOTIATION OF CHANGES OR AMENDMENTS TO THESE RESTATED ARTICLES OF INCORPORATION. THE RESTATED ARTICLES OF INCORPORATION SHALL BE AMENDED AS REQUESTED BY THE UNIVERSITY BOARD OR AN AUTHORIZED DESIGNEE UPON A MAJORITY VOTE OF THE CORPORATION'S BOARD OF DIRECTORS.

AMENDMENTS TO THESE RESTATED ARTICLES OF INCORPORATION TAKE EFFECT ONLY AFTER THEY HAVE BEEN APPROVED BY THE CORPORATION'S BOARD OF DIRECTORS AND BY THE UNIVERSITY BOARD OR THE CENTER'S EXECUTIVE DIRECTOR, AND THE AMENDMENTS ARE FILED WITH THE MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS, BUREAU OF COMMERCIAL SERVICES, AND/OR ANY SUCCESSOR. 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 TO MAINTAIN THE QUORUM NECESSARY TO TAKE ACADEMY BOARD ACTION; OR (B) EFFECT 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: 07/01/2022

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.

(b) These Restated Articles of Incorporation were duly adopted on 4/27/2022, in accordance with the provisions of Section 641 of the Act: (select one of the following)

This document must be signed by an authorized officer or agent:

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.

Signed this 18th Day of May, 2022 by:

Signature	Title	Title if "Other" was selected
Tammy Duty	President	

By selecting ACCEPT, I hereby acknowledge that this electronic document is being signed in accordance with the Act. I further certify that to the best of my knowledge the information provided is true, accurate, and in compliance with the Act.

Decline Accept

MICHIGAN DEPARTMENT OF LICENSING AND REGULATORY AFFAIRS
FILING ENDORSEMENT

This is to Certify that the RESTATED ARTICLES OF INCORPORATION
for

CREATIVE MONTESSORI ACADEMY

ID Number: 800856935

received by electronic transmission on May 18, 2022 ***, is hereby endorsed.***

Filed on May 18, 2022 ***, by the Administrator.***

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

Effective Date: July 01, 2022



In testimony whereof, I have hereunto set my hand and affixed the Seal of the Department, in the City of Lansing, this 18th day of May, 2022.

Linda Clegg

Linda Clegg, Director

Corporations, Securities & Commercial Licensing Bureau

CONTRACT SCHEDULE 2

AMENDED BYLAWS

TABLE OF CONTENTS
CREATIVE MONTESSORI ACADEMY
AMENDED BYLAWS

ARTICLE I – Name 1

ARTICLE II – Form of Academy 1

ARTICLE III – Offices 1

 1. Principal Office 1

 2. Registered Office 1

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

 1. General Powers 1

 2. Method of Selection and Appointment 1

 3. Length of Term 2

 4. Number of Director Positions 2

 5. Qualifications of Academy Board Members 2

 6. Oath of Public Office 2

 7. Tenure 3

 8. Removal and Suspension 3

 9. Resignation 3

 10. Board Vacancies 3

 11. Compensation 3

ARTICLE V – Meetings 3

 1. Annual and Regular Meetings 3

 2. Special Meetings 3

 3. Notice; Waiver 3

 4. Quorum 4

 5. Manner of Acting 4

 6. Open Meetings Act 4

 7. Presumption of Assent 4

ARTICLE VI - Committees 4

 1. Committees 4

ARTICLE VII – Officers of the Board 5

 1. Number 5

 2. Election and Term of Office 5

 3. Removal 5

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

AMENDED BYLAWS
OF
CREATIVE MONTESSORI ACADEMY

ARTICLE I
NAME

This organization shall be called Creative Montessori Academy (the "Academy" or the "corporation").

ARTICLE II
FORM OF ACADEMY

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

ARTICLE III
OFFICES

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

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

ARTICLE IV
BOARD OF DIRECTORS

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

Section 2. Method of Selection and Appointment. The Central Michigan University Board of Trustees (“University Board”) shall prescribe the method of appointment for members of an Academy’s Board. The Center Director is authorized to develop and administer an academy board selection and appointment process that includes an *Application for Public School Academy Board Appointment* and is in accord with these policies:

- a. The University Board shall appoint the initial and subsequent Academy Board by resolution, except as prescribed by subparagraph d. The Center Director shall recommend qualified individuals to the University Board.
- b. The Academy Board, by resolution and majority vote, shall nominate its subsequent members, except as provided otherwise. The Academy Board shall recommend to the Center Director at least one nominee for each vacancy. Nominees shall submit the *Application for Public School Academy Board Appointment* for review by the Center. The Center Director may or may not recommend the appointment of a nominee submitted by the Academy Board. If the Center Director does not recommend the appointment of a nominee submitted by the Academy Board, he/she may select and recommend another nominee or may request the Academy Board submit a new nominee for consideration.
- c. An individual appointed to fill a vacancy created other than by the expiration of a term shall be appointed for the unexpired term of that vacant position.
- d. Under exigent conditions, and with the approval of the University Board's chair and the University President, the Center Director may appoint a qualified individual to the Academy Board. All appointments made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any appointments made under this provision.

Section 3. Length of Term. A Director of the Academy Board shall serve at the pleasure of the University Board. Terms of the initial positions of the Academy Board shall be staggered in accordance with *The Academy Board of Directors Table of Staggered Terms and Appointments* established and administered by the Center Director. Subsequent appointments shall be for a term of office not to exceed four (4) years, except as prescribed by *The Academy Board of Directors Table of Staggered Terms and Appointments*.

Section 4. Number of Director Positions. The number of director positions on the Academy Board shall not be less than five (5) nor more than nine (9) as determined by the University Board. If the Academy Board fails to maintain its full membership by making appropriate and timely nominations, the Center Director may deem that failure an exigent condition.

Section 5. Qualifications of Academy Board Members. To be qualified to serve on the Academy Board, a person shall, among other things: (a) be a citizen of the United States; (b) be a resident of the State of Michigan; (c) submit all materials requested by the Center including, but not limited to, the *Application for Public School Academy Board Appointment* which must include authorization to process a criminal background check; and (d) annually submit a conflict of interest disclosure as prescribed by the Center.

The members of the Academy Board shall not include (a) employees of the Academy; (b) any director, officer, or employee of a service provider that contracts with the Academy; (c) a Central Michigan University official or employee, as a representative of Central Michigan University.

Section 6. Oath of Public Office. All members of the Academy Board must take the constitutional oath of office and sign the *Oath of Public Office* before beginning their service. The *Oath of Public Office* shall be filed with the Center.

Section 7. Tenure. Each Director shall hold office until the Director's replacement, death, resignation, removal or until the expiration of the term, whichever occurs first.

Section 8. Removal and Suspension. If the University Board determines that the service in office of a Director of the Academy Board is no longer necessary, then the University Board may remove the Academy Board member with or without cause and shall specify the date when the Academy Board member's service ends. The Academy Board member may also be removed from office for cause by a two-thirds (2/3) vote of the Academy's Board.

With the approval of the University Board's chair and the University President, the Center Director may suspend the service of a Director of the Academy Board if, in his/her judgment, the person's continued presence would constitute a risk to persons or property, or would seriously impair the operation of the Academy. Any suspension made under this provision must be presented to the University Board for final determination at its next regularly scheduled meeting. The University Board reserves the right to review, rescind, modify, ratify, or approve any suspensions made under this provision.

Section 9. Resignation. Any Director may resign at any time by providing written notice to the corporation or by communicating such intention (orally or in writing) to the Center. Notice of resignation will be effective upon receipt or at a subsequent time if designated in a written notice. A successor shall be appointed as provided in Section 2 of this Article.

Section 10. Board Vacancies. A Director vacancy shall occur because of death, resignation, removal, failure to maintain residency in the State of Michigan, disqualification or as otherwise specified in the Code. Any vacancy shall be filled as provided in Section 2 of this Article.

Section 11. Compensation. A Director of the Academy Board shall serve as a volunteer Director. By resolution of the Academy Board, the Directors may be reimbursed for their reasonable expenses incident to their duties.

ARTICLE V MEETINGS

Section 1. Annual and Regular Meetings. The Academy Board shall hold an annual meeting each year. The Academy Board must provide, by resolution, the time and place, within the State of Michigan, for the holding of regular monthly meetings. The Academy Board shall provide notice of the annual and all regular meetings as required by the Open Meetings Act.

Section 2. Special Meetings. Special meetings of the Academy Board may be called by or at the request of any Director. The person or persons authorized to call special meetings of the Academy Board may fix the place within the State of Michigan for holding any special meeting of the Academy Board called by them, and, if no other place is fixed, the place of meeting shall be the principal business office of the corporation in the state of Michigan. The corporation shall provide notice of all special meetings as required by the Open Meetings Act.

Section 3. Notice; Waiver. The Academy Board must comply with the notice provisions of the Open Meetings Act. In addition, notice of any meeting shall be given to each Director stating the time and place of the meeting, delivered personally, mailed, or sent by facsimile or electronic mail to the Director's business address. Any Director may waive notice of any meeting by written statement, facsimile or electronic mail sent by the Director, signed before or after the holding of the meeting. The attendance of a Director at a meeting constitutes a waiver of notice of such meeting, except where a Director attends a

meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened.

Section 4. Quorum. In order to legally transact business, the Academy Board shall have a quorum physically present at a duly called meeting of the Academy Board. A “quorum” shall be defined as follows:

<u># of Academy Board Positions</u>	<u># Required for Quorum</u>
Five (5)	Three (3)
Seven (7)	Four (4)
Nine (9)	Five (5)

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

Section 5. Manner of Acting. The act of the majority of the Directors present at a meeting at which a quorum is present shall be the act of the Academy Board. No member of the Academy Board may vote by proxy, by way of a telephone conference or any other electronic means of communication.

Section 6. Open Meetings Act. All meetings of the Academy Board shall at all times be in compliance with the Open Meetings Act.

Section 7. Presumption of Assent. A Director of the Academy Board who is present at a meeting of the Academy Board at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless that Director's dissent shall be entered in the minutes of the meeting or unless that Director shall file a written dissent to such action with the person acting as the Secretary of the meeting before the adjournment thereof or shall forward such dissent by registered mail to the Secretary of the corporation immediately after the adjournment of the meeting. This right to dissent shall not apply to a Director who voted in favor of such action.

ARTICLE VI COMMITTEES

Section 1. Committees. The Academy Board, by resolution, may designate one or more committees. Each committee is to consist of one or more Directors selected by the Academy Board. As provided in the resolution as initially adopted, and as thereafter supplemented or amended by further resolution, the committees shall have such powers as delegated by the Academy Board, except (i) filling of vacancies in the officers of the Academy Board or committees created pursuant to this Section; (ii) amending the Articles of Incorporation or Amended Bylaws; or (iii) any action the Academy Board cannot lawfully delegate under the Articles, Amended Bylaws or Applicable Law. All committee meetings shall at all times be in compliance with the Open Meetings Act. Each committee shall fix its own rules governing the conduct of its activities and shall make such reports to the Academy Board of its activities as the Academy Board may request.

ARTICLE VII OFFICERS OF THE BOARD

Section 1. Number. The officers of the Academy Board shall be a President, Vice-President, Secretary, Treasurer, and such assistant Treasurers and assistant Secretaries as may be selected by the Academy Board.

Section 2. Election and Term of Office. The Academy Board shall elect the initial officers at its first duly noticed meeting. Thereafter, the officers of the Academy Board shall be elected annually by the Academy Board. If the election of officers is not held at the annual meeting, the election shall be held as soon thereafter as may be convenient. Each officer shall hold office while qualified or until the officer resigns or is removed in the manner provided in Section 3.

Section 3. Removal. Any officer or agent elected or appointed by the Academy Board may be removed by the Academy Board whenever in its judgment the best interests of the corporation would be served thereby.

Section 4. Vacancies. A vacancy in any office shall be filled by appointment by the Academy Board for the unexpired portion of the term.

Section 5. President. The President of the Academy Board shall be a member of the Academy Board. The President of the corporation shall preside at all meetings of the Academy Board. If there is not a President, or if the President is absent, then the Vice-President shall preside. If the Vice-President is absent, then a temporary chair, chosen by the members of the Academy Board attending the meeting shall preside. The President shall, in general, perform all duties incident to the office of President of the Academy Board as may be prescribed by the Academy Board from time to time.

Section 6. Vice-President. The Vice-President of the Academy Board shall be a member of the Academy Board. In the absence of the President or in the event of the President's death, inability or refusal to act, the Vice-President shall perform the duties of President, and when so acting, shall have all the powers of and be subject to all the restrictions upon the President. The Vice-President shall perform such other duties as from time to time may be assigned to the Vice-President by the President or by the Academy Board.

Section 7. Secretary. The Secretary of the Academy Board shall be a member of the Academy Board. The Secretary shall: (a) keep the minutes of the Academy Board meetings in one or more books provided for that purpose; (b) see that all notices, including those notices required under the Open Meetings Act, are duly given in accordance with the provisions of these Amended Bylaws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation and see that the seal of the corporation is affixed to all authorized documents; (d) keep a register of the post office address of each Director; and (e) perform all duties incident to the office of Secretary and other duties assigned by the President or the Academy Board.

Section 8. Treasurer. The Treasurer of the Academy Board shall be a member of the Academy Board. The Treasurer shall: (a) have charge and custody of and be responsible for all funds and securities of the corporation; (b) keep accurate books and records of corporate receipts and disbursements; (c) deposit all moneys and securities received by the corporation in such banks, trust companies or other depositories as shall be selected by the Academy Board; (d) complete all required corporate filings; (e) assure that the responsibilities of the fiscal agent to the corporation are properly carried out; and (f) in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned by the President or by the Academy Board.

Section 9. Assistants and Acting Officers. The Assistants to the officers, if any, selected by the Academy Board, shall perform such duties and have such authority as shall from time to time be delegated or assigned to them by the Secretary or Treasurer or by the Academy Board. The Academy Board shall have the power to appoint any member of the Academy Board to perform the duties of an officer whenever, for any reason, it is impractical for such officer to act personally. Such acting officer so appointed shall have the powers of and be subject to all the restrictions upon the officer to whose office the acting officer is so appointed except as the Academy Board may by resolution otherwise determine.

Section 10. Salaries. Officers of the Academy Board, as Directors of the corporation, may not be compensated for their services. By resolution of the Academy Board, officers may be reimbursed for reasonable expenses incident to their duties.

Section 11. Filling More Than One Office. Subject to the statute concerning the Incompatible Public Offices, Act No. 566 of the Public Acts of 1978, being Sections 15.181 to 15.185 of the Michigan Compiled Laws, any two offices of the corporation except those of President and Vice-President may be held by the same person, but no officer shall execute, acknowledge or verify any instrument in more than one capacity.

ARTICLE VIII CONTRACTS, LOANS, CHECKS AND DEPOSITS; SPECIAL CORPORATE ACTS

Section 1. Contracts. The Academy Board may authorize any officer or officers, agent or agents, to enter into any contract, to execute and deliver any instrument, or to acknowledge any instrument required by law to be acknowledged in the name of and on behalf of the corporation. Such authority may be general or confined to specific instances, but the appointment of any person other than an officer to acknowledge an instrument required by law to be acknowledged should be made by instrument in writing. When the Academy Board authorizes the execution of a contract or of any other instrument in the name of and on behalf of the corporation, without specifying the executing officers, the President or Vice-President, and the Secretary or Treasurer may execute the same and may affix the corporate seal thereto. No contract entered into, by or on behalf of the Academy Board, shall in any way bind Central Michigan University or impose any liability on Central Michigan University, its trustees, officers, employees or agents.

