SUPPLEMENTAL AGREEMENT

THIS AGREEMENT made 24 April 2013

BETWEEN

(1) THE SECRETARY OF STATE FOR EDUCATION and

(2) HALEWOOD ACADEMY CENTRE FOR LEARNING (company number [illegible]) [illegible]

[illegible]

IS SUPPLEMENTAL TO THE MASTER FUNDING AGREEMENT made between the same parties and dated [illegible] 2013 (the "Master Agreement").

1 **DEFINITIONS AND INTERPRETATION**

1.1 Except as expressly provided in this Agreement words and expressions defined in the Master Agreement shall have the same meanings in this Agreement as were ascribed to them in the Master Agreement.

1.2 In this Agreement and its Recitals the following words and expressions have the following meanings:

"the Academy" means Halewood Academy Centre for Learning established at The Avenue, Wood Road, Halewood, Liverpool L26 1UL"

"Additional Directors" means the Directors who may be appointed from time

time to time subject in all cases to any exclusions or limitations as may from time to time be imposed by the insurers or underwriters;

"the Land" means the publicly funded land (including for the avoidance of doubt all buildings, structures, landscaping and other operations) which is located and known as Halewood Academy Centre for Learning of The Avenue, Wood Road, Halewood, Liverpool, L26 1UU and registered under title number MS507623;

"Lease" means the lease granted on or around the date of this Agreement by the LA to the Company;

"Normal Payment Matter" has the meaning given to it in the Principal Agreement;

[illegible] relating to the Academy;

"Project Agreement" means the project agreement between the LA and the PFI Contractor (as defined in the Project Agreement) [illegible]

2 THE ACADEMY

2.1 The Company will establish, and maintain, and carry on, or provide for the carrying on of the Academy in accordance with the Master Agreement and this Agreement.

2.2 The curriculum provided by the Academy to pupils up to the age of 16 shall be broad and balanced,

ducted in accordance with the Principal
nd the Lease.

2.3 The Academy shall be cond
Agreement, School Agreement a

ion of pupils to the Academy are set out

2.4 The requirements for the admiss

nd LAG to the Company in

4 GAG AND LAG

4.1 The Secretary of State agrees to pay GAG a
relation to the Academy in

Secretary of State may, subject to clause 4.4, set off or deduct

4.4 Before exercising its right of set off or abatement pursuant to clause 4.3 above, the Secretary of State shall:

4.4.1 notify the Company that such sums have been paid by the

Master Agreement, the School Agreement and/or the Principal Agreement;

5.3.2. specify the measures needed to remedy the situation or breach;

5.3.3. specify a reasonable date by which these measures are to be implemented; and

5.3.4. state the form in which the Company is to provide its response and a reasonable date by which it must be provided.

5.4 If no response is received by the date specified in accordance with clause 5.3.4, the Secretary of State may give the Company 12 months, or such lesser period as he considers appropriate in the circumstances, written notice to terminate this Agreement.

5.5 If a response is received by the date specified in accordance with clause 5.3.4, the Secretary of State shall consider it, and any representations made by the Company, and shall within three months of its receipt indicate that

5.5.1. he is satisfied that the measures he has specified are being implemented; or

5.5.2. he is satisfied, subject to any further measures he reasonably specifies being implemented by a specified date or any evidence he requires that implementation of such measures has been successfully completed; or

5.5.3. he is not satisfied that [illegible] the Academy to discuss his concerns. If following such meeting he has good reasons for remaining satisfied that the Academy does not and will not have the characteristics set out in clause 13 of the Master Agreement or does not and will not meet the conditions and requirements set out in clauses 13-34B of the Master Agreement or the

Company is in material breach of the provisions of this Agreement, the Master Agreement, the School Agreement and/or the Principal Agreement and such breach will not be remedied to his reasonable satisfaction, he shall give the Company twelve months (or such lesser period as he considers appropriate in the circumstances) written notice to terminate this Agreement.

5.7 If the Secretary of State has cause to serve a notice on the Company under section 165 of the Education Act 2002 and a determination (from which all rights of appeal have been exhausted) has been made that the Academy

[illegible]

[illegible] Academy Financial Year.

