

INDEPENDENT CONTRACTOR AGREEMENT

This Independent Contractor Agreement (the "Agreement") is made and entered into as of July 1, 2018 by and between CSP MANAGEMENT, INC., a Michigan corporation d/b/a PARTNER SOLUTIONS FOR SCHOOLS ("Partner Solutions") and CONNER CREEK ACADEMY EAST, a Michigan public school academy (the "Academy") formed under Part 6(A) of the Revised School Code (the "Code"), as amended, being MCL §380.501 to §380.507. CSP MANAGEMENT, INC. is currently a wholly owned corporation of CS PARTNERS, LLC, a Michigan limited liability company.

The Academy is a charter school organized as a public school academy under the Code. The Academy has been issued a contract (the "Contract") by the BOARD OF TRUSTEES OF FERRIS STATE UNIVERSITY (the "Authorizer") to organize and operate a public school academy. The Authorizer is the statutory authorizing body. The Code permits a public school academy to contract with persons and entities for the operation and management of the public school academy.

Partner Solutions represents and warrants that it is a duly organized Michigan for-profit corporation, in good standing, and that Partner Solutions (its officers, employees and agents) has the educational background, managerial experience, expertise, training, capacity, qualifications, and financial resources to provide the Services contemplated under this Agreement.

The Academy and Partner Solutions desire to enter into an independent contracting relationship whereby Partner Solutions will be engaged to provide the personnel and business services through the School Leader as set forth in this Agreement (the "Services"). This Agreement between the Academy and Partner Solutions sets forth the understandings with respect to the relationship between them, the scope of their relationship and the limitations on the relationship between the parties.

The Academy and Partner Solutions further state that Partner Solutions shall have full and unfettered authority to hire and fire people to fulfill the contractual terms and conditions as set forth herein, without any involvement, control or direction of the Academy.

THEREFORE, in consideration of the mutual promises contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by each of the parties, the parties agree as follows:

ARTICLE I

Relationship of the Parties and Other Matters

- A. Authority. The Academy represents that (a) it is authorized by law to contract with a private entity for the provision of educational personnel and business services to the Academy, (b) it has been issued a Contract from the Authorizer to organize and operate a public school academy, (c) it is authorized by the Authorizer to supervise and control the Academy, and (d) it is vested with all powers necessary or desirable for carrying out the duties contemplated in this Agreement.

To the extent permitted by law, the Academy hereby authorizes and grants to Partner Solutions the necessary authority and power to perform under this Agreement. No provision of this Agreement shall interfere with the Board's statutory, contractual, and fiduciary responsibilities, nor shall any provisions of this Agreement be construed so as to prohibit the Academy from acting as an independent, self-governing public body.

- B. Relationship of the Parties. Partner Solutions is not a division, subsidiary or any part of the Academy. The Academy is a corporate and governmental entity authorized under the Code. The Academy is not a division or any part of Partner Solutions. The relationship between the parties

hereto was developed and entered into through arms-length negotiation and is based solely on the terms of this Agreement.

- C. Educational Program. The Board retains the responsibility for determining the fiscal and academic policies that will govern the operation of the Academy, as well as the development and implementation of all curriculum and educational programming for the Academy. The Board is responsible for the monitoring and the accountability for academic outcomes and shall notify Partner Solutions of any dissatisfaction with these outcomes.
- D. Compliance with Section 503c. On an annual basis, Partner Solutions agrees to provide the Board with the same personnel and business information that a school district is required to disclose under section 18(2) of the State School Aid Act of 1979, MCL 388.1618, for the most recent school fiscal year for which the information is available. Within thirty (30) days of receipt of this information, the Board shall make the information available on the Academy's website home page, 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.
- E. Partner Solutions as Independent Contractor: The Board is the governing body with managerial authority and responsibility over the Academy. Under the policy direction of the Board, and in the performance of Services under this Agreement, Partner Solutions (its officers, directors, employees, and designated agents) shall be regarded at all times as performing services as independent contractors for the Academy.
 - 1. Consistent with that status, Partner Solutions reserves to itself the right to designate (to the extent consistent with the Contract and controlling law) the means and methods of accomplishing the objectives and purposes of this Agreement and the Academy shall not exercise (or have the right to exercise) control or direction over the means and methods utilized by Partner Solutions in providing services under this Agreement.
 - 2. To enable the Academy to comply with its reporting obligations under the Michigan Public School Employees Retirement Act, 1980 PA 300, as amended, Partner Solutions: (a) shall promptly notify the Academy in writing of the identity of any individual assigned by Partner Solutions to perform services at the Academy who is a retirant from the Michigan Public School Employees Retirement System (MPERS); and (b) shall provide information on a pay period basis regarding any such individual's wages or amounts paid and hours of service under this Agreement, as necessary for the Academy to report on a schedule and in such manner as may be determined from time to time by MPERS. MCL 38.1342(6).
- F. No agent or employee of Partner Solutions shall be determined to be an agent or employee of the Academy, except as expressly acknowledged, if at all, in writing, by the Academy.
- G. Partner Solutions agrees that it shall not impose any contractual requirement or contractual obligation on any of its employees assigned to the Academy to enter into a non-compete provision or agreement.
- H. Notwithstanding the foregoing, Partner Solutions and its employees are hereby irrevocably designated as "School Officials" under the Family Educational Rights and Privacy Act, 20 U.S.C. §1232(g), and its implementing regulations during the Term of this Agreement, to the extent Partner Solutions has access to student records in providing the Services.

