

CLIENT SERVICES AGREEMENT

This AGREEMENT is signed this 11th day of August, 2020, and is effective July 1, 2020, by and between White Pine Academy, (hereinafter "White Pine Academy") whose address is 510 Russell Street, Leslie, MI 49251, and Axios Charter HR, LLC, a Michigan limited liability company located at 801 Broadway NW, Suite 200, Grand Rapids, MI 49504 (hereinafter "Axios Charter HR, LLC").

RECITALS

- A) White Pine Academy is a public school academy organized to provide public school instruction as a charter school located at 510 Russell Street Leslie, MI 49251 pursuant to a contract ("Contract") issued by the Saginaw Valley State University Board of Control ("Authorizer"). This Agreement is authorized to carry out the educational program set forth in the Contract. White Pine Academy is authorized by law to contract with a private entity to provide employee administration and management services.
- B) White Pine Academy operates a public school academy under the direction of the White Pine Academy Board of Directors ("Board").
- C) Axios Charter HR, LLC is a Michigan Corporation with its offices at 801 Broadway NW, Suite 200, Grand Rapids, MI 49504.
- D) Axios Charter HR, LLC offers to Michigan public school academies employee administration and management services including, but not limited to, staff employment, payroll, benefit administration, business management and other similar services.
- E) White Pine Academy desires to engage Axios Charter HR, LLC to perform certain services upon the terms and conditions set forth in this Agreement and pursuant to its authority, White Pine Academy hereby contracts with Axios Charter HR, LLC, to the extent permitted by law, specified functions relating to the administration and management services.
- F) White Pine Academy designates the employees of Axios Charter HR, LLC assigned to White Pine Academy as agents of the Academy having a legitimate educational interest such that they are entitled access to educational records under 20 U.S.C. Section 1232g, the Family Educational Rights and Privacy Act ("FERPA").

THEREFORE, the parties agree as follows:

1. Services Provided by Axios Charter HR, LLC. Axios Charter HR, LLC shall provide contract personnel services as outlined in this Agreement. It is understood by the parties that the response to the RFP by Axios, Inc. dated June 2013 are considered the same responses by Axios Charter HR, LLC as though Axios Charter HR, LLC submitted the response to the RFP.

a) Selection of Employees. Axios Charter HR, LLC shall employ and assign to White Pine Academy all such qualified and certified classroom teachers, instructors, and support staff as may be necessary to accomplish the educational mission of White Pine Academy consistent with the Board approved budget. Axios Charter HR, LLC shall comply with all Federal and State statutes and administrative requirements including, but not limited to, the Immigration Reform and Control Act.

b) Selection of Employees. All work force positions of White Pine Academy shall be covered under this Agreement ("Covered Employees") unless White Pine Academy decides to employ the Academy Director.

c) Employee Agreements and Compensation. Compensation for all Covered Employees including, but not limited to, health care and retirement benefits shall be established by White Pine Academy, through its budget, and implemented by Axios Charter HR, LLC. The terms and conditions of such employment shall be set forth in an employment agreement between Axios Charter HR, LLC and each employee or other written document as determined by Axios Charter HR, LLC with input from White Pine Academy. Information regarding all costs, including the employment costs, annual salary and benefit costs by individual assigned to White Pine Academy by Axios Charter HR, LLC, will be provided to the Board by Axios Charter HR, LLC upon request.

d) Health Care Insurance. Axios Charter HR, LLC shall provide all qualified employees assigned to White Pine Academy who are not covered by a spouse's plan, comprehensive medical care insurance. In addition, Axios Charter HR, LLC shall be responsible for COBRA compliance and continuation of health benefit plans to terminated employees and qualified dependents, subject to the continuation of this Agreement. If this Agreement terminates, all responsibilities with regard to continuation of health insurance cease consistent with Federal and State statutes.

e) Retirement Plan. Axios Charter HR, LLC shall make available to White Pine Academy a retirement plan pursuant to IRC Section 401(k) for all qualified employees, provided that the current plan sponsored by White Pine Academy satisfies all applicable

non-discrimination testing and other qualification requirements for the three most recent plan years. that White Pine Academy makes or sees that changes are made to the current plan, and/or appropriate corrective action is taken to bring the plan into lawful compliance prior to merging it into the Axios Charter HR, LLC plan.