Section 2. Loans. No loans shall be contracted on behalf of the Academy and no evidences of indebtedness shall be issued in its name unless authorized by a prior resolution of the Academy Board. Such authority shall be confined to specific instances. No loan, advance, overdraft or withdrawal by an officer or Director of the corporation, shall be made or permitted unless approved by the Academy Board. No loan entered into, by or on behalf of the Academy Board, shall in any way be considered a debt or obligation of Central Michigan University or impose any liability on Central Michigan University, its trustees, officers, employees or agents.

Section 3. Checks, Drafts, etc. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Academy, shall be signed by Academy Board members or Academy Board employees, which shall not include employees of the Academy Board's Educational Service Provider, and in such manner as shall from time to time be determined by resolution of the Academy Board.

Section 4. Deposits. All funds of the Academy shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the Academy Board may

select, provided that such financial institution is eligible to be a depository of surplus funds under Section 1221 of the Revised School Code, being Section 380.1221 of the Michigan Compiled Laws.

Section 5. Voting of Gifted, Bequested or Transferred Securities Owned by this Corporation. Subject always to the specific directions of the Academy Board, any shares or other securities issued by any other corporation and owned or controlled by this corporation may be voted at any meeting of security holders of such other corporation by the President of this corporation or by proxy appointed by the President, or in the absence of the President and the President's proxy, by the Secretary or Treasurer of this corporation or by proxy appointed by the Secretary or Treasurer. Such proxy or consent in respect to any shares or other securities issued by any other corporation and owned by this corporation shall be executed in the name of this corporation by the President, the Secretary or the Treasurer of this corporation without necessity of any authorization by the Academy Board, affixation of corporate seal or countersignature or attestation by another officer. Any person or persons designated in the manner above stated as the proxy or proxies of this corporation shall have full right, power and authority to vote the shares or other securities issued by such other corporation and owned by this corporation the same as such shares or other securities might be voted by this corporation. This section shall in no way be interpreted to permit the corporation to invest any of its surplus funds in any shares or other securities issued by any other corporation. This section is intended to apply, however, to all gifts, bequests or other transfers of shares or other securities issued by any other corporation which are received by the corporation.

Section 6. Contracts Between Corporation and Related Persons. As required by Applicable Law, any Director, officer or employee of the Academy, who enters into a contract with the Academy, that meets the definition of contract under the statute on Contracts of Public Servants with Public Entities, Act No. 317 of the Public Acts of 1968, being sections 15.321 to 15.330 of the Michigan Compiled Laws, shall comply with the public disclosure requirements set forth in Section 3 of the statute.

The University Board authorizes the Academy Board to employ or contract for personnel according to the position information outlined in Schedule 5. However, the Academy Board shall prohibit any individual from being employed by the Academy, an Educational Service Provider or an employee leasing company involved in the operation of the Academy, in more than one (1) full-time position and simultaneously being compensated at a full-time rate for each of these positions. An employee hired by the Academy Board shall be an employee of the Academy for all purposes and not an employee of the University for any purpose. With respect to Academy Board employees, the Academy shall have the power and responsibility to (i) select and engage employees; (ii) pay their wages, benefits, and applicable taxes; (iii) dismiss employees; and (iv) control the employees' conduct, including the method by which the employee carries out his or her work. The Academy Board shall be responsible for carrying workers' compensation insurance and unemployment insurance for its employees. The Academy Board may contract with an Educational Service Provider or an employee leasing company to provide services or to provide personnel to perform services or work at the Academy. Before entering into an agreement with an Educational Service Provider or an employee leasing company to perform services or to provide personnel to perform services or work at the Academy, the Academy Board must first comply with the Educational Service Provider Policies issued by the Center. A copy of the agreement between the Academy Board and the Educational Service Provider or employee leasing company shall be included as part of Schedule 5.

The Academy shall comply with the Incompatible Public Offices statute, Act No. 566 of the Public Acts of 1978, of the Michigan Compiled Laws, and the Contracts of Public Servants With Public Entities statute, Act No. 371 of the Public Acts of 1968, of the Michigan Compiled Laws. The Academy Board shall ensure compliance with Applicable Law relating to conflicts of interest. Language in this Section controls over section 1203 of the Code. The following shall be deemed prohibited conflicts of interest:

- (a) An individual simultaneously serving as an Academy Board member and an owner, officer, director, employee or consultant of an Educational Service Provider or an employee leasing company, or a subcontractor to an Educational Service Provider or an employee leasing company that has an ESP Agreement with the Academy;
- (b) An individual simultaneously serving as an Academy Board member and an Academy Board employee;
- (c) An individual simultaneously serving as an Academy Board member and an independent contractor to the Academy;
- (d) An individual simultaneously serving as an Academy Board member and a member of the governing board of another public school;
- (e) An individual simultaneously serving as an Academy Board member and a University official, employee, or paid consultant, as a representative of the University; and
- (f) An individual simultaneously serving as an Academy Board member and having an ownership or financial interest in any real or personal property leased or subleased to the Academy.

No person shall be appointed or reappointed to serve as an Academy Board member if the person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner:

- (a) Is employed by the Academy Board;
- (b) Works at or is assigned to work at the Academy;
- (c) Has an ownership, officer, policymaking, managerial, administrative non-clerical or other significant role with the Academy's Educational Service Provider or employee leasing company; and
- (d) Has an ownership or financial interest in any school building lease or sublease agreement with the Academy.

The Academy Board shall require each individual who works at the Academy to annually disclose any familial relationship with any other individual who works at, or provides services to, the Academy. For purposes of this sub-section, familial relationship means a person's mother, mother-in-law, father, father-in-law, son, son-in-law, daughter, daughter-in-law, sister, sister-in-law, brother, brother-in-law, spouse or domestic partner.

ARTICLE IX INDEMNIFICATION

To the extent permitted by Applicable Law, each person who is or was a Director, officer or member of a committee of the Academy and each person who serves or has served at the request of the Academy as a trustee, director, officer, partner, employee or agent of any other corporation, partnership, joint venture, trust or other enterprise, may be indemnified by the Academy. The corporation may purchase

and maintain insurance on behalf of any such person against any liability asserted against and incurred by such person in any such capacity or arising out of his status as such, whether or not the corporation would have power to indemnify such person against such liability under the preceding sentence. The corporation may, to the extent authorized from time to time by the Academy Board, grant rights to indemnification to any employee or agent of the corporation.

ARTICLE X FISCAL YEAR

The fiscal year of the corporation shall begin on the first day of July in each year.

ARTICLE XI AMENDMENTS

These Amended Bylaws may be altered, amended or repealed and new Amended Bylaws may be adopted by obtaining (a) the affirmative vote of a majority of the Academy Board at any regular or special meeting of the Academy Board, if a notice setting forth the terms of the proposal has been given in accordance with the notice requirements of these Amended Bylaws and applicable law, and (b) the written approval of the changes or amendments by the Center Director. In the event that a proposed change is not accepted by the Center Director, the University Board may consider and vote upon a change proposed by the corporation following an opportunity for a written presentation to the University Board by the Academy Board. These Amended Bylaws and any amendments to them take effect only after they have been approved by both the Academy Board and by the Center Director.

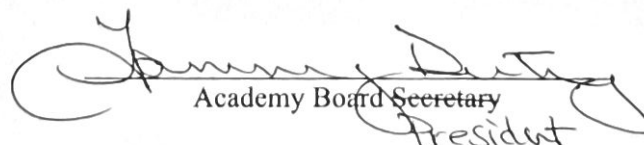
Upon termination or revocation of the Contract, the corporation may amend its Amended Bylaws as necessary to allow the Academy Board to: (a) take action to appoint Academy Board members in order to have a quorum necessary to take Academy Board action; or (b) effectuate a dissolution, provided that the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

ARTICLE XII TERMS AND CONDITIONS DEFINITIONS

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

CERTIFICATION

The Board certifies that these Amended Bylaws were adopted as and for the Bylaws of a Michigan corporation in an open and public meeting, by the Academy Board on the 23 day of June, 2022.


Academy Board Secretary
President

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 Creative Montessori 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 Creative Montessori Academy.

BY: 

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

Date: May 6, 2022

CONTRACT SCHEDULE 4
OVERSIGHT, COMPLIANCE
AND REPORTING AGREEMENT

SCHEDULE 4

OVERSIGHT, COMPLIANCE AND REPORTING AGREEMENT

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

Preliminary Recitals

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

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

ARTICLE I **DEFINITIONS AND INTERPRETATIONS**

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

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE III **RECORDS AND REPORTS**

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

ARTICLE IV
MISCELLANEOUS

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

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

Section 4.3. Audit and Evaluation. The Academy:

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

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

CONTRACT SCHEDULE 5

DESCRIPTION OF STAFF RESPONSIBILITIES

DESCRIPTION OF STAFF RESPONSIBILITIES

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

Qualifications	5-1
Administrator and Teacher Evaluation Systems	5-1
Performance Evaluation System	5-1
Teacher and Administrator Job Performance Criteria	5-1
Reporting Structure	5-1
Position Responsibilities	5-1
School Administrator(s)	5-1
Instructional Staff	5-2
Non-Instructional Staff	5-2
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 2022, by and between Choice Schools Associates, L.L.C., of Michigan limited liability company (“CSA”), and the Creative Montessori Academy (the “Academy”), a body corporate and public school academy organized under Part 6A of the Michigan Revised School Code (the “Code”).

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

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

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

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

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE I

CONTRACTUAL RELATIONSHIP

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

B. Delegated Authority. Acting under and in the exercise of such authority, the Academy hereby engages CSA, to the extent permitted by law, to perform specified functions relating to the provision of educational services and the management and operation of the Academy; provided, however, that this Agreement is subject to all the terms and conditions of the Contract. The Contract shall be deemed incorporated herein by reference. In the event of any inconsistency between provisions of this Agreement and provisions of the Contract, the provisions of the Contract shall prevail.

C. Status of the Parties. CSA is a limited liability company of Michigan and is not a division or a part of the Academy. The Academy is a body corporate and governmental entity authorized by the Code and is not a division or part of CSA. The relationship between CSA and the Academy is based solely on the terms of this Agreement. The parties to this Agreement intend that the relationship between them is that of an independent contractor, not an employee-employer relationship. The relationship between the parties was developed and entered into through arm's length negotiations and is based solely on the 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 CSA and no agent, officer or employee of CSA 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 CSA will be solely responsible for its acts and omissions and the acts and omissions of its agents, officers, employees and subcontractors.

D. Designation of Agents. CSA is not a division of any part of the Academy. No agent or employee of CSA shall be determined to be an agent or employee of the Academy, except as follows:

1. CSA, and its respective officers, directors, employees and designated agents are each hereby authorized to serve as agents of the Academy having a legitimate educational interest in the Program and its students for purposes of the Family Educational Rights and Privacy Act, 20 U.S.C. §1232g et seq., ("FERPA"), such that they are jointly and severally entitled to access the educational records of the Program for all purposes related to FERPA.
2. During the term of this Agreement, the Academy may disclose confidential data and information to CSA, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation, the Individuals with Disabilities Education Act ("IDEA"), 20 USC §1401 et seq., 34 CFR 300.610 – 300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 et seq.; the Americans with Disabilities Act, 42 USC §12101 et seq.; the Health Insurance Portability and Accountability Act ("HIPAA"), 42 USC 1320d – 13200d-8; 45 CFR 160, 162 and 164; and social security numbers, as protected by the federal Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL 445.84.
3. As otherwise expressly designated by written agreement of the parties with consent from anyone whose consent is required by law or contract.

ARTICLE II

TERM

A. Term. The Agreement shall become effective July 1, 2022 and shall cover five academic years commencing on July 1, 2022 and ending on June 30, 2027, subject to a continued Contract from CMU and continued state per capita funding. The Contract from CMU is effective through June 30, 2027 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 canceling 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 a notice issued by the Michigan Department of Education under Section 507 of the Code, MCL 380.507; or (ii) to undergo a reconstitution pursuant to Section 507 of the Code, MCL 380.507, and the Contract, and such closure of an Academy site or reconstitution causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Academy site closure or reconstitution, with no cost or penalty to the Academy, and CSA shall have no recourse against the Academy or the University Board for implementing such site closure or reconstitution.

ARTICLE III

FUNCTIONS OF CSA

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

1. Implementation and administration of the Educational Program and curriculum contained in the Contract;
2. Marketing and communication plan development for board approval; the cost of implementation shall be the Academy's responsibility;

3. Budget preparation and financial management services;
4. Management of accounting and bookkeeper services;
5. Risk management;
6. Acquisition of instructional and non-instructional materials, equipment and supplies, the cost of which shall be the Academy's responsibility;
7. Selection, employment and supervision of all teachers and staff and the personnel management services (recordkeeping, wage and benefits administration, training and technical assistance) necessary to support those employees;
8. Food service management;
9. Transportation management;
10. Facilities management, including assistance in securing funding sources for facility improvements;
11. Preparation and timely submission of required CMU, local, state and federal reports;
12. Information and technology system management;
13. Preparation of applications and reports for State and Federal grants;
14. Management of school building operations;
15. Administration of extra-curricular and co-curricular activities and program approved by the Board;
16. Preparation and implementation of administrative guidelines supporting board policy, including student codes of conduct;
17. Provisions 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.

C. Educational Goals and Program. CSA shall implement the educational goals and programs set forth in the Contract, including but not limited to methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade classifications or pupils to be enrolled, and methods to be used to monitor performance towards targeted educational outcomes (collectively the "Educational Program"). In the event that CSA determines that it is advisable to modify the Educational Program set forth in the Contract, CSA will provide written notification to the Board specifying the changes it recommends and the reasons for the proposed changes. No changes in the Educational Program shall be implemented without the prior written approval of the Board and CMU. CSA shall provide the Board with periodic written reports specifying the level of

achievement of each of the Academy's educational goals set forth in the Contract and detailing its plan for meeting any educational goals that are not being attained. These reports will be submitted to the Board immediately prior to the Board's regular meeting in January and July each year, and at such other times as specified in Board policy as the same may be changed from time to time.

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

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

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

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

H. Student Recruitment. CSA shall be responsible for the recruitment of students subject to the provisions of the Contract or applicable laws and the policies adopted by the Board. Students shall be selected in accordance with the procedures set forth in the Contract

and in compliance with the Code and other applicable law. CSA shall follow all applicable procedures regarding student recruitment, enrollment and lottery management, and shall be responsible for publication of appropriate public notices.

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

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

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

L. 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.

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

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

O. Additional Programs. The services provided by CSA to the Academy under this Agreement consist of the Educational Program as set forth in the Contract, as the same may change from time to time. The Academy may decide to provide additional programs,

including but not limited to summer school Any revenues collected form such programs will go directly to the Academy. The Academy may also purchase additional services from CSA at mutually agreeable cost. Such additional services shall be documented in writing as an amendment to this Agreement, subject for review by CMU.

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

Q. Compliance with Section 503c. On an annual basis, CSA agrees to provide the Board all of the same information that a school district is required to disclose under section 503c of the Code, MCL 380.503c or under section 18(2) of the State Aid Act of 1979, MCL 388.1618(2), for the most recent school fiscal year in which the information is available. Within thirty (30) days of receiving the information under section 18(2), the Board and CSA shall make this information publicly available on the Academy’s website, in a form and manner prescribed by the Michigan Department of Education. The defined terms in section 503c of the Code, MCL 380.503c, shall have the same meaning in this Agreement.

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

S. Suspension and Debarments List. Federal agencies are required to award contracts only to presently responsible sources and cannot award funds to entities that have been suspended or debarred from doing business with the federal government. The Academy is a recipient of federal funding and CSA is required to refrain from any action that will result in CSA being suspended or debarred. CSA certifies and affirms that it is not included on the federal Suspension and Debarments list of Excluded Parties List; nor is CSA affiliated with any party that is included on the federal Suspension and Debarments list of Excluded Parties List (“List”). CSA agrees to and shall reasonably monitor this List periodically to ensure its certification and affirmation under this Agreement remains accurate.