- I. During the Term of this Agreement, the Academy may disclose confidential data and information to Partner Solutions and its respective officers, directors, employees and designated agents or Partner Solutions and its related entities, may access, confidential data and information, to the extent permitted by Academy Board Policies and applicable law, including without limitation, the Family Educational Rights and Privacy Act, 20 USC §1232g, 34 CFR Part 99; Section 1136 of the Michigan Revised School Code, MCL 380.1136; the Individual 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 American 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.
- J. No Related Parties or Common Control. The parties hereby agree that none of the voting power of the governing body of the Academy or the Board will be vested in Partner Solutions or its directors, members, managers, officers, shareholders, or employees. Further, the Academy and Partner Solutions are not, and shall not become: (a) members of the same controlled group, as that term is defined in the Internal Revenue Code of 1986, as amended (the "IRS Code"); or (b) related persons, as that term is defined in the IRS Code.
- K. Compliance with Academy's Contract. Partner Solutions 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 Authorizer. The provisions of the Academy's Contract shall supersede any competing or conflicting provisions contained in this Agreement.
- L. Lease and Loans. If the Academy and Partner Solutions enter into a lease, execute promissory notes or other negotiable instruments, or enter into a lease-purchase agreement or other financing relationship, then such agreements must be separately documented and separately approved and shall not be a part of or incorporated into this Agreement.
- M. The Board. The Board is the governing body with oversight responsibilities over the Academy. The Board is responsible for the monitoring and the accountability for academic outcomes. The parties acknowledge that throughout this Agreement the term "Board" and the term "Academy" are sometimes used interchangeably in some sections for the sole purpose of readability based on the nature and subject-matter of the article/section. This Agreement is executed by a duly authorized member of the Board (on behalf of the Academy), and by so executing this Agreement the Board acknowledges and accepts all obligations and responsibilities related to the Board as set forth in this Agreement.

ARTICLE II

Term

- A. Term. This Agreement shall be effective for the duration of the Academy's current authorizing contract with the Authorizer (the "Term"), subject to earlier termination under Article VI. The Term will be for a three (3) year period beginning July 1, 2018 and ending June 30, 2021 (the "Term"), subject to earlier termination under Article VI.

ARTICLE III Compensation and Reimbursement of Costs

- A. Services Fee. During the Term of this Agreement, the Board shall pay Partner Solutions an annual fee of three and a half percent (3.5%) as a percentage of total gross wages paid to staff employed and assigned by Partner Solutions to perform Services for the Academy (the "Fee").

Additionally, during the Term of this Agreement, for Business Services as described under Exhibit A, the Board shall pay Partner Solutions a flat fee of \$102,500 per annum (paid in 12 monthly installments); however, in the event Academy through its own personnel provides all of the following services to complement Partner Solutions' provision of the Business Services a \$50,000 credit will be given by Partner Solutions (applied annually in 12 monthly installments):

- a) Accounts Payable
- b) Check disbursement
- c) Monitor expenditures against budget
- d) Maintain student activity and special revenue accounts
- e) Monthly presentation of FS to board.
- f) IDEA draws
- g) Title 1 grant draws and compliance
- h) School deposits
- i) Budget planning with school leadership

The parties agree that each component of the Fee amount is reasonable compensation for the provision of the Personnel Services (set forth in the first paragraph of this Section A) and the Business Services (set forth in the second paragraph of this Section A).

- B. Payment of Costs. In consideration of the Services provided to the Academy by Partner Solutions under this Agreement, the Academy will pay Partner Solutions, on an at-cost basis for properly invoiced salary, benefits, and other costs attributable to personnel employed by Partner Solutions and assigned by Partner Solutions to perform Services at the Academy under this Agreement, including but not limited to gross wages, FICA, Medicare, FUTA, SUTA, Workers' Compensation Insurance, Professional Liability Insurance, employer portions of health, dental, vision and life insurance, and 401K employer contributions (if applicable). In addition to the Fee, the Academy shall reimburse Partner Solutions for all costs reasonably incurred and paid by Partner Solutions in providing the Services as specified in this Agreement. Such costs include, but are not limited to, all employment costs of Partner Solutions' employees assigned to the Academy, employment ads, recruiting fees, background screening fees, Concentra testing fees, job fair booth fees, substitute charges/fees, and other expenses for equipment, software, supplies, food service, transportation, special education, psychological services, and medical services. In paying such costs on behalf of the Academy, Partner Solutions shall not charge an added fee (or mark-up). The Academy will forward to Partner Solutions the funds to pay all costs of the Services provided pursuant to this Agreement. No corporate costs of Partner Solutions shall be charged to, or reimbursed by, the Academy. Marketing and development costs paid by or charged to the Academy (if any) shall be limited to those costs specific to the Academy program and shall not include any costs for the marketing and development of Partner Solutions.