- f) Payroll Taxes. Axios Charter HR, LLC shall report and pay all applicable federal, state and local employee and employer payroll taxes from Axios Charter HR, LLC's own accounts. Axios Charter HR, LLC will act as the W-2 employer for record keeping purposes.
- g) Payroll Records. Axios Charter HR, LLC shall maintain and verify all required payroll and benefit records.
- h) Policies and Procedures. All payroll, benefit and personnel policies and procedures shall be established by Axios Charter HR, LLC with input by White Pine Academy.
- i) Worker's Compensation Insurance. Axios Charter HR, LLC shall maintain Worker's Compensation insurance during the term of this Agreement on all employees assigned to work for White Pine Academy under this Agreement. Upon written request, Axios Charter HR, LLC shall provide a Certificate of Insurance verifying coverage of Worker's Compensation insurance.
- j) At-Will Employment Relationship. Axios Charter HR, LLC retains the right to not hire any candidate for employment or terminate with or without cause any employee with written notice to the White Pine Academy School Board.
- k) Implementation and Supervision of Policies and Procedures. During the term of this Agreement, Axios Charter HR, LLC shall have the right and authority to implement and supervise personnel policies and procedures relating to the Covered Employees. Axios Charter HR, LLC shall make good faith reasonable efforts to act in the best interest of White Pine Academy with regard to its policy and procedure in exercising control over Covered Employees. White Pine Academy agrees to cooperate and assist Axios Charter HR, LLC in the implementation and supervision of all such policies and procedures.
- l) Hiring. Evaluating. Supervising. Disciplining and Firing. Axios Charter HR, LLC, through its School Administrator at White Pine Academy shall have the ultimate authority

and control over hiring, evaluating, supervising, disciplining and firing of Covered Employees consistent with the White Pine Academy approved budget. White Pine Academy may recommend termination of the assignment of a Covered Employee to White Pine Academy, it being understood that Axios Charter HR, LLC retains full control over all personnel decisions involving Covered Employees, and ultimate authority to resolve and decide employee disputes subject to the budgetary limitations established by White Pine Academy. Axios Charter HR, LLC shall consult with its School Administrator assigned to White Pine Academy concerning any hiring, evaluating, supervising, disciplining, and firing before formal action is taken. White Pine Academy Board will have input on the selection and evaluation of the School Administrator.

- i. The ESP Agreement shall prohibit the ESP from executing contracts with its staff assigned to the Academy (including by way of example and not limitation, teachers administrators, counselors and the like) that contain noncompete and/or nonsolicitation agreements of any nature.

m) On-site Supervision. Axios Charter HR, LLC shall be responsible for on-site employee supervision directly and through its School Administrator assigned to White Pine Academy. The School Administrator will serve as the liaison to the White Pine Academy Board on employment matters on behalf of Axios Charter HR, LLC. The School Administrator will administer the overall operation of White Pine Academy and report to the Board on all other operational matters and keep the Board informed of employment related matters. The School Administrator shall be the on-site consultant for Axios Charter HR, LLC and shall assist Axios Charter HR, LLC with its administrative and personnel responsibilities on White Pine Academy premises. As to all administrative and personnel matters, the School Administrator shall coordinate with and report to designated Axios Charter HR, LLC managers and officers at Axios Charter HR, LLC's home office. Axios Charter HR, LLC, after consulting with the School Administrator, shall determine the procedures to be employed by Covered Employees in the day-to-day performance of their job responsibilities. Axios Charter HR, LLC shall make good faith reasonable efforts to act in the best interests of White Pine Academy with regard to White Pine Academy policy and procedure in exercising control over the Covered Employees. Axios Charter HR, LLC shall make certain that all appropriate guidelines concerning Axios Charter HR, LLC's oversight of Covered Employees is followed by said

School Administrator and that its School Administrator shall comply with all Axios Charter HR, LLC directives dealing with its responsibilities herein above set forth.

2. Axios Charter HR, LLC Requirements.

a) Compliance with Applicable Criteria. Axios Charter HR, LLC assumes sole responsibility for assuring that all services set forth in Paragraph 1 provided by Axios Charter HR, LLC are provided in compliance with and conform to (i) all applicable federal, state and local government laws, rules and regulations, including, but not limited to all civil rights laws, Bullard-Plawecki Employee Right to Know Act, Whistleblower's Protection Act, Fair Labor Standards Act, and Fair Credit Reporting Act;(ii) all pertinent policies of those accrediting agencies from which White Pine Academy has secured or is seeking accreditation, including but not limited to Saginaw Valley State University and the Michigan Department of Education; and (iii) all other applicable written policies of White Pine Academy as communicated to Axios Charter HR, LLC through the School Administrator, the School Board or Board minutes. Axios Charter HR, LLC shall promptly provide to White Pine Academy, within twenty four hours of receipt, all notices, reports or correspondence from individuals or governmental agencies that assert claims, deficiencies or charges against White Pine Academy or Axios Charter HR, LLC that otherwise threaten the suspension, revocation, or any other action adverse to any approval, authorization, certificate, determination, finances, license or permit required or necessary to own or operate White Pine Academy, including any actions taken under the Contract.

b) Employment Laws. Axios Charter HR, LLC shall comply with all applicable federal, state and local employment laws. Axios Charter HR, LLC shall comply with the Fair Labor Standards Act and control all overtime.

c) Records. Axios Charter HR, LLC shall maintain actual time records and verify the accuracy of all wage hour information provided to Axios Charter HR, LLC at the end of each pay period. Axios Charter HR, LLC shall verify the accuracy of all wage and salary reports which shall be supplied to White Pine Academy by Axios Charter HR, LLC at the end of each pay period. White Pine Academy shall not pay any wages, salaries or other compensation, including employee benefits, to Covered Employees subject to Section b above.

d) Performance Evaluation System. Axios Charter HR, LLC agrees that it will adopt, implement and maintain a performance evaluation system for all required personnel as required by applicable law.