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

U. Data Security Breach. CSA shall promptly report to the Board, not later than the first business day following discovery, any use or disclosure of personally identifiable information from the Academy’s education records or other information not suitable for public release (collectively, Covered Data or Information (“CDI”) that is not authorized by this Agreement or Applicable Law. CSA agrees to promptly undertake to identify: (i) the nature of the unauthorized use or disclosure, (ii) the CDI used or disclosed, (iii) who made the unauthorized use or received the unauthorized disclosure, (iv) what CSA has done or shall do to mitigate any deleterious effect of the unauthorized use or disclosure, (v) whether, and if so on what grounds, CSA has determined that the security breach has not or is not likely to cause substantial loss or injury to, or result in identity theft with respect to, one or more residents of this state, and (vi) what corrective action CSA has taken or shall take to prevent future similar unauthorized use or disclosure. CSA shall provide such other information as reasonably requested by the Academy Board. CSA shall take appropriate

action, in accordance with MCL 445.72, to notify affected individuals whose CDI may have been compromised.

ARTICLE IV

OBLIGATIONS OF THE BOARD

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

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

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

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

G. Budget. The Board is responsible for adopting a budget in accordance with the provisions of the Budgeting and Accounting Act and that has adequate resources to fulfill its obligations under the Contract, including but not limited to its oversight of CSA, the organization of the Academy, negotiation of the Contract and any amendments, payment of

personnel costs, insurance required under the Contract and this Agreement, the annual financial audit and retention of the Board's legal counsel and consultants. CSA may not make expenditures or commitments which deviate from the amounts or purposes of appropriations contained in the approved budget without the prior approval of the Board in the form of an approved amendment to the budget in accordance with applicable law and the Contract. In addition, the Board is responsible for determining the budget reserve amount included as part of the Academy's annual budget, for implementing fiscal policies that will assist the Academy in attaining the stated budget reserve amount and for approving necessary amendments to the budget to reflect necessary deviations from the adopted budget. The budget may be amended from time to time as deemed necessary by the Board. The Board shall designate an Academy Board member as the Chief Administrative Officer of the Academy.

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

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

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

K. Evaluation of CSA. The Board will evaluate the performance of CSA each year to provide CSA with an understanding of the Board's view and its performance under this Agreement. A preliminary evaluation will normally occur in January of each year followed by the year-end evaluation in June. The Board will determine the format to conduct this evaluation. Special evaluations may occur at any time.

ARTICLE V

FINANCIAL ARRANGEMENT

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

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

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

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

C. Compensation for Services. For the term of this Agreement, the Academy shall pay CSA an annual fee. This annual fee shall be calculated as follows: The annual fee to be paid for services performed between July 1, 2022 through June 30, 2027 shall be ten (10.00%) percent of all annual gross revenues less the three percent (3%) retained by CMU for its oversight fee. For purposes of this Section, the term “gross revenues” means the sum of (a) the amount of all payments applicable to a school year that the Academy receives directly or indirectly under Article V, Paragraph A plus (b) the amount of all grants received by the Academy under Article V, Paragraph B(2) that were initiated and administered by Choice and which are to be expended during that school year. Gross revenue does not include any local revenue, currently classified under function codes 128 to 199 of the State of Michigan Chart of Accounts, and as may be amended or revised. CSA’s annual fee shall be paid in twelve (12) equal monthly installments beginning in July of each school year. The exact day of the month that each monthly installment is to be paid will coincide with the timing of any state school aid payment from the State of Michigan to be received in that month. In months where no state school aid payments are to be received, the day of the month when that monthly installment will be due will be mutually agreed upon by the parties after taking into consideration available year-end funds and the timing of funds to be made available from state school aid anticipation notes or other sources. All installments of the annual fee for the 2022 - 2027 school year shall be paid by June 30, 2027 if this Agreement is not extended beyond the scheduled termination date. The amount of the annual fee is subject to reduction in a mutually agreeable amount in any school year if extenuating circumstances make payment of the entire annual fee inappropriate.

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

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

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

G. CSA Legal Services. The annual fee set forth in Article V, Section C is intended to compensate CSA for routine legal fees it incurs to receive advice regarding the scope of its obligations under state and federal law to provide the administrative and financial services CSA is required to provide under this Agreement. The annual fee does not cover non-routine legal services, including but not limited to the legal fees and costs associated with the appointment of special education hearing officers and the engagement of counsel to represent the Academy in legal or administrative proceedings, which are the responsibility of the Academy. The Board shall at all times retain the sole authority and discretion to engage independent legal counsel.

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

I. Financial Reporting. On not less than a monthly basis, CSA shall provide the Board with monthly financial statements that shall include a balance sheet, an object level detailed statement of revenues, expenditures and changes in fund balance that includes a comparison of budget-to-actual information and an explanation of the variances of expenditures for review and approval by the Board. This report shall explain any variances from the approved budget and shall contain recommendations for necessary budget corrections. The foregoing presentation shall be in a form and format acceptable to the Board and shall be provided to Board members not less than three (3) business days prior to the Board meeting at which the information will be considered in the Board packets sent to Board members in preparation for Board meetings. CSA shall provide special reports as necessary to keep the Board informed of changing conditions. All finance and other records of the ESP related to the Academy will be made available to the Academy, the Academy's independent auditor and the Authorizer upon request.

J. Operational Reporting. At least two (2) times per year, December and May unless agreed otherwise, CSA will provide the Board with comprehensive written reports detailing Academy operations, finances and student performance. In order to enable the Board to monitor CSA's educational performance and the efficiency of its operation of the Academy, upon the request of the Board, CSA will provide written reports to the Board on any topic of Academy activity or operations and which are consistent with this Agreement. These special reports will be provided in a timely fashion, but not less than one (1) week after the request for the report is received by CSA unless the Board and CSA mutually agree upon an extended timetable.

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

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

M. Access to Records. CSA shall keep accurate financial records pertaining to its operation of the Academy, together with all Academy financial, educational and student records prepared by or in the possession of CSA and retain all of these records for a period as required by Bulletin 1022 of Michigan's Record Retention Schedule, or applicable law, whichever period is the longest, from the close of the fiscal year to which such books, accounts and records relate. CSA shall further make information concerning the operation and management of the Academy, including but not limited to, information required to be kept by the Contract with CMU, including all exhibits and schedules, available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under the Contract and to CMU upon request. Financial, educational, operational and student records that are now or may in the future come into the possession of CSA remain Academy records and are required to be returned by CSA to the Academy upon demand, provided that CSA may retain copies of records necessary to document the services provided to the Academy and its actions under the Agreement. CSA and the Academy shall maintain the proper confidentiality of personnel, student and other records as required by law. All Academy records shall be physically or electronically available, upon request, at the Academy's physical facilities. The financial, educational, operational and student records pertaining to the Academy are Academy property and are public documents subject to disclosure in accordance with the provisions of the Michigan Freedom of Information Act. This Agreement shall not be construed to restrict CMU's or the public's access to these records under the Freedom of Information Act or the Contract, except to the extent permitted by law.

N. Access to Confidential Information. CSA, and its respective officers, directors, employees and designated agents are each hereby authorized to serve as agents of the Academy having a legitimate educational interest in the Program and its students for purposes of 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 CSA and certain of its employees and subcontractors as school officials of the Academy having a legitimate educational interest such that they are entitled to access to educational records under FERPA. CSA and its

employees and subcontractors agree to comply with FERPA and corresponding regulations applicable to school officials. Except as set forth in this Paragraph or as expressly acknowledged in writing by the Board, no employee of CSA shall be deemed to be an agent of the Academy. During the term of this Agreement, the Academy may disclose, and CSA and its officers, directors, employees and designated agents may have access to, confidential information to the extent permitted by applicable law, including without limitation, FERPA, IDEA, Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; the Michigan Mandatory Special Education Act, MCL 380.1701 et seq.; the Americans with Disabilities Act, 42 USC §12101 et seq.; the Health Insurance Portability and Accountability Act (“HIPAA”), 42 USC 1320d-13200d-8; 45 CFR 160, 162 and 164; and social security numbers, as protected by the federal Privacy Act of 1974, 5 USC §552a; and the Michigan Social Security Number Privacy Act, MCL 445.84. CSA agrees that it shall comply with all applicable law regarding the safeguarding of the confidentiality of such information.

ARTICLE VI

PERSONNEL AND TRAINING

A. Personnel Responsibility. CSA is responsible for providing the Academy with a School Administrator and other qualified administrative, teaching, food service, secretarial, maintenance and transportation staff to operate the Academy within the staffing levels approved by the Board in its annual budget. CSA shall have the responsibility to recruit, select, hire, evaluate, compensate, assign, discipline, transfer and terminate the employment of all individuals that it employs to provide services at or for the Academy, consistent with state and federal law and the provisions of this Agreement. With the exception of the Board employees, if any, CSA shall be the employer of all individuals working at or for the Academy and accepts full liability and is responsible for the payment of all costs incurred by CSA attributable to these employees, including wages, salaries, fringe benefits, payroll taxes, social security contributions, unemployment costs, workers compensation costs, and liability insurance costs irrespective of whether CSA receives an advancement of its costs or the payment of services from the Academy. Unless required by applicable statute, court or administrative decision, or Attorney General’s opinion, CSA shall not make payments to the Michigan Public School Employees’ Retirement System or any other public retirement system on behalf of its employees. CSA will provide the Board with a detailed listing of the actual wages, salaries, fringe benefits, social security contributions, unemployment costs and workers compensation costs for all employees of CSA who will be assigned to provide services at the Academy. The Board will pay CSA for the cost of the actual wages, salaries, fringe benefits, social security contributions, unemployment costs, and workers compensation costs of employees assigned to the Academy not later than three (3) business days before that compensation is due to the employees or to other entities to be paid to provide these benefits, provided that these costs are not higher than anticipated and approved in the annual budget.

Alternatively, the Board may advance funds to CSA 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 review at its next regularly scheduled Board meeting and are consistent with budget allocations. At the request of the Board, CSA will provide payroll services for employees of the Board. CSA will not assign any employee to work at the Academy who has not successfully completed a pre-employment background check (including statutorily required criminal history, criminal background and unprofessional conduct checks) consistent with Michigan State Police guidelines and credential verification, and, a pre-employment physical if appropriate. CSA will not place in the employment contracts with any of its employees assigned to work at the Academy any non-compete agreements of any nature. CSA agrees that any provision of an employment agreement with any of its employees that would be in violation of this provision is void and shall not be enforceable in any forum. CSA will comply with the requirements of applicable law, including but not limited to section 1249 of the Code, MCL 380.1249, regarding the evaluation of its employees based in part upon data on student growth and the establishment of employee compensation levels that include job performance and job accomplishments as a significant factor. In the event that an employee hired by CSA is retired under the Michigan Public School Employees Retirement Act, CSA will comply with any applicable notice and reporting requirement.

B. School Administrator. CSA shall provide the Academy with a School Administrator who shall be responsible for the daily operational control of the Academy and to make recommendations to CSA regarding employees to be assigned to the Academy. CSA will have the authority, consistent with applicable law, to select and supervise the School Administrator and to hold that individual accountable for the success of the Academy. The School Administrator will be a CSA employee, but the individual selected by CSA must be acceptable to the Board. CSA will consult with the Board prior to hiring the School Administrator and will consult with the Board prior to taking any action that would alter the employment status of the School Administrator. At the request of the Board, CSA will review the performance of the School Administrator with the Board. Upon receipt of written notification indicating that the Board is not satisfied with the performance of the School Administrator, CSA will provide a replacement School Administrator if the performance problems are not resolved. The Board will reimburse CSA for any reasonable costs associated with the termination of the School Administrator during a school year, at the Board's request, provided that the amount of the costs to be reimbursed shall not exceed three (3) months of the School Administrator's salary and fringe benefits. The employment contract with the School Administrator, and the duties and compensation of the School Administrator shall be determined by CSA, but that individual must be assigned on a full time basis to the Academy and may not be providing services to any other school or Academy without the prior approval of the Board. If CSA chooses to execute an employment agreement with the School Administrator that has a term longer than one year, the Board

reserves the right to have the School Administrator placed elsewhere by CSA if the Board is dissatisfied with that individual's performance at the end of any school year and will be considered a non-renewal rather than a termination for purposes of this Agreement.

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

D. Support Staff. As part of the annual budgeting process, CSA shall make a recommendation to the Board regarding the number of support staff required for the operation of the Academy pursuant to the Contract. CSA shall provide the Academy with such support staff, qualified in the areas required, as are required by the Board. Such support staff may, in the discretion of CSA, work at the Academy on a full or part time basis. If assigned to the Academy on a part time basis, such support staff may also work at other schools operated by CSA. Each support staff employee assigned to or retained by the Academy shall have received the training and hold the certificates, degrees or licenses legally required for the position to which they are assigned under the Code and ESSA or other applicable law. If CSA chooses to execute contracts with support staff that have a term of longer than one year, the Board reserves the right to have support staff placed elsewhere by CSA if the Board is dissatisfied with their performance at the end of any school year.

E. Training. CSA shall provide training to the School Administrator, teachers 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. The School Administrator, teachers, paraprofessionals and other support staff employees shall receive such other training as CSA determines as reasonable and necessary under the circumstances within the board approved budget.

ARTICLE VII

TERMINATION OF AGREEMENT

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

B. Termination by CSA for Cause. The Agreement may be terminated by CSA for cause prior to the end of the term specified in Article II in the event the Academy fails to remedy a material breach within a period reasonable under the circumstances, which in no event shall be longer than sixty (60) calendar days after notice from CSA. A material breach is a failure by the Academy to carry out its responsibilities under this Agreement and may include, but is not limited to (1) a failure to make timely payments to CSA as required by this Agreement, (2) a failure to give consideration to the recommendations of CSA regarding the operation of the Academy, (3) a violation of the Contract or of applicable law or (4) any action or inaction by the Academy that places the Contract in jeopardy of suspension, revocation, reconstitution or termination. In order to terminate this Agreement for cause, CSA is required to provide the Board with written notification of the facts it considers to constitute material breach and the period of time within which the Academy has to remedy this breach not to exceed sixty (60) days. After the period to remedy the material breach has expired, CSA may terminate this Agreement by providing the Board with written notification of termination. The Academy and CSA will make every effort necessary to remedy a breach of the ESP Agreement in order to continue school operations until completion of the then current school fiscal year.

C. Termination by Either Party Without Cause. If CSA and the Board are unable to agree on educational programs, curriculum or other educational policies that affect the Academy in a significant way, 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.

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

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

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

G. End of Agreement Transition. Upon termination or expiration of this Agreement, or if this agreement is terminated due to a Contract revocation, reconstitution, or termination or non-renewal, CSA shall, without additional charge: (i) close the financial records on the then current school fiscal year which includes, but is not limited to, the completion and submission of the annual financial audit, state and federal grant reporting and all other associated reporting required within the required timelines established by the appropriate local, state or federal authority; (ii) organize and prepare student records for transition to the new educational services provider, self-management or in the case of a school closure, transfer to a student's new school as designated by the student's parent/legal guardian or to a person or entity authorized to hold such records; (iii) provide for the orderly transition of employee compensation and benefits to the new educational services provider or self-management without disruption to staffing, or in the case of school closure, final payment of all employee compensation, benefit and tax obligations related to services provided by CSA to the Academy; (iv) organize and prepare the Academy's records, both electronic and hard-copy, for transition to the new educational services provider, self-

management or dissolution; and (v) provide for the orderly transition to the new educational services provider, self-management or dissolution of all Academy-owned assets including, but not limited to, furniture, fixtures, equipment and real estate. This includes any keys, log-in information and passwords related to any Academy asset.