- C. Payment. Partner Solutions shall be in receipt of funds for payroll expenses no later than the third business day preceding each payroll date for Partner Solutions' employees performing services at the Academy. Said funds will be received by Partner Solutions via a wire transfer, either initiated

by the Academy or by Partner Solutions, whichever is agreed upon by both parties. All other expenses incurred by Partner Solutions will be paid by the Academy by the 15th day of the month following the month the expenditure was incurred by Partner Solutions. Notwithstanding any other term or provision in this Agreement to the contrary, in the Board's discretion, the Academy may pay fees for costs incurred by Partner Solutions. However, documentation of all expenses must be invoiced to the school and supported with back-up documentation. Documentation for all staffing costs will be broken down by each Partner Solutions' employee.

If the Payroll Cost funding is not received in full 3 business days prior to the payroll date, payroll will not be processed until full payment is received from the Academy, unless prior arrangements have been made in writing between the Academy and Partner Solutions. If the Payroll Costs have not been funded by the Academy, the Partner Solutions' employees assigned to the Academy and the Board will be notified that payroll will only be processed as soon as Academy funds have been received. If Payroll Costs have not been paid by the Academy by the payroll date, Partner Solutions may send lay-off notices to Partner Solutions employees assigned to the Academy. At that time, Partner Solutions will also provide the Academy an invoice for all accrued and unpaid wages for employees assigned to the Academy for immediate payment. For purposes of this Agreement the ("payroll date") shall be that date or dates established annually by Partner Solutions.

- D. Availability of Funds. Notwithstanding any other term or provision in this Agreement to the contrary, Partner Solutions shall not be, directly or indirectly, liable to any third party for any cost or expense incurred by the Academy, and Partner Solutions shall only be required to perform its responsibilities under this Agreement to the extent the Academy has funds available for payment to any third party.
- E. Other Institutions. The Academy acknowledges that Partner Solutions may enter into agreements similar to this Agreement with other public or private educational schools or institutions (the "Institutions"). Partner Solutions shall maintain separate accounts for reimbursable expenses incurred on behalf of the Academy and for reimbursable expenses incurred on behalf of the Institutions. Partner Solutions shall only charge the Academy for expenses incurred on behalf of the Academy.

If Partner Solutions incurs reimbursable expenses on behalf of the Academy and the Institutions which are incapable of precise allocation between the Academy and the Institutions, then Partner Solutions shall allocate such expenses among the Institutions and the Academy, on a pro-rata basis, based on the number of students enrolled at the Academy and the Institutions, or upon such other equitable basis as agreed by the parties.

- F. Access to Records. Partner Solutions shall keep accurate financial records pertaining to the personnel and business services provided to the Academy, together with all necessary records prepared by or in the possession of Partner Solutions, and retain all of said records in the manner and for the duration required by the State of Michigan and federal law. In no event shall it be less than a period of five (5) years from the close of the fiscal year to which such books, accounts and records relate. All finance and other records of Partner Solutions related to the Academy (if any) will be made available to the Academy and the Academy's independent auditor whom shall be solely selected by the Academy Board. Partner Solutions and the Academy shall maintain the proper confidentiality of personnel and other records as required by law. All records shall be kept in accordance with applicable state and federal requirements. The financial, educational and student records pertaining to the Academy are Academy property and such records are subject to the Michigan Freedom of Information Act. All Academy records shall be physically or

electronically available, upon request, at the Academy's physical facilities. If Partner Solutions receives information that is part of a pupil's education records from any source as permitted under the Code, Partner Solutions shall not sell or otherwise provide the information to any other person except as provided under MCL 380.1136.

- G. Other Services. Since the Academy is hiring for personnel and business services only, the Academy shall be responsible for contracting with additional service providers in the event that the Academy needs additional support beyond the School Leader to improve student achievement, develop curriculum, improve classroom management, provide community outreach/marketing services, or other assistance.
- H. Proprietary Rights. The Academy owns all proprietary rights to curriculum or educational materials that (i) are both directly developed and paid for by the Academy; or (ii) were developed by Partner Solutions at the direction of the Academy Board with Academy funds.

ARTICLE IV PERSONNEL SERVICES

- A. Personnel Responsibility. Partner Solutions has the authority to select, discipline and transfer personnel, consistent with applicable laws. The Academy is responsible for ensuring that the School Leader has all budget information necessary so that personnel costs fall within the parameters of the Academy's approved budget. The School Leader (as defined below) shall be responsible for approving and submitting appropriate hours-worked reports for all hourly employees. Evaluation and compensation systems shall be selected by the Academy and shall comply with all applicable laws.
- B. School Leader. The Board or its designee shall identify and appoint a School Leader to administer the Educational Program at the Academy (the "School Leader"), subject to Partner Solutions' approval. In the alternative, the Board may elect to contract with a third party to identify a School Leader to administer the Educational Program at the Academy, subject to Partner Solutions and Board approval. The School Leader will be an employee of Partner Solutions and a liaison to the Board. The School Leader will serve as the on-site supervisor to staff. The School Leader shall be responsible for supervising and managing the Educational Program and instruction of students. The School Leader will hold all required certifications as required by the School Code.