3. White Pine Academy Requirements. White Pine Academy shall provide the following:
- a) Personnel Requirements. Advise Axios Charter HR, LLC, through the School Administrator, shall provide the teachers, instructors, and support staff required by White Pine Academy, consistent with its approved budget, to perform its mission.
 - b) Insurance. Maintain casualty and premises liability insurance on all school buildings and premises and to maintain professional liability insurance pertaining to the staff that could result in a claim against White Pine Academy and name Axios Charter HR, LLC as an additional insured. Axios Charter HR, LLC shall have input into the professional liability coverage.
 - c) Financial Reports. Prepare annual budgets and periodic financial reports as required by Saginaw Valley State University, the Michigan Revised School Code ("Code"), and/or statute or as desired by the Board.
 - d) Employee Benefits. White Pine Academy shall provide to Axios Charter HR, LLC a written statement with regard to all policies concerning employee benefits, if any. These policies shall comply with all federal, state and local governmental laws and regulations.
 - e) Safety Requirements. White Pine Academy and Axios Charter HR, LLC shall comply with all safety, health and work laws, regulations and rules at its own expense. White Pine Academy and Axios Charter HR, LLC shall also comply with all safe work practices and use of protective equipment required by federal, state or local law. All accidents involving employees shall be reported immediately to Axios Charter HR, LLC by the School Administrator. White Pine Academy shall cooperate with Axios Charter HR, LLC's Worker's Compensation carrier and liability insurance carrier who shall have the right to inspect White Pine Academy's property.
 - f) Confidential Information. White Pine Academy shall be solely responsible for instituting and maintaining safeguards and procedures for personnel handling confidential information, money or other valuables. Axios Charter HR, LLC may require bonding of such individuals. White Pine Academy shall give Axios Charter HR, LLC written notice of such individuals. It shall be the sole responsibility of White Pine Academy to protect such valuables.

g) Discipline, Layoff, or Termination of Employees. White Pine Academy agrees to comply with all Axios Charter HR, LLC personnel directives, both general and specific, regarding the discipline, layoff, or termination of Covered Employees. White Pine Academy further agrees to immediately notify Axios Charter HR, LLC of any material change in the current business operations of White Pine Academy.

h) Personnel Issues. In the event White Pine Academy becomes dissatisfied with the performance of any individual Axios Charter HR, LLC employee assigned to White Pine Academy, Axios Charter HR, LLC shall be notified, in writing, setting forth the nature of the dissatisfaction, the proposed remedial action, and any specific action requested.

i) Applicant/Employee Background Checks. Axios Charter HR, LLC, or its designated subcontractor shall be responsible for performing all pre-employment, and any employment related background, license and eligibility review and other screening and investigation required by federal, state or local law, including the Code, of all Covered Employees. The results of the screening and investigation will be reported to Axios Charter HR, LLC which will notify the School Board or his/her designee should there be any action proposed or necessitated by the Board according to applicable statute or if there is a conviction that could result in an issue, including a public relations issue, within the White Pine Academy community should the information become public. All costs or fees incurred by Axios Charter HR, LLC in connection with the screening and investigation shall be billed to and paid by White Pine Academy. The results of the screening and investigation of pre-employment records must be made available for review by the Saginaw Valley State University Charter Schools Office. It is understood that Axios Charter HR, LLC may choose to assign the applicant and employee background checks to an employee(s) of Axios Charter HR, LLC assigned and located at White Pine Academy.

4. Term of Agreement. This Agreement shall commence on July 1, 2020 and continue for a period of thirty-six months, through June 30, 2023. If the White Pine Academy and/or Axios Charter HR, LLC becomes obligated for MPERS or an unexpected fee or tax is instituted, (e.g. State service tax fee) either party may immediately invoke the 90-day termination notice provision at any time during the contract. Termination of this Agreement shall not affect the continuation of the obligations of either party incurred during the term of the Agreement. The parties acknowledge that as part of any contract reauthorization

with Saginaw Valley State University, Saginaw Valley State University may require White Pine Academy and Axios Charter HR, LLC to submit an entirely new Agreement for review by Saginaw Valley State University. The term of this Agreement shall not exceed the length of the Contract. If the Authorizer decides to exercise its prerogative under MCLA 380.507(7) and/or the Contract to reconstitute the Academy by requiring termination or amendment of the Agreement, there shall be no cost or penalty to the Academy, and no recourse to the Authorizer or any third party affiliated with or engaged by the Authorizer, by Axios Charter HR, LLC or any subcontracted person or entity of Axios Charter HR, LLC.