ARTICLE VIII

PROPRIETARY INFORMATION

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

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

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

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

ARTICLE IX

INDEMNIFICATION

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

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

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

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

E. Indemnification of Central Michigan University. The parties acknowledge and agree that Central Michigan University, its Board of Trustees, and its members, officers,

employees, agents or representatives (collectively “University”) are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, CSA hereby promises to indemnify, defend and hold harmless the University from and against all demands, claims, actions, suits, 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, CSA’s preparation for or operation of the Academy, or which are incurred as a result of the reliance by the University upon information supplied by CSA, or which arise out of CSA’s failure to comply with the Contract or applicable law. The parties expressly acknowledge and agree that the University may commence legal action against CSA to enforce its rights as set forth in this section of the Agreement.

ARTICLE X

INSURANCE

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

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

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

ARTICLE XI

MISCELLANEOUS

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

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

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

If to CSA:	Choice Schools Associates 5251 Clyde Park Avenue SW Wyoming, MI 49509
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Attn: Tony Schmid

If to the Academy:	Creative Montessori Academy 12701 McCann Street Southgate, MI 48195
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Attn: Board President

A courtesy copy of the notice shall also be provided 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 CSA, and signed by a duly authorized officer. In addition, any modification of this Agreement must follow CMU's ESP policies before it can be executed.

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

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

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

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

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

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

M. Dispute Resolution Procedure. Any and all disputes between the parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the parties' performance of their respective obligations under this Agreement that are unable to first 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. A single arbitrator shall be used, and the parties shall first attempt to agree on the arbitrator of their choice. If the parties are unable to agree, then 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 relevant rules of the American Arbitration Association, with such variations as the parties and the arbitrator unanimously accept. Any arbitration hearing shall be conducted in the general area of Grand Rapids, Michigan. The arbitrator shall be required to issue a cause or "reasoned" 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 arbitrator to award reasonable attorney fees to the prevailing party, to be paid if awarded by the losing party.

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

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

ARTICLE XII

MATTERS RELATED TO REVENUE PROCEDURES 2017-13

A. CSA's compensation under the 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;

B. The Agreement does not pass along to CSA 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;

C. The term of the 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;

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

E. CSA 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.

Further, with regard to governance;

F. None of the Academy's Board of Directors serve as a director, officer, shareholder, partner, member, or employee of the service provider;

G. The Academy's Board of Directors does not include the chief executive officer of the service provider or the chairperson (or equivalent executive) of the service provider's governing body; and

H. The chief executive officer of the service provider is not the chief executive officer of the Academy or any of the Academy's related parties (as defined in §1.150-1(b)).

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

CHOICE SCHOOLS ASSOCIATES, L.L.C.

BY *Sarah Wildey*
Chief Executive Officer

Date: May 31 2022

CREATIVE MONTESSORI ACADEMY

BY *Jammy Duty*
President, Board of Directors

Date: May 31 2022

CONTRACT SCHEDULE 6

PHYSICAL PLANT DESCRIPTION

PHYSICAL PLANT DESCRIPTION

Pursuant to Applicable Law and the Terms and Conditions of this Contract, including Article XI, Section 11.5, the Academy is authorized to operate at the physical facility or facilities outlined in this schedule. The Academy shall not occupy or use any facility until approved for occupancy by the Michigan Department of Licensing and Regulatory Affairs' Bureau of Construction Codes.

Physical Plant Description	6-1
Site Plan	6-3
Floor Plans	6-4
Main Building	
Mortgage Agreement	6-5
Bond.....	6-20
Certificates of Use and Occupancy.....	6-24
Middle School Modular Unit	
Proof of Purchase.....	6-26
Certificate of Use and Occupancy	6-27
Preschool Modular Unit	
Proof of Purchase.....	6-28
Certificate of Use and Occupancy	6-31

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 Creative Montessori Academy (the "Academy") is as follows:

Address: 12701 McCann St.
Southgate, MI 48195

Description: The Site is located at the intersection of McCann and Northline. It is a brick and mortar building that occupies roughly ten acres of land. A portion of the building has two floors with elevator access. The main facility includes 33 classrooms, 9 offices, 12 restrooms, two technology labs, a library, full-size competition gym, and a cafeteria that is set-up for receiving and heating/cooling prepared breakfasts and lunches from an outside vendor. Also located on the Site are two portable units. The first portable unit contains two classrooms, two restrooms and an office. The second portable unit contains five classrooms, two restrooms, and one office.

The Site also includes three playgrounds and a track and field area designed for high school sports. The entire outside property is fenced in with access to the track and field and playground areas from the parking lot or the rear school door exits.

Configuration of Grade Levels: Kindergarten through Eighth Grade

Term of Use: Term of Contract.

Name of School District and Intermediate School District:

Local: Southgate Community School District
ISD: Wayne RESA

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.

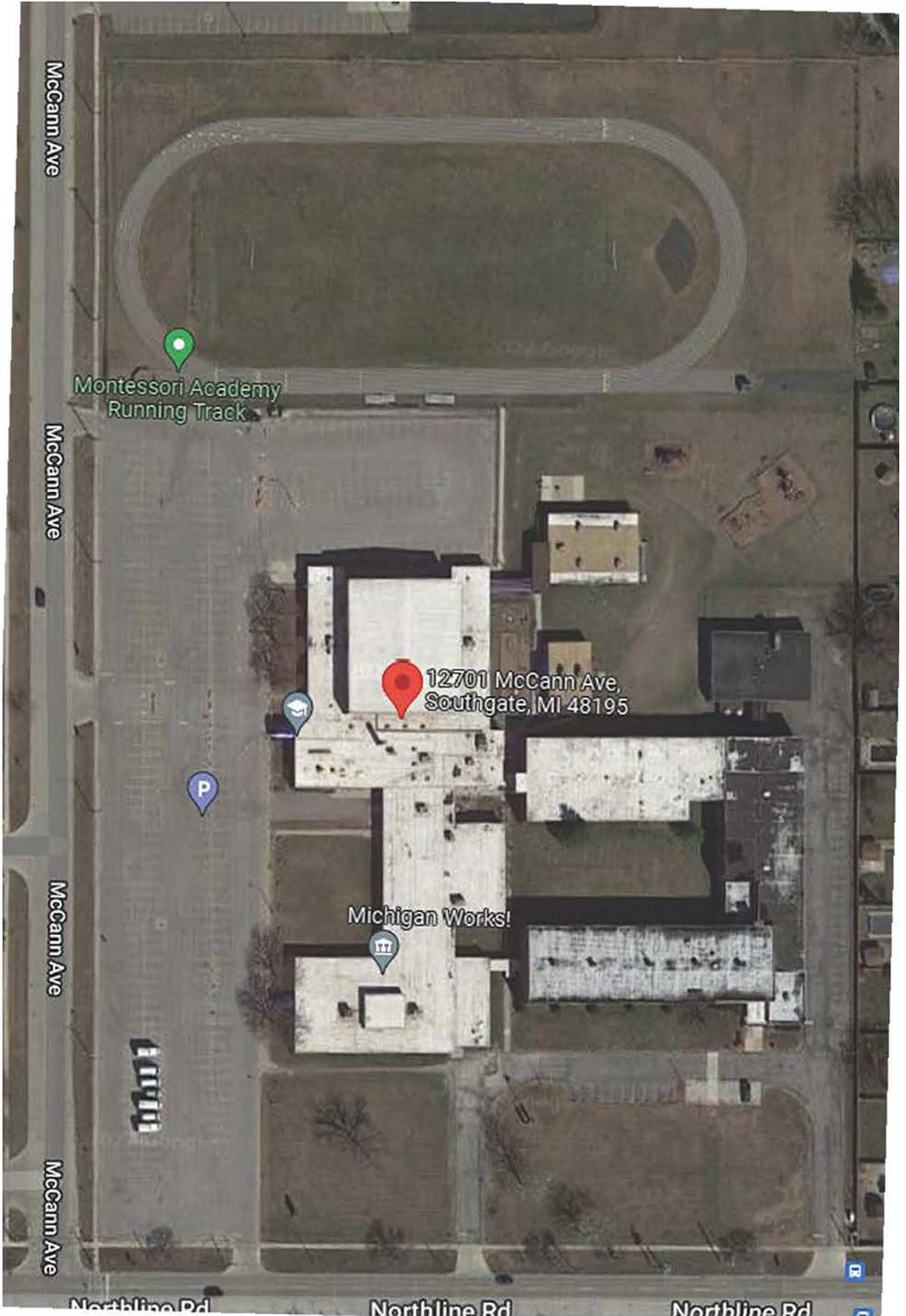
- A. Narrative description of physical facility
- B. Size of building
- C. Scaled floor plan
- D. Copy of executed lease or purchase agreement

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.

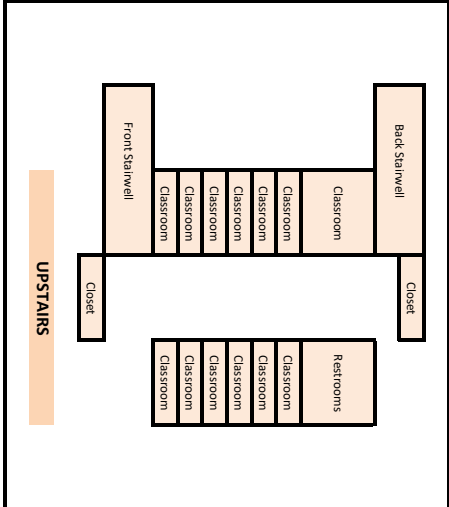
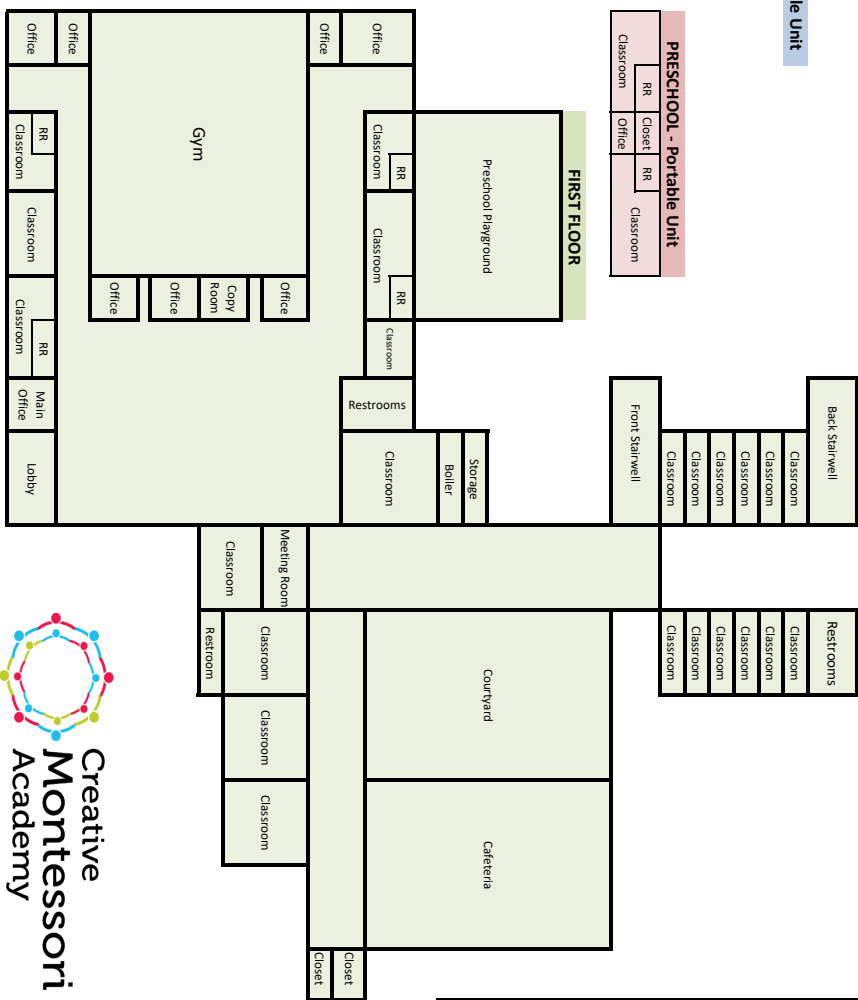
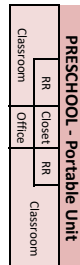
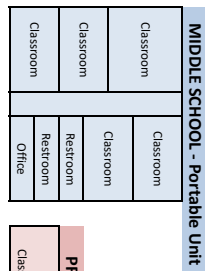
5. If the Site described above is not used as the physical facilities for the Academy, then Schedule 6 of this Contract between the Academy and the University Board must be amended pursuant to Article IX of the Terms and Conditions of Contract, to designate, describe, and agree upon the Academy's physical 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.



Schedule 6-3

Creative Montessori Academy



Main Building

FUTURE ADVANCE MORTGAGE

THIS AMENDED AND RESTATED FUTURE ADVANCE MORTGAGE (the "Mortgage") is made as of November 1, 2011 by CREATIVE MONTESSORI ACADEMY, a Michigan nonprofit corporation and public school academy, of 15100 Northline Road, Southgate, Michigan (the "Mortgagor") in favor of U.S. BANK NATIONAL ASSOCIATION, a national banking association (the "Mortgagee" or the "Trustee"), of Detroit, Michigan, as Trustee under that certain Trust Indenture (the "Indenture") dated as of November 1, 2011 between the Michigan Finance Authority (the "Authority") and the Trustee relating to the issuance of the Authority's Public School Academy Limited Obligation Revenue Bonds (Creative Montessori Academy Project), Series 2011 (the "Bonds").

WITNESSETH:

WHEREAS, the Mortgagor has issued its School Building and Site Bonds, Series 2011 (the "Municipal Obligation") to the Authority, and the Academy and the Authority are entering into a Financing Agreement dated as of November 1, 2011 (the "Financing Agreement");

WHEREAS, the Academy desires that the Authority acquire its Municipal Obligation with the proceeds of the Bonds issued by the Authority in the aggregate principal amount of \$4,995,000 pursuant to the terms of the Indenture so that the Academy can acquire, subject to mortgage, the property described herein and remodel, furnish and equip thereon the Project as defined in the Financing Agreement.

WHEREAS, the Mortgagor and the Authority are entering into the Financing Agreement for the purpose of financing the Academy's purchase, remodeling, furnishing and equipping of the premises with the proceeds of the Bonds;

WHEREAS, it is a condition precedent to the issuance of the Bonds that the Mortgagor mortgage the premises to secure the Academy's obligations under the Municipal Obligation and the Financing Agreement and thereby secure the repayment of the Bonds, thereby enabling the Academy to finance the acquisition, remodeling, furnishing and of the premises subject to this Mortgage in accordance with the requirements of Section 504a of Act 451 of Michigan Public Acts of 1976, as amended, MCLA 380.504a;

WHEREAS, the Mortgagor desires that the Academy repay in full its indebtedness under the Municipal Obligation and the Financing Agreement and has determined that it is in the

Mortgagor's best interests to enter into this Mortgage in order to facilitate the issuance of the Bonds and payment of the Academy's obligations to the Mortgagor;

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

THIS MORTGAGE SECURES PAYMENT AND PERFORMANCE OF ALL the following: (collectively referred to in this Mortgage as the "Secured Obligations"):

(a) The payment of the principal sum of Four Million Nine Hundred Ninety Five Thousand and No/100 Dollars (\$4,995,000), together with interest thereon, whether presently outstanding or advanced in the future, under or on account of the Municipal Obligation and the Financing Agreement, including the obligation of the Academy to make Bond or Scheduled Installment Payments and Additional Payments to the Trustee under the Financing Agreement and any extensions, renewals, modifications, or replacements thereof;

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

(c) The payment and performance by the Academy of the covenants and provisions under this Mortgage, the Financing Agreement and other documents to be delivered by Mortgagor in connection with the issuance of the Bonds, including but not limited to, the Trust Indenture between the Trustee and the Authority; and the State Aid Agreement by and among the Academy, the State Treasurer of the State of Michigan and the Trustee and acknowledged by the Board of Directors of the Wayne County Regional Educational Service Agency, all dated as of November 1, 2011 and the Municipal Obligation dated November 22, 2011 (the "Collateral Documents") and any monies expended by Mortgagee in connection therewith.