If the Board becomes dissatisfied with the performance of the School Leader, it shall state the causes of such dissatisfaction in writing and deliver it to Partner Solutions. Partner Solutions shall have a reasonable period of time to remedy the dissatisfaction; however, if it cannot remedy the dissatisfaction, Partner Solutions shall remove and replace the School Leader at the Academy as soon as practicable. Additionally, it is agreed that any dissatisfaction of the Board shall be reasonable in nature and related specifically to the duties and responsibilities of the School Leader at the Academy.

- C. Teachers and staff. Partner Solutions will provide administrative support to the School Leader to obtain resumes and credential information for the School Leader to staff the Academy. Partner Solutions will empower the School Leader with the authority to select and hold accountable the teachers and support staff for the operation of the Academy. After qualified staff are selected by the School Leader, Partner Solutions will onboard and provide additional administrative support to the School Leader.
- D. Criminal Background Checks. Partner Solutions, through the School Leader, shall conduct

criminal background checks and unprofessional conduct checks on its employees, as required by law, that are assigned to the Academy, as if it were a public school academy under the Code. Partner Solutions agrees that it shall not assign any of its employees, agents or other individuals to perform any services under this Agreement except as permitted under Sections 1230, 1230a, 1230b and related provisions of the Code pertaining to criminal background checks and criminal conduct. Partner Solutions shall require that the results of the criminal background check are received, reviewed, and used (subject to a verification process) by the School Leader, acting on behalf of the Academy and/or the Board, only as permitted by law to confirm that the individual does not have a criminal history and to evaluate the qualifications of the individual for his/her assignment. Partner Solutions will follow all applicable laws as it relates to this Section D.

- E. Employer of Personnel. Compensation of all employees of Partner Solutions shall be paid by Partner Solutions. For purposes of this Agreement, "compensation" shall include salary, fringe benefits, and state, federal, local, and social security tax withholdings. Partner Solutions shall be responsible for paying its portion of social security, unemployment, and any other taxes required by law to be paid on behalf of its employees assigned to the Academy. Unless required by applicable statute, court or administrative decision, or Attorney General's opinion, Partner Solutions shall not make payments to the Michigan Public School Employees' Retirement System or any other public retirement system on behalf of its employees. Teachers employed by Partner Solutions shall not be considered teachers for purposes of continuing tenure under MCL §38.71 et. seq.
- F. 401K Plan Administration. Partner Solutions will complete and sign all necessary 401K regulatory and plan documents as required by law and duties as fiduciary agent of the plan.

ARTICLE V FINANCIAL SERVICES

- A. Review of Budget. Partner Solutions shall propose an annual budget for the Academy to the Academy's Chief Administrative Officer ("CAO") and the Board. The Board shall review, revise, and timely approve the annual budget. The Academy's CAO shall not be an employee of Partner Solutions but shall be a member of the Academy Board. The Board and School Leader shall remain ultimately responsible for any and all budgeting, accounting, bookkeeping, payments, and all financial decisions.
- B. Financial Services. Partner Solutions shall provide the Board with:
1. a projected annual budget prior to July 1st of each school year, related to the Services in accordance with the Contract and the Educational Program;
 2. detailed monthly statements (or as requested by the Board) no more than thirty (30) days after month's end. Financial statements will be provided as directed by the Board within reason prior to each Board meeting to allow time for all Board members to review the information prior to the meeting. These financial statements shall include: a balance sheet, a statement of revenues, expenditures and changes in fund balance at object level detail with comparison of budget-to-actual and explanations of variance, and a cash flow statement. These statements shall include all revenues received, from whatever source, with respect to the Academy, and detailed budgets with statements of all direct expenditures (with details) for the Services rendered to or on behalf of the Academy, whether incurred on-site or off-site;
 3. facilitate the annual audit in compliance with applicable laws showing the manner in which funds are spent at the Academy, however, it is acknowledged that only the Academy shall

select and retain independent auditors and the Academy shall contract directly with any auditor of its choice, and Partner Solutions will cooperate with the production of any and all documents necessary for the audit. Any such audit shall be the property of the Academy; and,

4. other information as reasonably requested by the Board to enable the Board to monitor Partner Solutions' performance under the Agreement.

- C. Academy Funds. All funds received by the Academy shall be placed in the Academy's depository account as required by law. The signatories on the Academy Board accounts shall solely be Academy Board members or properly designated Academy Board employees. Interest income earned on Academy accounts shall accrue to the Academy.
- D. Purchases. If Partner Solutions purchases equipment, materials and supplies on behalf of or as the agent of the Academy, such equipment materials and supplies shall be and remain the property of the Academy. Partner Solutions shall comply with the Revised School Code including, but not limited to, sections 1267 and 1274 as if the Academy were making these purchases directly from a third party supplier. Partner Solutions shall not include any added fees or charges with the cost of equipment, materials and supplies purchased from third parties.
- E. Academy's Rights to Curriculum and Educational Materials. The Academy shall own, without restriction, all proprietary rights to curriculum and educational materials that: (a) are or were directly developed by the Academy and paid for with Academy funds; or (b) are or were developed by Partner Solutions at the direction of the Board using Academy funds.
- F. Partner Solutions' Rights to Curriculum and Educational Materials. Partner Solutions shall own, without restriction, all curriculum and educational materials, and all other proprietary information owned by, developed by or otherwise in the possession of Partner Solutions, except as set forth in this Article.