5. Fees. White Pine Academy shall pay Axios Charter HR, LLC the following fees for the services rendered under this Agreement:

a) Service Fee. A Service Fee shall be charged to White Pine Academy equal to the total gross pay of all Covered Axles Charter HR, LLC employees assigned to White Pine Academy multiplied times 3.63% (the Service Fee rate). The Service Fee is calculated without regard to individual limitations on wages for purposes of determining the amount of unemployment taxes. The Service Fee shall be billed once per pay period and due upon receipt with said billing including an itemized, detailed breakdown of all costs, fees and expense (i.e. salary and payroll; FUTA; SUTA; Workers Compensation; FICA, a breakdown of fringe benefits, by benefit; etc. The Service Fee shall be adjusted upon the effective date of any increase or decrease in employee wage rates.

b) Payroll Costs. Payroll costs will be charged, in addition to the service fee, equal to Gross Payroll and associated payroll costs including FICA, FUTA, SUTA, Workers Compensation and any additional taxes passed by the State and/or Federal government during the term of this Agreement.

All benefits provided per 1.) d. and e. will be billed to White Pine Academy on a pay period basis. Axios Charter HR, LLC will provide written notice within 5 business days of receiving notice of an increase to any of the costs other than the service fee costs and include said increase as of the effective date of the increase however, this provision shall not apply to a change in payroll costs which may vary because of a change in hours worked by employees. White Pine Academy, at its election, may respond to the written notice of cost increase by issuing notice to cancel effective 90 days after the date of cost increase.

6. Additional Costs, Fees and Expenses. White Pine Academy shall pay all additional costs or expenses incurred by Axios Charter HR, LLC that are incidental to the performance of this Agreement and that have prior approval of the Board. These additional costs, fees or expenses may include, but are not limited to, employee replacement costs, applicant/employee background checks, hiring temporary personnel, substitute teachers, fidelity bonding, and White Pine Academy approved training programs.

7. Payment of Costs, Fees and Expenses. White Pine Academy shall execute a ACH transfer to Axios Charter HR, LLC at least 48 hours prior to each payroll date, from the designated White Pine Academy account in an amount equal to the Services Fees, Payroll costs described in Paragraph 5 and Costs, Fees and Expenses described in Paragraph 6 of this Agreement, upon receipt of a detailed billing. If there is any disputed amount to an invoice, the non-disputed amount shall be ratified. If there is a disputed amount, whether ratified by the Board or not, the parties shall meet within fourteen (14) days to discuss and attempt to resolve the disputed amount prior to submitting the matter to arbitration as addressed in Paragraph 11. Any errors in payment of costs, fees and expenses will be promptly corrected with the parties acting in good faith and with reasonable efforts.

8. Insurance: The Academy's insurance policies will be in compliance with the M.U.S.I.C. requirements and in accordance with the limits required by Saginaw Valley State University. The Academy will be the first named insured and Saginaw Valley State University and Axios Charter HR, LLC will also be named as an additional insured.

a) Vehicle Insurance. If White Pine Academy provides any transportation services for staff or students, White Pine Academy shall provide liability insurance for any employee of Axios Charter HR, LLC driving any vehicle during the time of day or work year he or she is assigned to White Pine Academy by Axios Charter HR, LLC. The policy shall insure against bodily injury and property damage with a minimum combined single limit (CSL) of \$1,000,000. White Pine Academy shall also provide personal injury protection coverage of \$1,000,000. White Pine Academy shall name Axios Charter HR, LLC as an additional insured on these policies with thirty (30) days' notice of cancellation or material change in such policies.

b) General Liability Insurance. White Pine Academy shall maintain a comprehensive general liability insurance policy in the amount of \$1,000,000 (CSL) insuring White Pine Academy against bodily injury and property damage liability caused

by White Pine Academy's premises operations or activities conducted off premises related to operation of White Pine Academy. The policy shall include blanket contractual liability and personal injury coverage. White Pine Academy shall name Axios Charter HR, LLC as an additional insured on this policy with thirty (30) days written notice of cancellation or material change.

c) Professional Liability Insurance. White Pine Academy shall provide professional liability insurance, including sexual abuse coverage, in the amount of 51,000,000 naming Axios Charter HR, LLC as an additional insured. White Pine Academy shall maintain a Worker's Compensation policy with an "if only" provision.