5.9 Any notice given by the Company under clause 5.8 shall be in writing and shall be served on the Secretary of State not later than 28 February preceding the Critical Year or, if the Secretary of State shall not have given notice of the Indicative Fund

specified in clause 5.8 above, within six weeks after the Secretary of State shall have done so. The notice must specify:

5.9.1 the grounds upon which the Company's opinion is based and provide the evidence of those grounds and any professional accounting advice the Company has received and include a detailed [illegible]

[illegible] soon as reasonably practicable the costs of running the Academy are reduced sufficiently to ensure that such costs are less than the Indicative Funding and All Other Resources and the period of [illegible]

[illegible]

the cost of running the Academy during the Critical Year would cause the Company, on the basis of the Indicative Funding and All Other Resources, to [illegible]

[illegible]

stitutions or academies. If the parties fail to agree upon the appointment of the Panel then the Panel shall be appointed by [illegible]

[illegible] advice from an educational specialist who is professionally familiar with the issues arising from the budget management of schools. If the parties fail to agree upon the appointment of the educational specialist then the educational specialist shall be appointed by the Chairman for the time being of the [illegible]

[illegible] the Academy to cover the Shortfall.

5.14 If the Company shall have given notice to terminate the Agreement under 5.13, the Secretary of State may by notice in writing to the Company require [illegible]

[illegible] of State to the Company by way of GAG and EAG in the next following Academy Financial Year (the "**Indicative Funding**").

5.16 For the purposes of clauses 5.15 to 5.27 [illegible]

"Critical Years" means the then current financial year and, if an annual letter of funding has been received for the following financial year, that following financial year;

"Current

available to the Company, including such funds as are set out in the Master Agreement;

A **"PFI EAG Refusal"** occurs

(a) the Company has made a request for EAG funding to cover any costs that the Company has incurred or reasonably considers is likely to incur as a result of meeting its obligations and/or discharging its

steps that the Company proposes to take

g that as soon as reasonably practicable the

cedu sufficiently in the Critical Years to ensure

ess than its Current Funding and the period of

steps will be taken;

with a view to ensurin

running costs are redu

that such costs are l

time within which such

5.18.3. the shortfall in the Critical Years between the Current Funding expected to be available to the Company to cover the running costs and the projected expenditure of the Company; and

5.18.4. detailed budget of income and expenditure for the Academy during the Critical Years.

5.19 Within 15 days of the provision of the Company Insolvency Notice, both

The Expert's determination shall be final and binding on both parties. The Expert shall be requested to specify in his determination:

[illegible]

[illegible] If the parties fail to agree upon the appointment of the Expert then the Expert shall be appointed [illegible] the President of Chartered Accountants in England and Wales.

5.21 The parties shall procure that the Expert (together with any educational specialist appointed pursuant to this clause) will act promptly in determining the matters referred to him. The Expert shall be required in performing his role to take account of advice from an educational specialist who is professionally familiar with the issues arising from the proper management of [illegible]

[illegible]

[illegible] "Decision" means either:

(a) in accordance with clause 5.19, the Secretary of State agrees with the Company that on the basis of the Current Funding it is likely that the running costs during the Critical Years would cause the Company to go into insolvency which could not be avoided through prudent management (including, but not limited to, using GAG [illegible] financial [illegible] funding [illegible]

(b) an Expert determines in accordance with clause 5.20 that on the basis of the [illegible] the running costs during the Critical Years would cause the Company to go into Insolvency or that the Company is not using the funds provided under this Agreement and the Master Agreement prudently and in accordance with the requirements of this Agreement and the Master Agreement.

5.24 Within 10 Business Days of an Insolvency Decision, the Secretary of State may either at its option:

5.24.1. withdraw the BFI EAG Refund and promptly pay to the Company the amount of requested EAG funding or such other sum as shall be appropriate; or

5.24.2. terminate this Agreement on not less than 20 Business Days notice to the Company.