ARTICLE VI Termination

- A. Termination by Partner Solutions. Partner Solutions may terminate this Agreement prior to the end of the Term in the event the Board fails to remedy a material breach within the required time frames below or it is determined that Partner Solutions is required to pay MPSERS. A material breach includes, but is not limited to, Partner Solutions' failure to receive, for any reason, compensation or reimbursement as required by the terms of this Agreement. Partner Solutions may also immediately terminate this Agreement with no additional liability or responsibility upon the occurrence of the following:
 1. The Academy files for bankruptcy or becomes insolvent;
 2. The facility where employees are working is closed permanently;
 3. The Academy requests a reduction in workforce;
 4. The Academy or its successors and assigns discontinue operations;
 5. The Academy is a financially distressed business as set forth in the Worker Assistance and Retraining Notification Act; or,
 6. The Academy is being shut down or closed by the State of Michigan or the Authorizer.

The Academy has until the Payroll Date to fund payroll or to reach an agreement with Partner Solutions on the payment of those funds.

Partner Solutions may also terminate this Agreement if the Academy makes decisions regarding personnel inconsistent with the recommendations of Partner Solutions and/or there is a substantial and unforeseen increase in the cost of administering services of this Agreement. The Academy has thirty (30) days after notice from Partner Solutions to remedy this type of breach.

Termination prior to the end of the Term shall not relieve the Academy of any financial or other obligations to Partner Solutions outstanding as of the date of termination. Failure by Partner Solutions to (a) declare a breach, (b) place the Academy on notice thereof, or (c) fail to exercise or exert any remedy available to Partner Solutions under this Agreement or applicable laws, shall not be deemed a waiver of Partner Solutions' rights and remedies whatsoever.

Notwithstanding the foregoing, Partner Solutions may terminate this Agreement without cause and without penalty to be effective upon completion of an academic year provided that Partner Solutions delivers written notice of intention to terminate to the Academy at least ninety (90) days prior to the end of the then-current academic year.

- B. Termination by Academy. The Academy may terminate this Agreement prior to the end of the Term in the event that Partner Solutions fails to remedy a material breach within the required time frames below. A material breach includes, but is not limited to: (a) material failure by Partner Solutions to reasonably account for its expenditures; (b) material failure by Partner Solutions to provide the services as required by this Agreement; (c) a determination has been made by some governmental entity or administrative agency or court of law that Partner Solutions is required to participate in MPSEERS; and/or (d) any action or inaction by Partner Solutions that places the Contract in jeopardy of revocation, suspension or termination, as evidenced by written notification from the Authorizer.

Partner Solutions has ten (10) days after notice from the Academy to remedy a breach that involves the non-payment of funds for all "compensation" required for payroll (provided that Partner Solutions has received such funds from the Academy to do so) or to reach an agreement with the Academy on the payment of those funds, Partner Solutions has thirty (30) days after notice from the Academy to remedy all other breaches. Upon expiration of this Agreement, or termination for any reason, all amounts due to Partner Solutions shall immediately become due and payable by the Academy, unless otherwise agreed in writing by Partner Solutions.

Notwithstanding the foregoing, the Academy may terminate this Agreement without cause and without penalty to be effective upon completion of an academic year provided that the Academy delivers written notice of intention to terminate to Partner Solutions at least ninety (90) days prior to the end of the then-current academic year.

- C. Revocation or Termination of the Charter Contract. If the Academy's Contract issued by the Authorizer is revoked or terminated, or a new Charter Contract is not issued to the Academy after expiration of the Contract, this Agreement shall automatically be terminated, as the case may be, on the same date as the Academy's Contract is revoked, terminated or expires without further action of the parties. Notwithstanding the foregoing, the Academy shall provide immediate written notice to Partner Solutions of such Contract termination.
- D. Amendment Caused By Academy Site Closure or Reconstitution. In the event that the Academy is required (i) to close an Academy site pursuant to a notice issued by the State School Reform/Redesign Officer 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 Section 10.4 of the Contract Terms and Conditions, 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 Partner Solutions shall have no recourse against the Academy or the Authorizer Board for implementing such site closure or reconstitution.

- E. Change in Law. If any federal, state or local law or regulation, or court or administrative decision, or attorney general's opinion (collectively referred to in this Agreement as the "applicable laws") has a substantial and material adverse impact (as reasonably determined by the party suffering the impact) on the ability of the impacted party to carry out its obligations under this Agreement, then the impacted party, upon written notice, may request a renegotiation of this Agreement. If the parties are unable or unwilling to successfully renegotiate the terms of this Agreement within ninety (90) days after the notice, and after making good faith efforts which shall include, but not be limited to, the use of a third party arbitrator and/or alternative dispute resolution process, the impacted party may terminate this Agreement as of the end of the then-current academic year.
- F. Transition. In the event of any termination prior to the end of the Term of this Agreement, Partner Solutions shall provide the Academy reasonable assistance for up to thirty (30) days to assist in the orderly transition to another service provider or to a self-managed school. Notwithstanding the foregoing, Partner Solutions shall not be obligated to provide such reasonable assistance if the reason for the termination was the documented willful misconduct of the Academy which resulted in financial damages to Partner Solutions exceeding \$10,000, as reasonably determined by Partner Solutions.
- G. Obligations upon Termination or Expiration. Upon any termination or the expiration of this Agreement, the parties shall remain obligated for all financial or other obligations due at the time of the termination or expiration.