d) Axios Charter HR, LLC - M.U.S.I.C. Insurance Coverage. The Academy shall ensure that, at all times during the term of this Agreement, Axios Charter HR, LLC maintains comprehensive general liability and umbrella insurance coverage at levels satisfactory to the Saginaw Valley President (see Article 13 of the Contract). The insurance coverage required of Axios Charter HR, LLC shall not be in lieu of the insurance coverage requirements applicable to the Academy. Any policy of insurance maintain by Axios Charter HR, LLC must include coverage for sexual molestation or abuse, must name Saginaw Valley State University as an additional, named insured, and shall not be changed, revoked or modified absent thirty (30) days' notice to the Saginaw Valley President. Axios Charter HR, LLC also agrees that, in the event the Saginaw Valley President modifies the level, type, scope or other aspects of such coverage, then Axios Charter HR, LLC shall undertake like and similar modifications within 30 days of being notified of such change.

9. Termination of Agreement.

a) This Agreement shall terminate and Axios Charter HR, LLC shall be relieved of all responsibility under this Agreement as of the ending date of the last payroll period immediately preceding any of the following events:

- i) White Pine Academy files for bankruptcy or becomes insolvent;
- ii) The facility where employees are engaged in work for White Pine Academy is closed;
- iii) White Pine Academy requests a layoff of 25% of the workforce;

- iv) White Pine Academy and its successors and assigns discontinue operation;
 - v) White Pine Academy meets the definition of a financially distressed business as set forth in the Worker Assistance and Retraining Notification Act.
 - vi) White Pine Academy's Contract with Saginaw Valley State University is discontinued or not renewed.
 - vii) Any other reason set forth in this Agreement, including as identified in Paragraph 4 of this Agreement, that constitutes a default under the Agreement or allows AXIOS CHARTER HR, LLC to terminate this Agreement.
 - viii) Failure of White Pine Academy to timely make payment(s) required by this Agreement or reduces the amount invoiced by more than 55,000.00 of the contested invoice.
- b) White Pine Academy may terminate this Agreement prior to the end of the term specified in Paragraph 4 or in the event that Axios Charter HR, LLC shall fail to remedy a material breach within 60 days after notice from the Board, provided however that if the nature of the breach is such that the cure cannot be reasonably accomplished within 60 days, then the cure period should be extended so long as AXIOS CHARTER HR, LLC proceeds to cure with reasonable dispatch. Material breach includes, but is not limited to: (1) Axios Charter HR, LLC's failure to account for its expenditures or to pay its obligations as specifically noted in this agreement (provided funds are available to do so), (2) failure of Axios Charter HR, LLC to follow policies, procedures, rules, regulations or curriculum duly adopted by the Board and communicated to Axios Charter HR, LLC, provided that such policies, procedures, rules, regulations or curriculum are not inconsistent with the Contract, as amended, this Agreement, or in violation of applicable law, (3) receipt by the Board of unsatisfactory reports from Axios Charter HR, LLC or from an educational consultant retained by the Board about matters concerning Axios Charter HR LLC's performance or the performance of the staff which are not reasonably corrected or explained; or (4) Axios Charter HR, LLC's failure to abide by all applicable laws in its administration of this Agreement.

- c) In the event White Pine Academy terminates this Agreement pursuant to this Paragraph, White Pine Academy shall pay all charges due under this Agreement through the last date of services provided by Axios Charter HR, LLC.

- d) Upon termination, Axios Charter HR, LLC shall, without charge (i) close the books on the then-current fiscal quarter; (ii) organize and prepare the Academy's records for transition to the new ESP; (iii) organize and prepare student records for transition to the new ESP; and (iv) provide for the orderly transition of employee compensation and benefits to the new ESP without disruption to staffing.

- e) Upon termination, the parties may agree that Axios provide additional transition services for a specified period of time to transition to a new ESP. If agreed to, the parties will determine the fee to be paid to Axios Charter HR, LLC for such services.

10. Indemnification.

a) Axios Charter HR, LLC. Axios Charter HR, LLC shall indemnify and hold White Pine Academy, including its officers, directors, and agents, harmless from any and all claims, including employment related claims by Axios Charter HR, LLC employees or applicants, administrative determinations, judgments, damages, reimbursements, back pay, penalties, fines, costs or loss, demands, suits, including reasonable attorney's fees or other forms of liability that may arise out of, or by reason of, any noncompliance with any agreements, covenants, warranties, or undertakings of Axios Charter HR, LLC contained in or made pursuant to this Agreement and any misrepresentation or breach of representations and warranties of Axios Charter HR, LLC contained in or made pursuant to this Agreement or for wrongful or negligent acts. This indemnification shall include any failure on the part of Axios Charter HR, LLC that results in violations of federal, state and local laws and regulations. Axios Charter HR, LLC shall not be responsible to indemnify White Pine Academy for the acts or omissions of an unlicensed individual that occur when that individual is not under the supervision of a Covered Employee. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amounts acceptable to White Pine Academy and shall be not less than \$1,000,000 per occurrence.