5.25 In the event that the Secretary of State provides additional EAG funding in accordance with clause 5.24, the Secretary of State may:

5.25.1 appoint [illegible] majority of the board of directors in accordance with the Company's [illegible]

occurring, the Company shall in respect of any of its capital assets at the Academy at the date of termination:

(a) promptly transfer a proportion of the assets to a person nominated by

percentage of the capital contribution made by the Secretary of State to the

mission to invest the proceeds of sale for

s all or part of the repayment to be paid to

ns of publicly funds held for the

a) The Company obtains his p its charitable objects; or

b) The Secretary of State direct the L A.

6.7 The sale or disposal by other mea

Restrictions on Land transfer

6A Recognising that they are or will be receiving publicly funded land at nil consideration [illegible]

[illegible]

[illegible]

b) shall take any further steps required to ensure that the restriction referred to in clause 6A(a) is entered on the proprietorship register,

c) shall provide the Secretary of State with confirmation of the entry of the restriction referred to in clause 6A(a) as soon as practicable after it receives notification from the Land Registry,

d) in the event that it has not registered the restrictio[illegible]

Repair and Upkeep

b) pay the premiums for insurance promptly as they become due and maintain in force the policies of insurance on the Land;

c) following the incidence of damage to or destruction of the Land and subject to receipt of all necessary consents licences permissions and the like apply the proceeds of the policy of the insurance receive under

satisfied if the Company provides premises not necessarily identical to the Land as the

whenever reasonably requested and the receipt for the last or other evidence

Transfer of Land on Termination of Agreement

[illegible]

[illegible] consideration, (which for the purposes of this transaction shall include [illegible]) to protect the option granted under clause 6D, the Company:

a) shall, within 14 days from the transfer to it of the Land, apply to the Land Registry in Form AN1 as prescribed by Rule 81 of the Land Registration Rules 2003 for a notice to be entered in the register (under section 34(3)(a) of the Land Registration Act 2002) to protect the option granted under clause 6D and including a copy of this Agreement as evidence of that option

b) in clause 6D(a) is entered on the proprietorship register;

c) shall provide the Secretary of State with confirmation of the entry of the notice referred to in clause [illegible]

cellation or otherwise) a notice entered in

apply, modify or remove (by can

This Agreement was executed as a Deed on 24 March 2013

Executed on behalf of

HALEWOOD ACADEMY CENTRE FOR LEARNING

by:

.....

Director

In the presence of:

Witness signature .....

tness name SARISARA O'CONNOR

dress 15 ARIES CLOSE L14 9LL

ANNEX TO THIS SUPPLEMENTAL AGREEMENT

Requirements for the Admission of pupils at the Academy Annex 1

Annex 1

REQUIREMENTS FOR THE ADMISSION OF PUPILS TO

between the Secretary of State and the Company

2. Except as provided in paragraphs 2A(1), 2B(1) [illegible]

Attendance Order[2]. Before doing so the Secretary of State will consult the Company;

(b) direct the Company to admit a named pupil to the Academy if the Company has failed to act in accordance with this Annex or has otherwise failed to [illegible]

(c) direct the Company to amend its admission arrangements where they fail to comply with the School Admissions Code or the School [illegible]

[illegible]

the Department for Education as it applies to Foundation and Voluntary Aided schools. The determination of the appeal panel is binding on all parties.

[illegible]

purposes of consultation requirements in relation to admission arrangements is that determined by the local authority for maintained schools in the area in [illegible]

[illegible]

the Academy is subject in taking a decision.

Equivalent bodies

[illegible]

where a child has a place at an Academy but his/her parents are refusing to send him/her to school. The order will require a parent to ensure his/her child attends a specified school.

[3] relevant children' means:

a) in the case of appeals for entry to a sixth form, the child, and;

b) in any other case, children who are above compulsory school age, or will be above compulsory school age by the time they start to receive education at the school.

a. subject to its right of appeal to the Secretary of State in relation to a named pupil, admit all pupils with a statement of special [illegible] looked after children, in accordance with the relevant provisions of the School Admissions Code.

Oversubscription criteria, admission number, consultation, determination and objections.

10 The Academy admission arrangements will include oversubscription