ARTICLE VII

Indemnification & Cooperation

- A. Indemnification of Partner Solutions. To the extent permitted by law, the Academy shall indemnify, save, and hold harmless Partner Solutions and all of its employees, officers, directors, subcontractors, and agents against any and all claims, demands, suits or other forms of liability that might arise out of or by reason of any noncompliance by the Academy with any agreements, covenants, warranties or undertakings of the Academy contained in or made pursuant to this Agreement, and any misrepresentations or breach of the representations and warranties of the Board and the Academy contained in or made pursuant to this Agreement

In addition, the Academy shall indemnify, save, hold harmless, and reimburse Partner Solutions for any and all legal expenses and costs associated with the defense of any such claim, demand or suit, including any claim for failure to pay wages or overtime based on the hours worked reports approved and submitted by the School Leader. The Academy agrees to advance to Partner Solutions all costs, actual attorneys' fees, actual experts' fees, and similarly related expenses immediately upon request so that Partner Solutions is not required to pay such expenses out of its own funds. If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by the Academy. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of the Academy.

- B. Indemnification of the Academy. Partner Solutions shall indemnify, save, and hold harmless the Academy and all of its employees, officers, directors, subcontractors, and agents against any and all lawsuits and causes of action that may arise out of, or by reason of any noncompliance by Partner Solutions with any agreements, covenants, warranties, or undertakings of Partner Solutions contained in or made pursuant to this Agreement, and any misrepresentation or breach of the Agreement. The Academy agrees that for any claim for indemnification made by the Academy, to the extent the interests of Partner Solutions and the Academy are aligned, the parties agree to coordinate a defense to minimize the costs of such defense. To the extent Partner Solutions shall be responsible for indemnification of the Academy, Partner Solutions shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which Partner Solutions and the Academy are defended. Notwithstanding the foregoing, in no event shall Partner Solutions indemnify the Academy for the attorney fees accrued by the Board in the regular course of business.

To the extent the parties are coordinating a defense, the parties shall utilize shared counsel which shall be paid for by Partner Solutions and no reimbursement of any costs or fees shall be necessary. Partner Solutions may reimburse the Academy for pre-approved legal expenses and costs associated with the defense of any such claim, demand, or suit which are not otherwise covered by the shared defense. If desired, all or part of the indemnification obligations set forth in this section may be met by the purchase of insurance by Partner Solutions. The indemnification in this Section shall also specifically apply, without limitation, to any current claims or litigation at the time this Agreement is executed, as well as any future or additional claims or litigation regarding any prior activities of Partner Solutions.

- C. Indemnification for Negligence. To the extent permitted by law, each party to this Agreement shall indemnify and hold harmless the other, and their respective boards of directors, partners, officers, employees, agents, and representatives, from any and all claims and liabilities which they may incur and which arise out of the negligence of the other party's trustees, directors, officers, employees, agents, or representatives.
- D. Mutual Duty to Cooperate. The parties acknowledge that each party has a duty and obligation to cooperate with the other party, and further that such duty to cooperate is a material part of this Agreement. The purpose of the duty to cooperate is to enable each party to perform its obligations as efficiently as possible. The duty to cooperate shall include all areas of the business of the Academy and the Services. The duty to cooperate also includes reasonable assistance in the event of litigation or a dispute involving a party related to the Academy or the Services provided, such as provision of testimony, records and/or documents reasonably related to the litigation or dispute (which are not otherwise protected from disclosure).
- E. Indemnification of Authorizer. The parties acknowledge and agree that the Authorizer, FERRIS STATE UNIVERSITY, its Board of Trustees, and its members, officers, employees, agents or representatives (collectively "Authorizer") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, Partner Solutions hereby promises to indemnify, defend and hold harmless the Authorizer from and against all claims, demands, 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) of settlement and prosecution imposed upon or incurred by the Authorizer, and not caused by the sole negligence of the Authorizer, which arise out of or are in any manner connected with the Authorizer Board's

approval of the Academy's application, the Authorizer Board's consideration of or issuance of a Contract, Partner Solutions' preparation for and operation of the Academy, or which are incurred as a result of the reliance by the Authorizer upon information supplied by Partner Solutions, or which arise out of Partner Solutions' failure to comply the Contract or Applicable Law. The parties expressly acknowledge and agree that the Authorizer may commence legal action against Partner Solutions to enforce its rights as set forth in this Agreement. The Authorizer agrees that for any claim for indemnification made by the Authorizer, to the extent the interests of Partner Solutions and the Authorizer are aligned, the parties agree to coordinate a defense to minimize the cost of such defense. To the extent Partner Solutions shall be responsible for indemnification of the Authorizer, Partner Solutions shall have the right to select the attorneys of its choice and to make all decisions and in every respect control the manner in which Partner Solutions and the Authorizer is defended.