b) White Pine Academy. White Pine Academy shall indemnify and hold Axios Charter HR, LLC, including its officers, directors and agents harmless from any and all claims, including employment related claims by White Pine Academy employees or applicants for employment as a White Pine Academy employee, administrative determinations, judgments, damages, reimbursements, back pay, penalties, fines, costs or loss, demands, suits, including reasonable attorney's fees or other forms of liability that may arise out of, or by reason of, any noncompliance with any agreements, covenants, warranties, or undertakings of White Pine Academy contained in or made pursuant to this Agreement and any misrepresentation or breach of representations and warranties of White Pine Academy contained in or made pursuant to this Agreement or for wrongful or negligent acts. This indemnification shall include any failure on the part of White Pine Academy for violations of federal, state and local laws and regulations. White Pine Academy shall not indemnify Axios Charter HR, LLC for acts or omissions of an unlicensed individual that may occur when that individual is not under the supervision of White Pine Academy. The indemnification requirements of this paragraph may be met

by the purchase of insurance in a form and amounts acceptable to Axios Charter HR, LLC and shall be not less than \$1,000,000 per occurrence.

c) Indemnification of Saginaw Valley State University. The parties acknowledge and agree that the Saginaw Valley State University Board of Control, Saginaw Valley State University and its members, officers, employees, agents or representatives are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, the parties hereby promise to indemnify and hold harmless Saginaw Valley State University Board of Control, Saginaw Valley State University and its members, officers, employees, agents or representatives from all claims, demands, or liability, including attorney fees, and related expenses, on account of injury, loss or damage, including, without limitation, claims arising from bodily injury, personal injury, sickness, disease, death, property loss or damage or any other losses of any kind whatsoever and not caused by the sole negligence of Saginaw Valley State University, which arise out of or are in any manner connected with Saginaw Valley State University Board's approval of the White Pine Academy's application, the University Board's consideration of or issuance of a Contract, the Academy's preparation for and operation of a public school, or which are incurred as a result of the reliance by Saginaw Valley State University and its Board of Control members, officers, employees, agents or representatives upon information supplied by White Pine Academy or Axios Charter HR, LLC, or which arise out of the failure of the Academy to perform its obligations under the Contract issued to the Academy by Saginaw Valley State University Board of Control. The parties expressly acknowledge and agree that Saginaw Valley State University and its Board of Control members, officers, employees, agents or representatives may commence legal action against either party to enforce its rights as set forth in this Agreement.

11. Arbitration. In the event of a dispute regarding a breach, alleged breach, validity or interpretation of any provision of this Agreement, both White Pine Academy and Axios Charter HR, LLC agree to submit such disputes, except as either party may be seeking injunctive relief, to final and binding arbitration as the sole and exclusive remedy for such disputes. Said disputes shall be submitted to the Michigan Mediation and Arbitration Services ("MMAS") and governed by the Michigan Court Rules and Michigan Arbitration Act.

The arbitration hearing will be held in Kent County and will be the exclusive remedy for resolving the disagreement. Either party may file for arbitration but must do so with MMAS

within one hundred twenty (120) calendar days of the event precipitating the disagreement, or within the applicable statute of limitations, whichever is sooner.

If arbitration is requested by either, White Pine Academy or Axios Charter HR, LLC, the parties shall be entitled to be represented by attorneys and/or counsel of their choice. The parties shall equally split the filing fee, and any administrative fees or costs assessed by MMAS, regardless of who requests the arbitration. The parties will split the arbitrator's compensation, and each party will pay its own costs and attorney fees in connection with the arbitration, except as those costs and fees may be reallocated by the arbitrator in the award of damages in accordance with this Agreement or the relevant state or federal statute.

If arbitration is requested, the arbitrator shall allow both parties the right to conduct limited and reasonable discovery, which may include depositions, and for a period of time necessary for the parties to reasonably prepare for the arbitration hearing. The arbitrator is authorized to issue subpoenas to summon witnesses.

The arbitrator may award any and all remedies allowable by the cause of action pled in the request for arbitration, including but not limited to equitable relief and money damages. The arbitrator shall issue a written decision, containing his/her findings of fact and conclusions of law. A copy of the cause opinion shall be provided to the Authorizer. The arbitrator's award will be final and binding on both parties, and may be enforced in a court of competent jurisdiction.