(d) All obligations to perform or forbear from performing acts, all agreements, instruments and documents evidencing, guarantying, securing or otherwise executed in connection with any of the foregoing, together with any amendments, modifications, and restatements thereof, and all expenses and attorneys' fees incurred or other sums disbursed by

FUTURE ADVANCE MORTGAGE

Mortgagee under this Mortgage or any other document, instrument or agreement related to any of the foregoing.

The indebtedness and obligations secured by this Mortgage are collectively referred to in this mortgage as the "Secured Obligations."

If Trustee assigns this Mortgage and the indebtedness that is secured by it at the time of the assignment, then from and after the assignment, each reference in this Mortgage to Trustee shall be considered to refer to the assignee.

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

Mortgagor further warrants, represents and agrees as follows:

1. Payment of Secured Obligations. Mortgagor and/or the Academy, as the case may be, agrees to pay or perform all of the Secured Obligations now or in the future, including all interest on it, in accordance with the terms of the instruments, documents or agreements evidencing it (the "Instruments").

2. Warranties. At the time of the execution and delivery of this Mortgage, Mortgagor is well and truly seized of the premises in fee simple, free of all easements, liens and encumbrances whatever, except those identified on Exhibit B attached hereto ("Permitted Liens") and as consented to in writing by the Trustee, and Mortgagor will forever warrant and defend the same against any and all other claims whatever, and the lien created hereby is and will be kept as a first lien upon the premises and every part thereof. Mortgagor further warrants and represents to Trustee that all financial statements and other information concerning Mortgagor, the premises, any guarantor of any of the Secured Obligations and any person obligated on any of the Secured Obligations, that have been or in the future are furnished to Trustee, are and shall be true and correct in all material respects; that the execution, delivery and performance of this Mortgage by Mortgagor will not violate any law, rule, judgment, order, agreement or instrument binding upon Mortgagor and will not require the approval of any public authority or any third party, other than any such approvals that have been previously obtained; and that this Mortgage is the valid and binding obligation of Mortgagor, enforceable in accordance with its terms. If Mortgagor is a corporation, partnership, association, trust or other entity, Mortgagor further represents and warrants to Trustee that Mortgagor is duly organized and validly existing in good standing in the State of Michigan or other jurisdiction indicated in the first paragraph of this Mortgage; that Mortgagor has full power and authority to carry on its business as presently conducted and to enter into and perform its obligations under this Mortgage; that the execution, delivery and performance of this Mortgage by Mortgagor have been duly authorized by all necessary action of its board of directors, trustees, partners or other governing body and will not violate Mortgagor's articles or certificate of incorporation, bylaws, partnership agreement, articles of association, trust agreement or other governing instrument.

3. Assignment of Interest as Lessee or Purchaser. Mortgagor assigns and mortgages to Trustee, as additional security for the Secured Obligations, all of Mortgagor's right, title and interest in and to any and all leases, land contracts or other agreements by which any part or all of the premises are being leased or purchased, including all modifications, renewals and extensions, and all of Mortgagor's rights in and to any purchase options contained in each lease or other agreement. Mortgagor will pay or cause to be paid each installment of rent or of principal or interest required to be paid by the lessee or buyer under each lease, land contract or other agreement, as and when it shall become due and payable, whether by acceleration or otherwise. Mortgagor will pay and perform, or cause to be paid and performed, all other obligations of the lessee or buyer under each lease, land contract or other agreement. If Mortgagor shall default in the payment of any such installment of rent or of principal or interest or in the payment or performance of any other obligation under any lease, land contract or other agreement, then Trustee shall have the right, but shall have no obligation, after giving notice to Mortgagor, to pay the installment or installments, to pay or perform the other obligation on behalf of Mortgagor, and to exercise any rights of Mortgagor under the lease, land contract or other agreement, including any purchase option. All sums expended by Trustee in doing so shall become part of the Secured Obligations, payable by Mortgagor to Trustee upon demand, together with interest at the lesser of (a) three percent above the rate of interest announced from time to time by Trustee as its "prime" rate of interest, or (b) the highest rate to which Mortgagor could lawfully agree in writing (the "Default Rate"). On receipt by Trustee from the lessor or seller under a lease, land contract or other agreement of any written notice of default by the lessee or buyer, Trustee may rely on the notice and take any action to cure the default even though the existence or nature of the default is questioned or denied by Mortgagor.

4. Assignment of Leases and Contracts. Mortgagor assigns and mortgages to Trustee, and grants to Trustee a security interest in, as additional security for the Secured Obligations, all of Mortgagor's right, title and interest in and to all existing and future oral or written leases of all or any part of the premises or of any interest in them and all existing and future land contracts or other agreements by which the premises or any interest in them is being or shall be sold, together with all rents and profits arising from, and all other proceeds of, those leases, land contracts or other agreements. Without the written consent of Trustee, Mortgagor will not cancel, accept a surrender of, modify, consent to an assignment of the lessee's interest under, or make any other assignment or other disposition of, any lease, land contract or other agreement or of any interest of Mortgagor in it and will not collect or accept any payment of rent or of principal or interest or any other amount more than one month before it is due and payable. Mortgagor will pay and perform all obligations and covenants required of it by the terms of each lease, land contract or other agreement. If Mortgagor shall default in the payment or performance of any obligation or covenant, then Trustee shall have the right, but shall have no obligation, to pay or perform it on behalf of Mortgagor, and all sums expended by Trustee in doing so shall be payable by Mortgagor to Trustee upon demand, together with interest at the Default Rate. Neither this paragraph nor Paragraph 11 of this Mortgage implies that Trustee consents to the sale, lease or transfer of the premises or any interest in them.

5. Minerals. Mortgagor assigns and mortgages to Trustee, and grants to Trustee a security interest in, as additional security for the Secured Obligations, all of Mortgagor's right,

title and interest in and to (a) all oil, gas and other minerals located in, on or under the premises, (b) all oil, gas or mineral leases, royalty agreements and other contracts that have been or in the future are entered into with respect to the premises or with respect to any oil, gas or other minerals located in, on or under the premises (the "Mineral Leases"), and (c) all rents, profits, royalties and income at any time arising from the Leases or from the sale of oil, gas or other minerals located in, on or under the premises. Upon the occurrence of an event of default as defined in Paragraph 16 of this Mortgage, Trustee shall be entitled to the present and full possession, receipt and use of and right to such oil, gas, other minerals, Mineral Leases, rents, profits, royalties and income, for application to the Secured Obligations in any manner that Trustee in its sole discretion shall determine.

6. Taxes. Mortgagor will pay, or cause to be paid, before they become delinquent, all taxes, assessments, and other similar charges levied upon or with respect to the premises and will promptly deliver to Trustee satisfactory evidence of payment of them. Upon and during the continuance of an Event of Default, Mortgagor will pay to Trustee periodically, on each date that Trustee shall designate, an amount equal to (a) the amount that Trustee from time to time estimates will be sufficient to permit Trustee to pay each annual tax, assessment and any other similar charge levied upon or with respect to the premises, at least thirty (30) days before it is due and payable, divided by (b) the number of payments by Mortgagor that will occur between (i) the date of Trustee's request, the date of any new estimate by Trustee of the amount of the annual tax, assessment or other charge or the date when Trustee last paid the tax, assessment or other charge on behalf of Mortgagor (whichever date is applicable), and (ii) the thirtieth day before the tax, assessment or other charge will be due and payable. Upon demand by Trustee, Mortgagor will pay to Trustee any additional sums that are necessary to make up any deficiency in the amount necessary to enable Trustee to pay fully those taxes, assessments and other similar charges when due. All sums that Mortgagor pays to Trustee under this paragraph may be commingled with the general funds of Trustee, and no interest shall be payable to Mortgagor with respect to them. If an event of default, as defined in Paragraph 16 of this Mortgage occurs, then Trustee may apply any funds of Mortgagor it then holds under this paragraph against the Secured Obligations, in any manner that Trustee shall determine.

7. Insurance. Mortgagor will cause all buildings, improvements, other insurable parts of the premises and rents and other income from the premises to be insured against loss or damage by fire, by hazards included within extended coverage and by other risks that Trustee from time to time may require, in amounts and with insurers that are acceptable to Trustee, and Mortgagor shall cause all premiums on the insurance to be paid when due. Trustee shall not, however, require hazard insurance covering any building or buildings that are part of the premises to be in an amount greater than the replacement cost of the building or buildings. Within forty-five (45) days after Trustee notifies Mortgagor that the premises are located in a special flood hazard area but are not covered by flood insurance in the amount required by applicable law (including, without limitation, the Federal Flood Insurance Act of 1968, as amended), Mortgagor shall obtain and at all times maintain in effect the required insurance. Each policy evidencing insurance required by this paragraph shall provide that loss shall be payable to Trustee as its interest shall appear at the time of the loss, shall contain a standard mortgage clause, shall be in form and substance acceptable to Trustee and shall be delivered to Trustee.

Each policy shall provide that the insurer shall give Trustee at least thirty (30) days prior written notice of any cancellation of or any material change in the insurance. Each renewal of each policy shall be delivered to Trustee at least ten (10) days before the expiration date of the policy. Upon foreclosure of this Mortgage or other transfer of the premises in satisfaction of the Secured Obligations, all rights, title and interest of Mortgagor in and to any insurance policies then in force, including the right to any premium refund, shall vest in the purchaser or grantee. If there shall occur any destruction of or damage to the premises, Mortgagor shall give immediate notice to Trustee, and Trustee shall have the right to make proof of the loss or damage, if Mortgagor does not promptly do so. Trustee is authorized to settle, adjust or compromise any claims for loss or damage under any insurance policy. Mortgagor shall immediately endorse and deliver to Trustee all proceeds of any policy. So long as no Event of Default exists, the proceeds may be used to repair and/or rebuild the improvements on the premises in accordance with reasonable procedures established by Trustee. Trustee may require Mortgagor to pay a reasonable fee to Trustee for determining whether the premises are located in a special flood hazard area, if either (i) Trustee undertook the determination because of a revision of floodplain areas or (ii) Trustee purchased required flood insurance, under Paragraph 9 of this Mortgage, after Mortgagor failed to purchase the required insurance following Trustee's notification to Mortgagor that Mortgagor was required to do so.

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

9. Trustee's Right to Perform; Receiver. If Mortgagor shall default in the performance of any obligation of Mortgagor under this Mortgage (including, without limitation, its obligations to keep the premises in good condition and repair, to pay taxes and assessments and to obtain and maintain insurance), then Trustee shall have the right, but shall have no obligation, to perform, or cause to be performed, the obligation, and all sums expended by Trustee in doing so shall become part of the Secured Obligations, payable by Mortgagor to Trustee upon demand, together with interest at the Default Rate. Trustee and any persons authorized by Trustee shall have the right to enter upon the premises at all reasonable times for the purpose of inspecting the premises or effecting maintenance or repairs or taking any other action under the preceding sentence. The failure of Mortgagor to pay any taxes, assessments or similar charges upon the premises when due or to obtain and maintain required insurance shall constitute waste and shall entitle Trustee to the appointment by a court of competent jurisdiction of a receiver of the premises for the purpose of preventing the waste. The receiver, subject to the order of the court, may collect the rents and income from the premises and exercise control over the premises as the court shall order. Any payment or performance by Trustee, under Paragraph 3 or Paragraph 4 of this Mortgage, of an obligation that Mortgagor has failed to perform under a lease, land contract or other agreement, and any exercise by Trustee of any right, remedy or

option under a lease, land contract or other agreement, shall not be considered an assumption by Trustee of the lease, land contract or other agreement or of any obligation or liability under it.

10. Condemnation. If all or any part of the premises are taken, whether temporarily or permanently, under power of eminent domain or by condemnation, the entire proceeds of the award or other payment for the taking shall be applied as set forth in the Indenture.

11. Sale or Transfer. If there shall be a sale or transfer, by operation of law or otherwise, of all or any part of the premises, Trustee may deal with the buyer or transferee with respect to this Mortgage and the Secured Obligations as fully and to the same extent as it might with Mortgagor, without in any way releasing, discharging or affecting the liability of Mortgagor under this Mortgage and upon the Secured Obligations, and without waiving Trustee's right to accelerate payment of the Secured Obligations, under Paragraph 16 of this Mortgage, by reason of the sale or transfer, unless expressly agreed to by Trustee in writing.

12. Property Information. During any period when any part of the premises is leased, Mortgagor shall promptly furnish to Trustee, upon Trustee's request from time to time, (a) copies of all leases then in effect with respect to all or any part of the premises, including all amendments, (b) a written schedule that shows for each tenant the tenant's name, the current rental rate (including any percentage rent), any rental or leasing concessions, the units or area leased and the lease expiration date, (c) a description of any parts of the premises that are not then leased, (d) detailed financial statements relating to the premises, prepared in accordance with practices generally used for public school accounting in the state of Michigan, for the periods and as of the dates that Trustee shall require, which statements shall show, without limitation, all income and expenses, capital expenditures, tenant improvements, leasing commissions, and all indebtedness secured by mortgages or liens upon the premises, and (e) any additional information concerning the premises and the leasing of them that Trustee shall request. Trustee shall have the right at any reasonable time (whether or not any part of the premises is then being leased) to inspect and make copies of Mortgagor's records concerning the premises and any lease of or other transaction or matter concerning the premises.

13. No Secondary Financing. The Mortgagor will not, without the prior written consent of Trustee, mortgage or pledge the premises or any part thereof as security for any other loans obtained by the Mortgagor. If any such mortgage or pledge is entered into without the prior written consent of Trustee, the entire indebtedness secured hereby may, at the option of Trustee, be declared immediately due and payable without notice. Further, the Mortgagor also shall pay any and all other obligations, liabilities or debts which may become liens, security interests, or encumbrances upon or charges against the premises for any repairs or improvements that are now or may hereafter be made thereon, and shall not, without Trustee's prior written consent, permit any lien, security interest, encumbrance or charge of any kind to accrue and remain outstanding against the premises or any part thereof, or any improvements thereon, irrespective of whether such lien, security interest, encumbrance or charge is junior to the lien of this Mortgage.

14. Environmental and Access Law Warranties and Agreements. Mortgagor warrants and represents to Trustee, and agrees, as follows:

FUTURE ADVANCE MORTGAGE

(a) Mortgagor, the property and all activities of Mortgagor and all other persons on the property are and shall continue to be in compliance with all environmental laws and all access laws. The property is not a site or source of environmental contamination other than as described therein. The property shall not become a site or source of environmental contamination, other than as described therein. No asbestos or polychlorinated biphenyls are present on or contained in the property and the property does not contain an underground storage tank.

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

15. Access to Property. Trustee and any persons authorized by Trustee shall have the right, after notice, to enter upon the property at all reasonable times, subject to the provisions of any lease approved by Trustee, for the purpose of (i) appraising the property, (ii) investigating (including, without limitation, sampling soil, water and air) whether the property and activities upon it are in compliance with environmental laws and access laws and whether the property is a site or source of environmental contamination or (iii) removing or remediating any environmental contamination. Without limiting the foregoing, Trustee shall have the right to conduct and submit to appropriate governmental agencies a "baseline environmental assessment" of the property within the meaning of Section 20101 of the Michigan Natural Resources and Environmental Protection Act, MCL 324.20101, as it shall be amended from time to time. If, at the time of appraisal, investigation, assessment, removal, remediation or the submission of the baseline environmental assessment, there shall have occurred and be continuing an event of default, as defined in Paragraph 16 of this Mortgage, then Mortgagor shall reimburse Trustee on demand for all costs and expenses of the appraisal, investigation, assessment, removal, remediation or baseline environmental assessment, together with interest at the Default Rate. Mortgagor shall execute any consultant contract, waste manifest, notice and other documents that Trustee requests to enable Trustee to take or conduct any action or activity contemplated by this paragraph, if Mortgagor is given a reasonable opportunity to negotiate the terms of the contract, manifest, notice or other document.