ARTICLE VIII

Insurance

- A. Academy Insurance. The Academy will secure and maintain general liability and umbrella insurance coverage. This coverage will include the building and related capital facilities if they are the property of the Academy. The Academy will maintain such insurance in an amount and on such terms as required by the provisions of the Contract, including the indemnification of Partner Solutions required by this Agreement, and naming Partner Solutions as an additional insured. The Academy will, upon request, present evidence to Partner Solutions that it maintains the requisite insurance in compliance with the provisions of this section; Partner Solutions will comply with any information or reporting requirements applicable to the Academy under the Academy's policy with its insurer(s), to the extent practicable. Nothing in this Agreement is intended, nor shall be construed, as a waiver or relinquishment of any immunity from action or liability enjoyed by the Academy under controlling law.
- B. Partner Solutions Insurance. Partner Solutions will secure and maintain general liability and umbrella insurance coverage, with the Academy listed as an additional insured. Partner Solutions will maintain such policies of insurance as are required by the Contract and the Michigan Universities Self-Insurance Corporation ("M.U.S.I.C."), including the indemnification of the Academy as required by this Agreement. In the event that Authorizer or M.U.S.I.C. requests any change in coverage, Partner Solutions agrees to comply with any change in the type or amount of coverage as requested, within thirty (30) days after notice of the insurance coverage change. Partner Solutions will, upon request, present evidence to the Academy and Authorizer that it maintains the requisite insurance in compliance with the provisions of this section. The Academy will comply with any information or reporting requirements applicable to Partner Solutions under Partner Solutions' policy with its insurer(s), to the extent practicable.
- C. Workers' Compensation Coverage. Additionally, each party shall maintain workers' compensation insurance, as required by state law, covering their respective employees.

ARTICLE IX

Warranties and Representations

- A. Warranties and Representations of the Academy. The Academy represents to Partner Solutions that (a) it has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (b) its actions have been duly and validly authorized, and (c) it will adopt the necessary resolutions or expenditure approvals required for execution of this Agreement.

- B. Warranties and Representations of Partner Solutions. Partner Solutions represents and warrants to the Academy that (a) it is a Michigan corporation in good standing duly authorized to conduct business in the State of Michigan, (b) it has the authority under applicable laws to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, (c) its actions have been duly and validly authorized, and (d) it will adopt any and all resolutions required for execution of this Agreement.
- C. Mutual Representations and Warranties. Each party represents and warrants to the other party that except as disclosed in writing to the other party, to its knowledge, there are no pending actions, claims, suits, or proceedings, whether threatened or reasonably anticipated, against or affecting it, which if adversely determined would have a material adverse effect (as might be reasonably determined by the non-affected party if disclosed) on its ability to perform its obligations under this Agreement.

ARTICLE X

Alternative Dispute Resolution

- A. Mediation. 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 shall first be submitted to mediation for resolution in Macomb County. Both parties must mutually agree upon the mediator selected and shall participate in all meetings in good faith. The mediation shall be conducted in accordance with the rules of the American Arbitration Association seated in Macomb County, Michigan, with such variations as the parties and arbitrators unanimously accept. If a mediated resolution is reached, a written resolution agreement shall be executed and, upon the Authorizer's request, the mediated agreement shall be made available. The parties will share equally in the costs of the mediation including forum fees, expenses and charges of the mediator.
- B. Arbitration. If the mediation does not result in a mutually satisfactory compromise, then the matter shall be resolved by arbitration, and such procedure shall be the sole and exclusive remedy for such matters. Unless the parties agree upon a single arbitrator, the arbitration panel shall consist of three (3) persons. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association seated in Macomb County, Michigan, with such variations as the parties and arbitrators unanimously accept. The arbitrators' award shall be final and binding. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction, by any party, without the consent of the other party. The losing party shall pay the cost of arbitration, not including attorney fees. It shall be within the discretion and purview of the arbitrator or arbitration panel to award reasonable attorney fees to the prevailing party. The prevailing party shall be defined as the party who prevails in total.

A cause opinion (written explanation) shall be required as to the final decision. The Authorizer shall be notified of said decision, and upon the Authorizer's request, the cause opinion shall be made available.

ARTICLE XI

Miscellaneous

- A. Entire Agreement. This Agreement supersedes and replaces any and all prior written or oral agreements and understandings between the Academy and Partner Solutions. This Agreement, including Exhibit A, constitutes the entire agreement of the parties.