12. Entire Agreement; Amendment. This document, being executed in multiple and identical counterparts all of which shall constitute part of the Agreement, contain the entire Agreement between the parties with regard to the subject matter of this Agreement. All previous negotiations, statements and preliminary instruments of the parties and their respective representatives are merged into this Agreement. No modification of this Agreement shall be valid or binding unless such modification is in writing, dated and signed by the authorized representative of each party. The conditions of this Agreement extend to and bind the subsidiaries, successors and assigns of each party. The Board and Axios Charter HR, LLC may not substantially amend this Agreement without notifying the Saginaw Valley President. No amendment shall be contrary to this section and shall be accompanied by a legal opinion from Academy counsel. Whether or not substantial, the Academy shall submit to the University President designee all amendments to this Agreement within 10 days after such amendment is complete. This Agreement and any amendment to this Agreement is not effective until and unless the Director of the Saginaw Valley University Partnership Office notifies the Academy in

writing that it has reviewed and does not disapprove of the Agreement or any amendment to the Agreement.

13. Notices. All notices required or permitted by this Agreement shall be in writing and delivered personally or by first class mail, postage prepaid to the address of each party as follows:

White Pine Academy:
510 Russell Street
Leslie, MI 49251

Axios Charter HR, LLC:
801 Broadway NW, Suite 200
Grand Rapids, MI 49504

With a copy to:
John W. Mashni
Foster, Swift, Collins and Smith PC
313 S. Washington Square
Lansing, MI 48933

If one of the parties to this Agreement changes his/her or its address, they shall within thirty (30) days notify the other party, in writing, of the new address. Notice shall be deemed received on the date it is delivered or mailed.

14. Responsibility For Performance of Agreement. Each party, their successors and assigns shall be jointly and severally responsible for the performance of their obligations under this Agreement.

15. Severability and Validity. The invalidity or unenforceability of any provision or part of this Agreement shall not affect the validity or enforceability of any other provision or part of this Agreement.

16. Contract Interpretation. The Parties acknowledge that this Agreement and the language contained in this Agreement are the result of negotiations between the parties and no part of this Agreement shall be construed against either party by virtue of authorship.

17. No Third-Party Rights. Except as otherwise provided, this Agreement is intended solely for the benefit of Axios Charter HR, LLC and White Pine Academy, and it shall not be construed to create any benefits for or rights in any other person or entity, including employees, students, or their representatives.

18. Waiver of Breach. The waiver by one party to this Agreement of a breach of this Agreement by the other party shall not operate as or be construed as a waiver of any subsequent breach or breaches by the other party.
19. Caption Headings. The captions headings for each provision of this Agreement are not part of this Agreement nor shall they be use to construe the provision more broadly or narrowly than the text would indicate.
20. Necessary Documents. The parties shall execute all necessary documents required to carry out the terms and intent of this Agreement.
21. Governing Law. The Agreement shall be construed under the law of the State of Michigan.
22. Counterparts. This Agreement may be executed in identical counterparts, each of which shall be deemed an original.
23. Assignment. This Agreement may not be assigned and is not assignable to any third party.
24. White Pine Academy Board's Constitutional Duty. No provision of this Agreement shall or is intended to interfere with the White Pine Academy Board's duty to exercise its statutory, contractual and fiduciary responsibilities governing the operation of White Pine Academy as provided under Michigan law. This Agreement does not prohibit the White Pine Academy Board from acting as an independent, self-governing public body, or allow public decisions to be made other than in compliance with the Open Meetings Act.
25. Governmental Immunity. No provision of this Agreement is intended to restrict the White Pine Academy Board from waiving or requiring it to assert its governmental immunity. Nothing in this paragraph shall prohibit Axios Charter HR, LLC from asserting any defense that may be available to it under this Agreement or under Michigan law.
26. Financial, Educational, and Student Records. Financial, educational, and student records pertaining to White Pine Academy are White Pine Academy property, and such records may be subject to the provisions of the Michigan Freedom of Information Act. All White Pine Academy records shall be physically or electronically available, upon request, at White Pine Academy's physical facilities and shall be kept in accordance with applicable state and federal requirements. Except as permitted under applicable law, AXIOS CHARTER HR, LLC shall not

restrict the Authorizer's, the public's, or the independent auditor's access to White Pine Academy's records consistent with applicable statutes. All records pertaining to teacher and administrator certification, as well as a copy of the employee handbook shall be maintained physically on site or directly accessible at the Academy facility.

27. Independent Auditor. Axios Charter HR, LLC shall not select or designate the independent auditor, accounting firm or legal counsel for White Pine Academy. All finance and other records of Axios Charter HR, LLC relating to White Pine Academy will be made available to White Pine Academy's independent auditor at the request of White Pine Academy or the auditor and Axios Charter HR, LLC staff agree to cooperate with said auditor.