16. Events of Default and Acceleration. Upon the occurrence of any Events of Default as defined in the Indenture or the Financing Agreement, all or any part of the Secured Obligations shall, at the option of Trustee, become immediately due and payable without notice or demand.

17. Remedies. Trustee shall have all rights and remedies given by this Mortgage or otherwise permitted by law. In addition, if the Secured Obligations shall not be paid at maturity, Trustee shall have the right and is hereby authorized:

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

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

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

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

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

All rights and remedies of Trustee under this Mortgage, whether or not exercisable only on default, shall be cumulative and may be exercised from time to time, and no delay by Trustee in the exercise of any right or remedy shall be a waiver of it, and no single or partial exercise of any right or remedy shall prevent other or further exercise of it or the exercise of any other right or remedy, except to the extent otherwise provided by law. In this Mortgage, "Maturity" means the time when the Secured Obligations shall be or shall become due and payable, whether by the terms of the Instruments or pursuant to Paragraph 16 of this Mortgage or otherwise.

Notwithstanding anything contained herein or in the Indenture to the contrary, before taking any action under this Section 17, the Trustee may require that a satisfactory indemnity bond, indemnity or environmental impairment insurance be furnished to it for the payment or reimbursement of all expenses to which it may be put and to protect it against all liability resulting from any claims, judgments, demands, damages, losses, penalties, fines, fees, costs, liabilities (including strict liability) and expenses which may result from such action. The Trustee shall also be entitled to receive the environmental audit described in Section 6.03 of the Indenture as a condition precedent to taking any action under Section 17.

18. Security Interest In Fixtures. Mortgagor grants to Trustee a security interest in all fixtures now or in the future located on the premises. If the Secured Obligations is not paid at maturity, Trustee, at its option, may enforce this security interest in fixtures under the Michigan Uniform Commercial Code or other applicable law or may include fixtures in any foreclosure of this Mortgage under Paragraph 17 of this Mortgage. Any requirement of reasonable notice with respect to any sale or other disposition of fixtures shall be met if Trustee sends the notice at least five (5) days before the date of sale or other disposition.

19. Indemnification. Mortgagor shall, to the extent permitted by law, indemnify and hold harmless Trustee with respect to any and all claims, demands, causes of action, liabilities, damages, losses, judgments and expenses (including attorneys' fees) that shall be asserted against or incurred by Trustee by reason of (a) any representation or warranty by Mortgagor in this Mortgage being inaccurate in any respect, (b) any failure of Mortgagor to perform any of Mortgagor's obligations under this Mortgage, or (c) any past, present or future condition or use of the premises (whether known or unknown), other than an excluded condition or use, including, but not limited to, liabilities arising under any "environmental law," as defined in Paragraph 14 of this Mortgage. An "excluded condition or use" is one that both (i) does not exist or occur, to any extent, at any time before Mortgagor has permanently given up possession and control of the premises by reason of a foreclosure of this Mortgage or Trustee's acceptance of a conveyance of the premises to Trustee in lieu of foreclosure and (ii) was not caused or permitted to exist, in whole or part, by any act or omission of Mortgagor. Indemnification by Mortgagor under this paragraph shall not limit any other right or remedy (including Trustee's right to accelerate payment of the Secured Obligations) that is available to Trustee by reason of the circumstance it respect of which indemnity is made. Mortgagor's obligations under this paragraph shall survive foreclosure of this Mortgage and any conveyance of the premises in lieu of foreclosure.

20. Waivers.

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

(b) Trustee may at any time release all or any part of the premises from the lien of this Mortgage or release the liability of any person for the Secured Obligations, with or

without consideration and without giving notice to, or obtaining the consent of, the holder of any mortgage or lien upon, or other interest in, the premises. A release shall not impair or affect the validity or priority of this Mortgage, regardless of the effect of the release upon the mortgage, lien or other interest or the holder of it. This subparagraph does not imply that Trustee consents to the placing of a mortgage, lien or other encumbrance on the premises.

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

(d) Trustee is authorized, from time to time and without notice to or consent of Mortgagor and with or without consideration, to give and make any extensions, renewals, modifications, waivers, settlements and compromises, on such terms and conditions as Trustee may see fit, with regard to any of the Secured Obligations at any time owing by a third-party obligor or with regard to any security for the Secured Obligations that is not owned by Mortgagor. Any of these actions shall not impair or affect the validity or enforceability of this Mortgage.

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

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

23. Notices. Except for any notice required under applicable law to be given in another manner, any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (i) if hand delivered or if sent by telecopy during normal business hours, effective upon receipt or (ii) if delivered by overnight courier service, effective on the business day following delivery to such courier service, or (iii) if mailed by United States registered or certified mail, postage prepaid, return receipt requested, effective two (2) business days after deposit in the United States mails; addressed in each case as follows:

If to Mortgagor:

Creative Montessori Academy
1500 Northline Road
Southgate, MI 48195-2408
Attn: President
Tel: (734) 284-5600
Fax: (734) 281-2637

If to Trustee:

U.S. Bank National Association
Corporate Trust Services
535 Griswold Street, Suite 550
Detroit, MI 48226
Attn: Tracey Nawrot
Tel: (313) 234-4725
Fax: (313) 963-9428

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

25. Future Advance Notice Language. Notice is hereby given that the indebtedness secured hereby may increase as a result of any defaults hereunder by Mortgagor due to, for example, and without limitation, unpaid interest or late charges, unpaid taxes or insurance premiums with Mortgagee elects to advance, defaults under leases that Mortgagee elects to cure, attorney fees or costs incurred in enforcing the Financing Agreement or other expenses incurred by Mortgagee in protecting the Property, the security of this Mortgage or Mortgagee's rights and interest.

IN WITNESS WHEREOF, Mortgagor has signed this Mortgage as of the date stated on the first page of this Mortgage.

Mortgagor:

CREATIVE MONTESSORI ACADEMY

By: 

Donald H. Treadwell, Jr.

Its: President

STATE OF MICHIGAN)
): ss
COUNTY OF INGHAM)

This Mortgage was acknowledged before me on November 18, 2011 by Donald H. Treadwell, Jr., the President of Creative Montessori Academy, a Michigan nonprofit corporation and public school academy, on behalf of said public school academy.



Christi L. Sanicki, Notary Public
Ionia County, Michigan
Acting in Ingham County, Michigan
My commission expires: 02/13/2013

DRAFTED BY AND AFTER RECORDING,

PLEASE RETURN TO:

Ann D. Fillingham
Dykema Gossett PLLC
201 Townsend, Suite 900
Lansing, Michigan 48933

**EXHIBIT A
TO
FUTURE ADVANCE MORTGAGE**

Legal Description of the Land

The following described premises situated in the City of Southgate, County of Wayne and State of Michigan:

Part of Lots 1 and 2, "Eureka Iron Co. Subdivision" of part of the Southwest 1/4 of fractional section 24, T.3S., R.10E., City of Southgate, Wayne County, Michigan as recorded in Liber 5 of Plats, page 65, Wayne County Records, more particularly described as: Commencing at the Southwest Corner of said section 24; thence north 00 degrees 50 minutes 19 seconds west along the west line of said section, 524.11 feet; thence North 89 degrees 09 minutes 41 seconds East, 60.00 feet to the East right-of-way line of McCann Avenue (90 feet wide) and the point of beginning of this description; thence proceeding North 00 degrees 50 minutes 19 seconds West along said East right-of-way line, 627.49 feet; thence North 89 degrees 03 minutes 19 seconds East 701.49 feet to a point of the West line of "Gateway Manor Subdivision No. 2" of part of the Southwest 1/4 fractional section 24, T.3S., R.10E., City of Southgate, Wayne County, Michigan, as recorded in Liber 97 of Plats, pages 64-65, Wayne County Records; thence South 00 degrees 49 minutes 30 seconds East along said West line, 489.16 feet; thence South 89 degrees 04 minutes 26 seconds West, 139.08 feet; thence South 00 degrees 55 minutes 34 seconds East, 101.54 feet; thence North 89 degrees 13 minutes 00 seconds East, 10.01 feet; thence South 00 degrees 54 minutes 54 seconds East, 92.57 feet; thence South 88 degrees 31 minutes 48 seconds West, 2.18 feet; thence South 00 degrees 38 minutes 44 seconds East, 42.95 feet; thence South 88 degrees 57 minutes 42 seconds West, 182.92 feet; thence North 01 degree 41 minutes 06 seconds West, 37.24 feet; thence North 01 degree 28 minutes 04 seconds West, 18.41 feet; thence South 88 degrees 48 minutes 28 seconds West, 79.50 feet; thence North 01 degrees 03 minutes 10 seconds West, 44.26 feet; thence South 88 degrees 57 minutes 18 seconds West, 306.92 feet to the point of beginning. Being part of the following legal description: That part of Lots 1 and 2, Eureka Iron Co., Subdivision, recorded in Liber 5 of Plats, Page 65 , Wayne County Records, of part of the Southwest 1/4 of Frac. Section 24, Town 3 South, Range 10, East, City of Southgate, Wayne County, Michigan, described as beginning at the intersection of the North line of Northline Road, 120 feet wide, and the East line of McCann Road, 90 feet wide, distant North 0 degrees 50 minutes 19 seconds West 60.00 feet and North 89 degrees 20 minutes 44 seconds East 60.00 feet from the Southwest corner of Frac. Section 24 and proceeding thence along the East line of McCann Road, North 0 degrees 50 minute 19 seconds West 1091.79 feet; thence North 89 degrees 03 minutes 19 seconds East 701.49 feet to the West line of Gateway Manor Sub., No. 2, recorded in Liber 97 of plats, Pages 64 and 65, Wayne County Records; thence along said line South 0 degrees 49 minutes 30 seconds East 1095.34 feet to the North line of Northline Road; thence along said line South 89 degrees 20 minutes 44 seconds West 701.23 feet to the point of beginning.

Commonly known as:
15100 Northline
Southgate, MI

FUTURE ADVANCE MORTGAGE
A-1

**EXHIBIT B
TO
FUTURE ADVANCE MORTGAGE**

Permitted Liens

1. Easements and right of ways in favor of Southgate-Wyandotte Relief Drains Drainage District dated September 3, 1974 and recorded February 18, 1975 in Liber 19029, Page 534, Wayne County Records.
2. Terms, conditions, covenants and restrictions as contained in Warranty Deed dated December 18, 1989 and recorded January 11, 1990 in Liber 24492, Page 1, Wayne County Records.
3. Easement and right of ways in favor of the Michigan Bell Telephone Company dated February 4, 1993 and recorded April 1, 1993 in Liber 26432, Page 797, Wayne County Records.
4. Terms, conditions and provisions of the Reciprocal Easement Agreement between The Downriver Community Conference and Creative Montessori Academy, dated November 22, 2011.
5. Terms, conditions and provisions of the Agreement to Form Condominium, dated November 16, 2011.

LAN01\236299.4
ID\ADF - 085849/0008



No: R-1

\$4,995,000.00

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTY OF WAYNE

CREATIVE MONTESSORI ACADEMY

SCHOOL BUILDING AND SITE BOND, SERIES 2011

Registered Owner: MICHIGAN FINANCE AUTHORITY (the "Authority")

Principal Amount: FOUR MILLION NINE HUNDRED NINETY FIVE THOUSAND AND 00/100 DOLLARS (\$4,995,000.00)

Creative Montessori Academy, a public school academy (the "Issuer"), for value received, hereby promises to pay to the Registered Owner specified above or its assigns, the Principal Amount specified above at the times and in the amounts specified on the Schedule of Bond Payments, which schedule is attached as Exhibit A to the Financing Agreement, dated as of November 1, 2011 (the "Financing Agreement") between the Michigan Finance Authority and the Issuer (a copy of which Exhibit A is attached hereto, unless prepaid according to the terms and conditions of the Financing Agreement and the Trust Indenture between the Michigan Finance Authority and U.S. Bank National Association, dated as of November 1, 2011 (the "Trust Indenture"). Interest shall be computed and paid as provided in the Financing Agreement and the Trust Indenture.

This bond is issued pursuant to and in full compliance with the Constitution and laws of the State of Michigan (the "State"), particularly Act 451, Michigan Public Acts, 1976, as amended ("Act No. 451") and Act 34, Michigan Public Acts, 2001, as amended, and is authorized by a resolution of the board of directors of the Issuer adopted June 23, 2011, for the purpose of financing, on behalf of the Issuer, (1) the acquisition and renovation (including existing fixtures and improvements) of an approximately 55,014 square foot existing school facility located at 15100 Northline Road, Southgate, Michigan to be occupied by the Issuer for use as a public school academy; and (2) the funding of costs of issuance and other financing costs related to the Authority's Bonds (collectively, the "Project") (as defined herein).

This bond and the interest hereon are general obligations of the Issuer and are payable as a first budget obligation from any funds of the Issuer available therefor, and for the prompt payment of the principal of and interest on this bond, the full faith and credit of the Issuer is irrevocably hereby pledged. Pursuant to the Financing Agreement and the State Aid Agreement, dated as of November 1, 2011, between the Issuer, the Authority, the RESA Board, as the authorizing body of the Issuer, and the Treasurer of the State of Michigan, the Issuer has irrevocably pledged its state aid as security for the payment of this bond. The Issuer covenants to annually make an irrevocable appropriation of a sufficient amount of the Pledged State Aid, as that term is defined in the Financing Agreement, for the payment of the principal of this bond, together with the interest hereon.

NO MORE THAN TWENTY PERCENT (20%) OF THE STATE SCHOOL AID RECEIVED BY THE ISSUER IN EACH FISCAL YEAR MAY BE LEGALLY AVAILABLE TO PAY SCHEDULED PRINCIPAL AND INTEREST ON THE BOND. THIS BOND DOES NOT CONSTITUTE AN OBLIGATION, EITHER GENERAL, SPECIAL, OR MORAL, OF THE STATE OF MICHIGAN, RESA (THE AUTHORIZING BODY OF THE ISSUER), OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE, AND NEITHER THE FULL FAITH AND CREDIT NOR ANY TAXING POWERS OF THE STATE, RESA OR ANY OTHER POLITICAL SUBDIVISION OF THE STATE ARE PLEDGED TO THE PAYMENT OF PRINCIPAL AND INTEREST WITH RESPECT TO THIS BOND. THE ISSUER HAS NO TAXING POWER.

Pursuant to the Financing Agreement, by purchasing this bond, the Authority is loaning the Issuer the proceeds received from the sale of the Authority's \$4,995,000 aggregate principal amount of Public School Academy Limited Obligation Revenue Bonds (Creative Montessori Academy Project), Series 2011, dated the date of their initial delivery to the original purchasers thereof (the "Authority Bonds"), to fund the Project. The Issuer has agreed to repay such loan at the times and in the amounts sufficient for the Authority to make the payment of the principal of and redemption premium, if any, and interest on the Authority Bonds as and when due and as initially set forth on Schedule of Bond Payments attached hereto as Exhibit A and as may be modified from time to time in accordance with the provisions of the Financing Agreement. The Authority Bonds are being issued concurrently with the execution and delivery of this bond, pursuant to, and are secured by, the Trust Indenture. Bond payments may only be prepaid by the Issuer as provided in the Financing Agreement. The Issuer has reserved the right to issue additional obligations of equal standing with this bond as to the Security (as defined in the Trust Indenture), subject to the limitations provided by law and subject to the limitations set forth in the Financing Agreement.

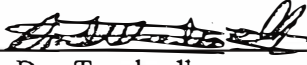
It is hereby certified and recited that all acts, conditions and things required by law, precedent to and in the issuance of this note have been done, exist and have happened in regular and due time and form as required by law, and that the total indebtedness of the Issuer, including this bond, does not exceed any constitutional or statutory limitation.