28. Procurement of Equipment, Materials, and Supplies. If Axios Charter HR, LLC procures equipment, materials, and supplies at the request of or on behalf of White Pine Academy, Axios Charter HR, LLC shall not include any added fees or charges with the cost of the equipment, materials, and supplies purchased from third parties. Any equipment, materials, or supplies purchased by Axios Charter HR, LLC on behalf of or as the agent of White Pine Academy are the property of White Pine Academy. When making a purchase on behalf of or as agent of White Pine Academy, Axios Charter HR, LLC shall comply with Section 1274 of the Code as if White Pine Academy were making a purchase directly from a third party. Any supplies, materials, and equipment procured for the Academy by Axios Charter HR, LLC shall be inventoried by an acceptable method of inventory and further that inventory of Academy equipment shall be maintained so that it can be clearly established which property belongs to the Academy.

29. White Pine Academy Proprietary Rights. White Pine Academy owns all proprietary rights to curriculum or educational materials that:

- a) are both directly developed and paid for by White Pine Academy;
- b) were developed by Axios Charter HR, LLC at the direction of the White Pine Academy Board with White Pine Academy funds dedicated for the specific purpose of developing such curriculum or educational materials.

All educational materials and teaching techniques used by White Pine Academy may be subject to disclosure under the Code and the Freedom of Information Act.

30. Axios Charter HR, LLC Proprietary Rights. Axios Charter HR, LLC owns all proprietary rights over curriculum, educational or White Pine Academy management materials:

- a) previously developed or copyrighted by Axios Charter HR, LLC or
- b) curriculum, educational or White Pine Academy management materials that are developed by Axios Charter HR, LLC funds for White Pine Academy or
- c) materials that are not otherwise dedicated for the specific purpose of developing White Pine Academy curriculum, educational or White Pine Academy management materials.

All educational materials and teaching techniques used by White Pine Academy are subject to disclosure under the Code and the Freedom of Information Act.

31. Employment Liability. Axios Charter HR, LLC is the employer of record for employee compensation, collection of payroll taxes and withholdings, worker's compensation and unemployment liability and payment of benefits, all of which are set forth in this Agreement.

32. Marketing and Development. Should Axios Charter HR, LLC provide marketing and development services to White Pine Academy, the cost paid by or charged to White Pine Academy shall be limited to those costs specific to the White Pine Academy program and shall not include any costs for the marketing and development of Axios Charter HR, LLC.

33. Compliance with Saginaw Valley State University Contract. White Pine Academy and Axios Charter HR, LLC intend for this Agreement to comply with the Contract issued by Saginaw Valley State University to White Pine Academy and the Education Service Provider Policies issued by Saginaw Valley State University's Charter Schools Office. To the extent any provision of this Agreement is inconsistent with the Contract or Policies, that provision is invalid and the Contract and Policies shall govern. Any additional costs of compliance because of changes mandated by Saginaw Valley State University will be borne by White Pine Academy and subject to Axios Charter HR, LLC's ability to perform. If the additional costs are deemed excessive by the White Pine Academy Board, and the matter cannot be resolved, it may opt out of this Agreement by giving 90 days written notice. Axios Charter HR, LLC, when performing services at the Academy, agrees to comply with the requirements of the Contract to the extent that Axios Charter HR, LLC is performing services on the Academy's behalf.

34. Information Available to Academy. Axios Charter HR, LLC agrees to make information available to the Academy as deemed necessary by the Board in order to enable the Academy to fully satisfy its obligations under Section 7.4 of this Contract and also at least the information that a school district is required to be disclosed under MCLA 388.1618 for the most recent fiscal year for which that information is available. The Academy and Axios Charter HR, LLC agree that they will make available the information required in section 503(6)(m) of the Code, MCL 380.503(6)(m), available to the public and the Authorizer.

35. Academy Chief Administrative Officer. Axios Charter HR, LLC and No Axios Charter HR, LLC employee shall be designated as the Chief Administrative Officer (CAO) of the Academy, although such employee may be a designee of the CAO for certain purposes enumerated by Board action. The CAO of the Academy shall be a member of the Board designated by the Board.

36. Notice to Academy. Axios Charter HR, LLC shall notify the Board if any principal or officer of Axios Charter HR, LLC, or Axios Charter HR, LLC (including any related organizations or organizations in which a principal or officer of Axios Charter HR, LLC served as a principal or officer) as a corporate entity, has filed for bankruptcy protection in the last six (6) months or within any applicable preference period, whichever is longer.

37. Information Available to Authorizer and Public. In order for the Academy to comply with section 503(6)(l) of the Code, MCLA 380.503(6)(l), Axios Charter HR, LLC agrees that it will make available information concerning its operation and management of the Authorizer and the public the information required under MCLA 380.503(6).

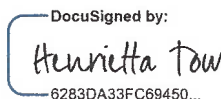
This Agreement is executed as of the date first written above.

Axios Charter HR, LLC

By: 

Its: President

White Pine Academy

By:  DocuSigned by:
Henrietta Dow
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Its: President

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