This bond is issued under and is subject to the terms and conditions of the Financing Agreement.

This bond is to be construed according to the laws of the State of Michigan.

IN WITNESS WHEREOF, the Issuer, by its Board of Directors, has caused this bond to be executed in its name by its duly authorized officer as of the 22nd day of November, 2011.

CREATIVE MONTESSORI ACADEMY

By: 
Don Treadwell
Its: President

LAN01\245489.1
ID\ADF - 085849/0008

SPECIMEN

\$4,995,000

Michigan Finance Authority
Public School Academy Limited Obligation Revenue Bonds
(Creative Montessori Academy Project), Series 2011

Net Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+i	Expenses	Net New D/S
06/30/2012	-	-	148,090.83	148,090.83	686.81	148,777.64
06/30/2013	140,000.00	6.125%	335,300.00	475,300.00	5,997.50	481,297.50
06/30/2014	150,000.00	6.125%	326,725.00	476,725.00	5,939.17	482,664.17
06/30/2015	160,000.00	6.125%	317,537.50	477,537.50	5,865.00	483,402.50
06/30/2016	170,000.00	6.125%	307,737.50	477,737.50	5,785.83	483,523.33
06/30/2017	180,000.00	6.125%	297,325.00	477,325.00	5,701.67	483,026.67
06/30/2018	190,000.00	6.125%	286,300.00	476,300.00	5,612.50	481,912.50
06/30/2019	205,000.00	6.125%	274,662.50	479,662.50	5,518.33	485,180.83
06/30/2020	215,000.00	6.125%	262,106.26	477,106.26	5,417.08	482,523.34
06/30/2021	230,000.00	6.125%	248,937.50	478,937.50	5,310.42	484,247.92
06/30/2022	240,000.00	7.000%	234,850.00	474,850.00	5,196.67	480,046.67
06/30/2023	260,000.00	7.000%	218,050.00	478,050.00	5,077.50	483,127.50
06/30/2024	280,000.00	7.000%	199,850.00	479,850.00	4,949.17	484,799.17
06/30/2025	295,000.00	7.000%	180,250.00	475,250.00	4,810.83	480,060.83
06/30/2026	320,000.00	7.000%	159,600.00	479,600.00	4,664.58	484,264.58
06/30/2027	340,000.00	7.000%	137,200.00	477,200.00	4,506.67	481,706.67
06/30/2028	365,000.00	7.000%	113,400.00	478,400.00	4,338.33	482,738.33
06/30/2029	390,000.00	7.000%	87,850.00	477,850.00	4,157.92	482,007.92
06/30/2030	420,000.00	7.000%	60,550.00	480,550.00	3,965.00	484,515.00
06/30/2031	445,000.00	7.000%	31,150.00	476,150.00	3,757.50	479,907.50
06/30/2032	-	-	-	-	3,537.08	3,537.08
Total	\$4,995,000.00	-	\$4,227,472.09	\$9,222,472.09	\$100,795.56	\$9,323,267.65

Series 2011 -Final-V2 | SINGLE PURPOSE | 11/ 3/2011 | 3:23 PM

Original Building

CERTIFICATE OF USE AND OCCUPANCY

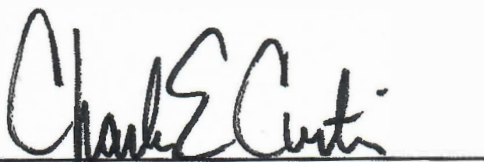
PERMANENT

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

Building Permit No. B033646
Creative Montessori Academy
12701 McCann
Southgate, Michigan
Wayne County

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

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



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

March 13, 2013

**CERTIFICATE OF USE AND OCCUPANCY
PERMANENT**

Michigan Department of Licensing and Regulatory Affairs
Bureau of Construction Codes/Building Division
P.O. Box 30254
Lansing, MI 48909
Authority: 1972 PA 230
(517) 241-9317

Building Permit No: BLDG18-01200

12701 McCann ST
Southgate, MI 48195
COUNTY: Wayne

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

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

Print Date: 01/28/2019

Middle School Modular Unit

Foundation Sets, LLC

8111 W. Belding Rd.
PO Box 146
Belding, MI 48809-0146

Phone: 616.835.1611
Email: kurtthomas79@gmail.com



January 22, 2014

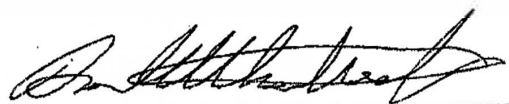
CREATIVE MONTESSORI ACADEMY
12701 McCann Street
Southgate, Michigan 48195

AGREEMENT TO

Obtain State Site Plan Approval
Reassemble modular to its original Lansing configuration
Connect utilities to modular and tie in fire alarm system to main school
Not included in this agreement are fees from the utility companies (if applicable)

TIME SCHEDULE AND PAYMENT LAYOUT:

1.	1-24-14 Signed contract to start State Submittal	\$26,000.00
2.	4-1-14 Obtain building permit to start foundation	\$42,000.00
3.	6-1-14 Connect utilities to the modular	\$45,000.00
4.	7-1-14 Completion of interior and exterior installation	\$49,000.00
5.	8-1-14 Certificate of Occupancy, or use of the modular	\$16,000.00



Authorized Representative for CMA

1/22-14
Date



Authorized Representative for Foundation Sets

1-22-14
Date

ms mod

CERTIFICATE OF USE AND OCCUPANCY

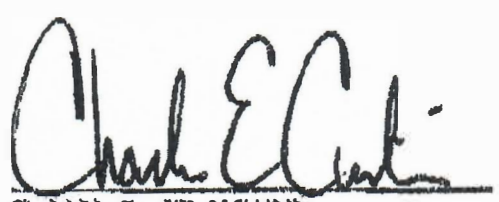
PERMANENT

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

Building Permit No. B037440
Creative Montessori Academy
12701 McCann Street
Southgate, Michigan
Wayne County

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

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

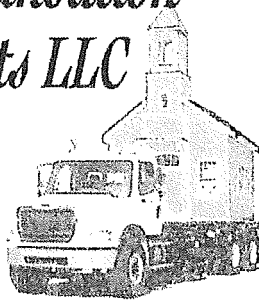


October 7, 2014

Todd Y. Cordill, NCARB
Chief
Charles E. Curtis, Assistant Chief
Building Division

Preschool Modular Unit

Foundation Sets LLC



Phone: 616.835.1611
 Fax: 616.794.3313
 KURTKT@CHARTER.NET

Foundation Sets LLC

9111 Belding Rd.
 P.O. Box 146
 Belding, MI 48809

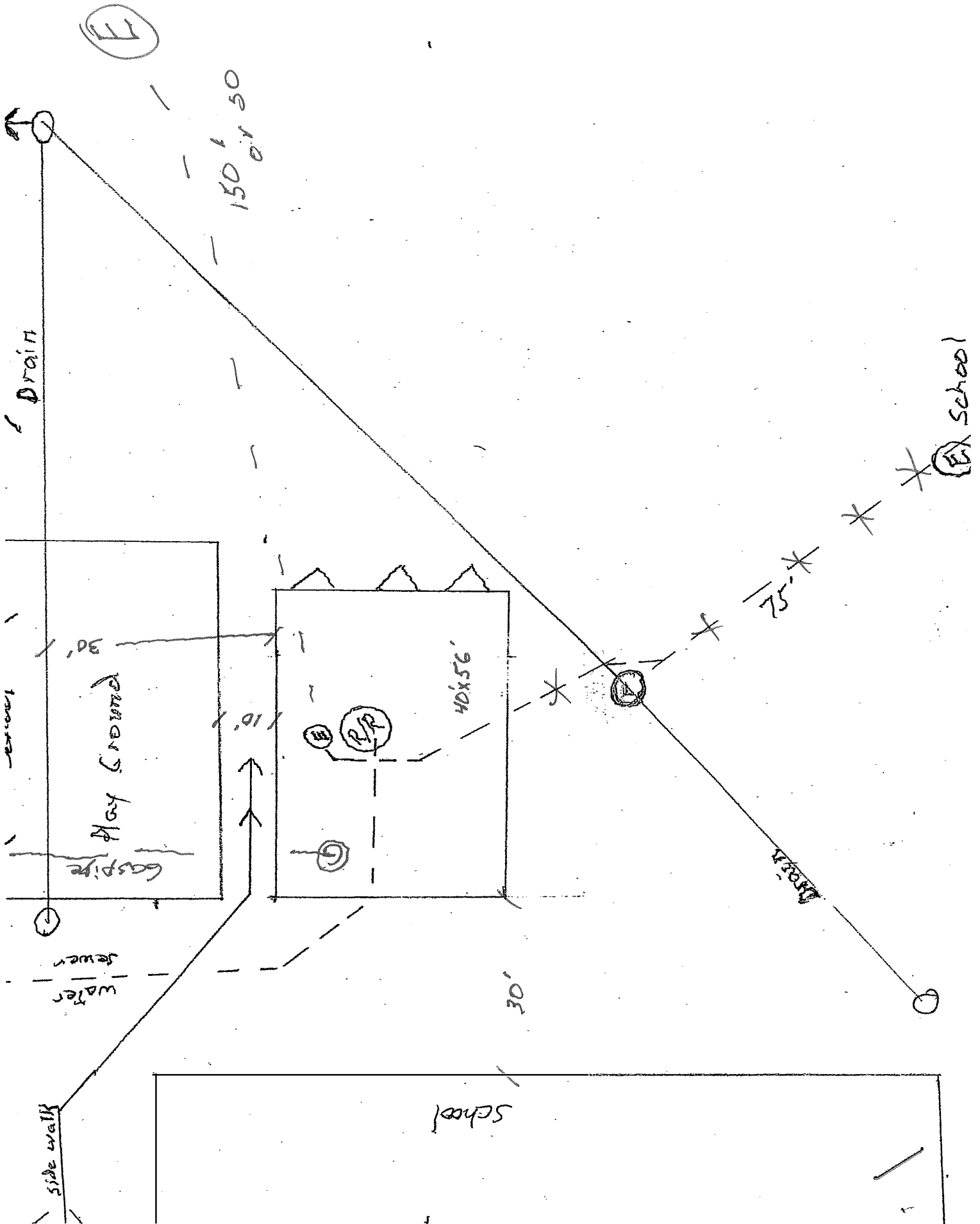
Invoice

Date	Invoice #
10/15/2010	2009-38

Bill To
Creative Montessori Academy 15100 Northline Rd Southgate, MI. 48195-2408

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	40' x 56' = 2,240 sq ft 3-Section Modular building refurbished to rehab code State site plan approval State building approval under the rehab code State building, Electrical, Plumbing, Mechanical permit State fire Marshall approval Utility hook-ups Turn key project PAYMENT PLAN: When state approval and soil boring are started \$ 60,000.00 When building is shipped and on site \$ 50,000.00 Balance on CoO or use of building \$ 8,000.00 <i>Kurt Throckmold 10/15/10</i> <i>Edy Fenwick 10/29/2010</i>	118,000.00	118,000.00
		Total	\$118,000.00



9111 W. Belding Rd.
P.O. Box 146
Belding, MI 48809-0146

Foundation Sets LLC



Phone: 616.835.1611
Fax: 616.794-3313
KURTKT@CHARTER.NET

Invoice

Date	Invoice #
10/4/2010	2009-38

Bill To
Creative Montessori Academy 15100 Northline Rd Southgate, MI. 48195-2408

P.O. No.	Terms	Project

Quantity	Description	Rate	Amount
1	40' x 56' = 2,240 sq ft 3-Section Modular building refurbished to rehab code State site plan approval State building approval under the rehab code State building, Electrical, Plumbing, Mechanical permit State fire Marshall approval Utility hook-ups Turn key project PAYMENT PLAN: When state approval and soil boring are started \$ 60,000.00 When building is shipped and on site \$ 50,000.00 Balance on CoO or use of building \$ 8,000.00 <i>Kurt D. ... 10/4/10</i> <i>Indy ... 10/12/2010</i>	118,000.00	118,000.00
		Total	\$118,000.00

preschool mod

CERTIFICATE OF USE AND OCCUPANCY

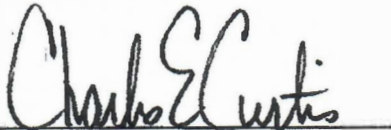
PERMANENT

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

**Building Permit: B031039
Creative Montessori Academy
15100 Northline Road
Southgate, Michigan
Wayne County**

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

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



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

February 17, 2012

CONTRACT SCHEDULE 7

**REQUIRED INFORMATION FOR
A PUBLIC SCHOOL ACADEMY**

SCHEDULE 7

REQUIRED INFORMATION FOR A PUBLIC SCHOOL ACADEMY

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

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

SECTION A

GOVERNANCE STRUCTURE

GOVERNANCE STRUCTURE

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

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

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

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

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

SECTION B

EDUCATIONAL GOAL AND RELATED MEASURES

EDUCATIONAL GOAL AND RELATED MEASURES

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

Educational Goal to be Achieved

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

Measures to Assist In Determining Measurable Progress Toward Goal Achievement

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

Measure 1: Student Achievement

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

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

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

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

Measure 2: Student Growth

The academic growth of all students in grades 3-8 at the Academy will be assessed using the following measures and targets:

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

SECTION C

EDUCATIONAL PROGRAMS

EDUCATIONAL PROGRAMS

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

Mission Statement

Creative Montessori Academy (“Academy”) is a diverse learning environment that cultivates innovative education through partnership with families and community where all students experience opportunities to maximize their potential for leadership and service in a global society.

Vision Statement

To be the leaders in Montessori education, stimulating all students to become engaged citizens of the world.

Values

- Children becoming responsible citizens
- Learning as an essence of the human experience
- Fellowship through meaning, dignity and sense of community
- Leading with honor, integrity, respect and trust
- Ownership of excellence, service and trust

Educational Program

The Academy firmly believes that all students have the ability to succeed by meeting their individual academic, social and emotional needs. By providing students with a hands-on Montessori experience, students are able to develop at their own pace while adhering to a well - defined curriculum with vast resources and summative and formative assessments. Data and Montessori philosophy drive the Academy’s program and both are at the forefront of all decision-making. The Academy's curriculum and instructional delivery are derived from the North American Montessori Center (“NAMC”) curriculum. This curriculum has been aligned to the Common Core State Standards (“CCSS”) and is organized into a framework that is provided to teachers on a digital platform. This framework includes a scope and sequence organized chronologically with access to resources and videos to demonstrate lesson presentations.

Following is a detailed narrative of the educational program of the Academy, which is offered to Preschool through grade Eight students.

School Day

The school day includes 7 hours and 15 minutes, of which 6 hours and 15 minutes is instruction related. The daily schedule is utilized to honor an uninterrupted work cycle for the student.

Instructional Delivery

Pre-Kindergarten

The Academy operates an early childhood education program. On an annual basis, the Academy shall advise the Center on the current status of its early childhood education program. If changes

occur in the Academy's early childhood education program, the Academy shall file a revised Early Childhood Education Questionnaire with the Center.

The Academy offers a tuition-based Montessori education program for 3 and 4 year old children. The focus is on the child's development of abstract understanding from sequenced concrete experiences. The program focuses on having an individualized program for each child. In the Montessori preschool classroom, children are honored for who they are and for where they are in their personal development. Each child's strengths are recognized and built upon. A prepared and stimulating environment allows children to learn at their own pace, according to individual capabilities in a non-competitive atmosphere.

Teachers regularly observe and record children's behavior, experiences and interests. Based on these careful observations, teachers are able to plan activities that promote children's growth and development. Teachers also use these notes in parent meetings and conferences to help parents better understand children's development.

Kindergarten Level

The kindergarten program includes practical life, sensorial, cultural, math and language activities.

1. *Practical Life Activities:* These activities include many of the tasks children see as part of the daily routine of their culture, such as carrying objects, pouring liquids, preparing food, fastening clothes, washing hands, washing dishes and clothes and polishing shoes or furniture. Students learn to take care of the indoor classroom environment as well as the outside world by engaging in activities such as planting, raking and cultivating a garden.
2. *Sensorial Activities:* These activities use specifically developed hands-on Montessori materials to help the child learn accurate information about physical properties of the environment. Each piece of sensorial material isolates one particular quality such as dimension, color, weight, texture, shape, smell or sound. These materials help the child to develop classification systems, as well as comparatives and sequencing.
3. *Language Activities:* The Montessori environment is rich in language opportunities and materials, which enable the child to refine vision, hearing and speech skills in preparation for a more formal learning of language. Through the Montessori developed language materials, children become familiar with sounds and their symbols and begin to make the transition from oral to visual and graphic modes of communication. Phonemic awareness is stressed in preparation for sight-reading and grammar fundamentals are introduced.
4. *Mathematics:* In the Montessori classroom, children learn and understand the concepts of math by manipulation of concrete materials that are designed to isolate a specific concept and prepare students for later abstract reasoning. The goals of the program are the development of problem-solving strategies, computational skills and confidence in using numbers in everyday life. Children learn numbers, symbols and sequences, as well as arithmetic operations by utilizing the Montessori materials.
5. *Cultural Activities:* Art, Music and Geography are not presented as separate subjects, but are integrated into the whole learning experience. Living plants, animals and hands-on materials are part of the classroom. Map study, names of states, countries and continents are incorporated into lessons about the order of the world. Students are encouraged to

- use artistic forms of expression to support their work. Singing, music instruction and use of basic instruments are included in classroom activities.
6. *Social Activities*: The child is given opportunities to work alone or with others. The balance between freedom of the individual and the concerns of the group are very important. Cooperation and respect for others is learned, as the child is taught proper ways of how to be helpful and considerate of others' needs.
 7. *Physical Education*: Activities in the Kindergarten environment emphasize physical movement. Children are given freedom to explore and move around the surroundings. This eventually transitions into organized games and cooperative activities, along with music and movement exercises.
 8. *Health*: The children are taught personal grooming and hygiene habits, basic safety rules for personal and environmental issues and how to understand illnesses and the way they are transmitted. Montessori lessons include the demonstration and proper care of self and the student's surroundings.
 9. *Foreign Language*: A foreign language program may be offered. This could be combined into everyday classroom discussion by the teacher or may be contracted out to a specialized teacher in the chosen language. It is the Academy's ultimate goal to have an "immersion" style foreign language program which offers instruction solely in this language, or to hire a native speaker in the language to provide whole-language Instruction.
 10. *Project Based Learning ("PBL")*: PBL extends, enhances and attaches student learning to their lived experiences. PBL is centered around real-world problems students of all ages have to face. The Academy follows the child in their learning which includes facing problems that need to be solved. PBL draws on real world problems that any age student can tackle. Students use all of their academic learning from mathematics, English language arts ("ELA"), science, social studies and character education to give real answers to these present day issues. Each classroom (K-6) completes one full PBL project for the year. Students come together as a classroom community and decide on what type of problem they want to solve. The students at the Academy present the PBL projects to the community at large at the end of the year.
 11. *Grace and Courtesy*: Kindergarteners practice social skills and common courtesies within the classroom. Part of the academic day is learning the appropriate ways to interact with each other and other members of the school. This is done through the Character Choices curriculum and classroom circle times.

Elementary Level (Grades 1-6)

The students are divided into two-year or three-year multi-age groupings, including, but not limited to, the Lower Elementary (Grades 1-3) and the Upper Elementary (Grades 4-6). Children have opportunities to work both alone and in small groups.

1. *Language Arts*: The Montessori curriculum places emphasis on the interrelatedness of reading and writing and promotes an integrated approach where reading and writing occur across the curriculum. Phonemic awareness, direct instruction in phonics, grammar and vocabulary development are all essential components of the curriculum, as well as developing fluency and comprehension skills. Children learn composition, handwriting, punctuation, sentence structure and parts of speech. Research and library skills are taught

and children are exposed to both classical and contemporary literature. Creative writing and public speaking are cultivated as children participate in play presentations, recitations and oral reports.

2. *Mathematics*: Concrete materials help to establish spatial aspects of basic concepts. These materials then enable the children to build a solid foundation with which to easily transition into harder, abstract concepts. Addition, subtraction, multiplication and division are mastered. Units of measure (time, money, length, capacity, mass, etc.) and problem solving is taught. Fractions, decimal properties, geometric shapes and algebraic concepts are easily developed using the hands-on Montessori materials.
3. *Science*: The Academy utilizes the FOSS[®] curriculum, which includes a study of botany and zoology, including the identification and classification of both the plant and animal worlds. Local parks, nature centers, museums and zoological parks may be utilized as living classrooms where children can experience these lessons up-close. Other areas of scientific study include: astronomy, geology, human anatomy, life cycles, biology and ecology. Students learn to utilize the scientific method of study by being able to develop questions, design experiments, gather data and make observations/predictions in lessons of physics, biology and chemistry.
4. *History and Social Sciences*: Children will continue in specific studies in the areas of civics, world and U.S. history, cultures and governments around the world. Focus is made on citizenship and the student's place in society. A class-based PBL service project is included in the elementary school curriculum. Students take the lead in researching, coordinating and executing the project successfully.
5. *Art and Music*: Skills such as rhythm, melody and singing are developed. This may include separate music instruction by a qualified teacher, as well as in-class opportunities. Based on the Montessori Method, art is incorporated across the curriculum. Art projects may be part of a research project, story writing or cultural demonstration based on a Social Science study. Art and music appreciation are highlighted through the study of famous painters and composers.
6. *Physical Education*: Elementary students have regular physical education classes where movement and cooperation are learned through organized sports and games. Emphasis is placed on proper health through physical activity, as well as an understanding of the basic principles of growth and nutrition.
7. *Practical Life*: Time and task management skills are emphasized, as the Montessori curriculum includes student-directed work time. Students continue to be engaged in the care of the environment, including classroom plants and animals and the grounds outside the school. Instruction continues in life skills such as cooking and gardening. Throughout the year, students may also take field trips to museums, factories, parks, farms and agencies to learn about the working community and the world in which they live. School-wide community involvement and volunteer projects are included in the curriculum.
8. *Foreign Language*: Students may be offered a foreign language program with weekly instruction that integrates oral language games, songs and activities, bilingual picture books, and an introduction to the written language. This language instruction may be part of the teacher's classroom instruction, or may be presented in an "immersion" style.
9. *Project Based Learning*: PBL extends, enhances, and attaches student learning to lived experiences. PBL is centered around real-world problems that students of all ages have to face. The Academy follows the child in their learning which includes facing problems that need to be solved. PBL draws on real world problems that any age student can tackle.

Students use all of their academic learning from mathematics, ELA, science, social studies, and character education to give real answers to these present day issues. Each classroom (K-6) completes one full PBL project for the year. Students come together as a classroom community and decide on what type of problem they want to solve. The students at the Academy present the PBL projects to the community at large at the end of the year.

10. *Computers & Technology*: Students have access to technology on a one-to-one basis. Classrooms are taught both in person, with work being available to students in the classroom, and in a virtual setting, as needed. A computer lab is also available for students and classrooms to utilize to enhance learning and complete projects.
11. *Grace and Courtesy*: Elementary Students practice social skills and common courtesies within the classroom. Part of the academic day is learning the appropriate ways to interact with each other and other members of the school. This is done through the Character Choices curriculum and classroom meeting times.

Middle School (Grades 7-8)

The students are combined into a two-year age grouping. The middle school will have a group of teachers that work together to teach various subjects. In preparation for high school learning, children work in self-contained classrooms as well as interact with other teachers for various groupings and subjects.

1. *Language Arts*: The middle school curriculum centers on the development of effective written communication skills through frequent and guided writing and critiquing experiences; in-depth investigations with classic and contemporary literature; development of research skills using text and information technologies; and refinement of effective oral presentation and communication within teamwork and public settings. A majority of the students' ELA work is applied to project-based curriculum and applied toward real audiences within these studies.
2. *Mathematics*: Students engage in skill integration and application through classroom instruction. The math skills learned in the elementary years are built upon and expanded to include graphing, data analysis, geometry and algebra. Supplemental materials may be utilized to guide core content skill development in relation to the *Reveal Math*[™] curriculum utilized to support the Montessori methods.
3. *Science*: Students continue to use the scientific method for project-based studies of different specialties using FOSS science curriculum. Continuing their progression of the Five Great Lessons, students turn attention to themselves through studies of human biology, cell structure, anatomy and lessons in human genetics and physiology. Further areas of instruction will be chemistry (with controlled experiments) and physics.
4. *History and Social Sciences*: Children continue in specific studies in the areas of civics, world and U.S. history, cultures and governments around the world. Focus is made on citizenship and the student's place in society. A class-based PBL service project is included in the middle school curriculum. Students take the lead in researching, coordinating and executing the project successfully.
5. *Art and Music*: Students focus on various styles, principles of design and elements of art. Specialized art instruction may be offered to students showing interest. This could include multimedia design, experimentation with different art processes, or film design. Music instruction is continued and may include instrumental and choir offerings to students.

Music theory and the correct reading of written music is included. As in the elementary, art and music are integrated into other areas of the curriculum.

6. *Physical Education*: The focus of the program is on healthy competition and a student's own health. Students learn the importance of teamwork. The program focuses on motivation for a lifetime of health and good sportsmanship during competitive activities.
7. *Foreign Language*: Middle school students may receive increased formal language instruction from a specials teacher. Students may use foreign language textbooks, computer applications, or PBL projects to grow their second language acquisition.
8. *Practical Life*: Students are involved in a class-led community service project. Other areas of practical life are the care and upkeep of the classroom and school grounds, mentoring opportunities and student outreach programs led by the middle school students.
9. *Computers and Technology*: To further students' research abilities and technology skills, it is the Academy's goal to facilitate a continually updated technology plan that mirrors the most relevant and current computing platforms available. This may be achieved through one to one technology, which would then be used across classrooms along with access to digital cameras, scanners, and digital programs and platforms. Students may also be offered specialized classes in computer instruction based on student interest and need.
10. *Educational Development Plan ("EDP")*: Middle school students will develop an EDP that documents their career goals, identifies a plan of action to reach these goals, and records progress toward achieving the goals. The overall purpose of the EDP is to provide all students with an ongoing record of career planning that will help guide them in selecting careers that align with the students' aptitudes, interests, and strengths. Students begin their EDP in 7th grade and formalize it in 8th grade as a guide throughout high school.
11. *Project Based Learning*: PBL extends, enhances, and attaches student learning to lived experiences. PBL is centered around real-world problems that students of all ages have to face. The Academy follows the child in their learning which includes facing problems that need to be solved. PBL draws on real world problems that any age student can tackle. Students use all of their academic learning from mathematics, ELA, science, social studies and character education to give real answers to these present day issues. Middle school students (grades 7-8) complete three projects a year, which can be completed individually or in small groups. The students at the Academy present the PBL projects to the community at large at the end of the year.
12. *Grace and Courtesy*: Middle school students practice social skills and common courtesies within the classroom. Part of the academic day is learning the appropriate ways to interact with each other and other members of the school. This is done through the Character Choices curriculum and classroom meeting times

Differentiated Instruction

The Academy uses differentiated instruction by following the needs of each child. The Montessori method allows for a significant amount of latitude to particular topics and tools. Students who are capable of work above 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).

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, research-based interventions, additional reading instruction and after school tutoring.

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 support 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 support 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 support 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 support 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 Individualized Educational Programs (“IEP”) or

Educational Plans (“EP”). “All students” includes those who struggle, those who excel and demonstrate needs beyond the core curriculum, and English Language Learners (“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.

The academy also provides additional support for ELL by having additional staff within the building. In order to support ELL students, the academy employs an EL coordinator and two part time EL instructional aides to support students based on their language needs according to WIDA™ testing results.

Special Education and Section 504

When making educational placement decisions for students with disabilities, the Academy will ensure that parents are contributing members of the 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.

Assessments

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. Northwest Evaluation Association™ (“NWEA™”) Measures of Academic Progress® (“MAP®”) Growth™ is utilized as a benchmark assessment to determine use of tiered interventions. Albanese assessments, local district assessments, portfolios and observation are utilized to measure student growth toward the state standards. 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 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. The curriculum allows for ease in differentiation, so teachers are able to readily accelerate or reinforce a student's learning.

Educational Program Development (“EDP”)

To further empower students, the Academy requires students to create an EDP. An EDP is a document that reflects student educational and career goals, methods to achieve these goals and student activities and achievements. A student designs an EDP under the supervision of an academic specialist. Each EDP contains the following essential elements: personal information such as the student's name, date of birth and grade level; education, training and career goals; assessment results, both career- and academic-related; and a plan of action, including high school course selections, expected graduation date and timeline for college application.

Students develop an EDP in seventh grade. Starting the EDP in middle school assists students in planning for high school curriculum and post-secondary goals. An EDP is updated as student interests and abilities become more evident and focused.

Program Evaluation

The Educational Program is formally evaluated on an annual basis. Effective teaching is essential to the implementation of the Academy's Educational Program. Academy leadership evaluates effective instruction by performing informal and formal teacher observations. The observations provide a platform for quality dialogue for constructive feedback serving to improve instructional practices. Academy staff also meet with leadership to review school performance. Data is collected and analyzed to determine and monitor school improvement goals. Leadership and staff routinely monitor assessment data (e.g., NWEA, state assessment and SAT) to implement needed changes, to ensure adequate growth in all classrooms and to make necessary adjustments to improve the delivery of the Educational Program.

In addition to observations and the examination of data, professional development opportunities and professional learning communities (“PLCs”) 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 North American Montessori Curriculum for all core subjects in kindergarten through sixth grades; for grades seven and eight, the Academy has adopted *No Red Ink*, *Wordly Wise 3000*[®] and various literature books, *Reveal Math*[™], Glencoe McGraw Hill *Discovering Our Past*, FOSS[®] Modules and Michigan Model for Health[™] as a curriculum. The curriculum for all core subjects has been received, reviewed and approved by the Center.

- No Red Ink <https://www.noredink.com/curriculum/standards/michigan>
- Reveal Math <https://my.mheducation.com/login?logout=true>
- FOSS modules <https://www.fossweb.com/foss-modules>
- Discovering Our Past <https://connected.mcgraw-hill.com/connected/login.do>
- Michigan Model for Health <https://www.michiganmodelforhealth.org/>

Elementary

The following subjects/courses are offered at the Academy.

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

SECTION E

METHODS OF PUPIL ASSESSMENT

METHODS OF PUPIL ASSESSMENT

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

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

Academic Assessments to Be Administered:

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

SECTION F

APPLICATION AND ENROLLMENT OF STUDENTS

APPLICATION AND ENROLLMENT OF STUDENTS

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

Enrollment Limits

The Academy will offer kindergarten through eighth grade. The maximum enrollment shall be 930 students. The Academy Board will annually adopt maximum enrollment figures prior to its application and enrollment period.

Requirements

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

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

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

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

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

Matriculation Agreement

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

Application Process

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

Legal Notice or Advertisement

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

Re-enrolling Students

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

Random Selection Drawing

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

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

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

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

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

SECTION G

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

SCHOOL CALENDAR AND SCHOOL DAY SCHEDULE

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

School Calendar

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

School Day Schedule

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

SECTION H

AGE OR GRADE RANGE OF PUPILS

AGE OR GRADE RANGE FOR PUPILS TO BE ENROLLED

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

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

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

CONTRACT SCHEDULE 8

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

INFORMATION AVAILABLE TO THE PUBLIC AND THE CENTER

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

Information Available to the Public and the Center

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

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

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

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

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