- B. Force Majeure. Notwithstanding any other sections of this Agreement, neither party shall be liable for any delay in performance or inability to perform due to acts of God or due to war, riot, embargo, fire, explosion, sabotage, accident labor strike, flood, terrorism, or other acts beyond its reasonable control.
- C. Governing Law. This Agreement and the rights of the parties hereto shall be interpreted according to the laws of the State of Michigan.
- D. Official Notices. All notices or other communications required by the terms of this Agreement shall be in writing and sent to the parties at the addresses set forth below. Notice may be given by certified or registered mail, postage prepaid, return receipt requested, or personal delivery. Notices shall be deemed to have been given on the date of personal delivery, or, if given by mail, the postmark date. Unless amended or updated in writing, the addresses of the parties hereto for the purposes of this Agreement shall be:

THE ACADEMY: Board President
 Conner Creek Academy East
 16911 Eastland
 Roseville, MI 48066

PARTNER SOLUTIONS:

c/o Maria Dockins
869 South Old US 23
Brighton, Michigan 48114

- E. Assignment. This Agreement shall not be assigned (a) by Partner Solutions, without prior consent of the Board, in writing which consent shall not be unreasonably withheld; or (b) by the Academy, without the prior consent of Partner Solutions, in writing, which consent shall not be unreasonably withheld. Partner Solutions may, without the consent of the Board, delegate the performance of but not responsibility for any duties and obligations of Partner Solutions hereunder to any independent contractor, expert or professional adviser. However, this Agreement is not assignable without prior notification to the Authorizer. Any assignment must be done in a manner consistent with the Authorizer's Educational Service Provider Policies.
- F. Amendment. This Agreement may only be amended in writing, signed by a duly authorized representative of each party and in a manner consistent with the Contract and the Authorizer's Educational Service Provider Policies.
- G. Effect of Headings. The underlined headings are included for convenience of the reader, and if the underlined headings are inconsistent with the other text the underlined text shall be disregarded.
- H. Tax Exempt Financing. If at any time the Academy determines that it is in the best interests of the Academy to obtain financing from the Michigan Public Educational Facilities Authority or any other type of financing that is tax-exempt pursuant to the IRS Code, then the parties hereby agree that this Agreement shall be automatically amended for the sole and limited purpose of compliance with Revenue Procedure 97-13, and/or its progeny. Any such automatic amendment shall be as limited as practicable, and the parties shall promptly execute a written agreement reflecting such amendment, but the failure of the parties to do so shall not affect the effectiveness of the automatic amendment referenced above; provided, however, that any such amendment shall be consistent with the Authorizer's Educational Service Provider Policies.

- I. Waiver. No waiver of any portion of this Agreement shall be deemed or shall constitute a waiver of any other provision, nor shall such waiver constitute a continuing waiver unless otherwise expressly stated in writing.
- J. Severability. The invalidity of any portion or term of this Agreement shall not affect the remaining portions or terms of this Agreement. In the event a portion or a term of this Agreement is deemed invalid, the parties shall cooperatively work together to modify the invalid portion or term as minimally as possible to cure the invalidity, while at all times preserving the spirit and purpose of the applicable portion or term.
- K. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns.
- L. No Third Party Rights. This Agreement is made for the sole benefit of the Academy and Partner Solutions. Except as otherwise expressly provided herein, nothing in this Agreement shall create or be deemed to create a relationship between the parties, or either of them individually with any third person, third party beneficiary, fiduciary, or the Authorizer.
- M. Survival of Termination. All representations, warranties, and indemnities made in this Agreement shall survive any termination or expiration of this Agreement without limitation.
- N. Delegation of Authority; Compliance with Laws. Nothing in this Agreement shall be construed as delegating to Partner Solutions any of the powers or authority of the Board which are not subject to delegation by the Board in accordance with all applicable laws. The parties agree to comply with all applicable laws.
- O. Execution. The parties may execute this Agreement by facsimile or in counterparts. A facsimile or photographic copy of this Agreement may be relied upon by either party, or any third party, as if it were an original signature copy. If this Agreement is executed in counterparts, the separate counterpart signature pages shall be combined and treated by the parties, or any third party, as if the separate counterpart signature pages were part of one original signature copy.
- P. Review by Independent Counsel. The parties agree that each has reviewed, or had the opportunity to review, this Agreement with its own independent legal counsel prior to the execution of this Agreement.

[SIGNATURE PAGE FOLLOWS]

The undersigned hereby execute this Agreement as of the date set forth first above.

THE ACADEMY:

CONNER CREEK ACADEMY EAST,
a Michigan public school academy

By: Dee Chye

Its: Board President

PARTNER SOLUTIONS:

CSP MANAGEMENT, INC.,
a Michigan corporation

By: Maria Dockins

Its: President

EXHIBIT A

The purpose of this Exhibit A is to set forth and define the Services to be provided by Partner Solutions to the Academy pursuant to the Agreement. Please check below which services will be provided to the Academy. *Each party must initial the bottom of this page.*

PERSONNEL SERVICES

- ☐ Process Payroll (Semi monthly check distribution, Direct Deposit offered, & customized reports that correspond to Michigan School Chart of Accounts)
- ☐ Benefit Administration – custom designed to meet your school's requirements. Full time benefits coordinator assists staff with all insurance questions and billing issues. (Options include: Health, Dental, Vision, Life, Retirement, Long Term Disability, Short Term Disability, Flexible Spending Account, In house HRA)
- ☐ Annual employee orientation meeting and staff meetings as needed and requested.
- ☐ Staff recruitment assistance
- ☐ Offers of Employment
- ☐ Annual projections of salary
- ☐ Benefit expensed for budgeting
- ☐ Employee Handbook and required personnel posters
- ☐ All state required personnel documentation
- ☐ Registration of Educational Personnel (REP) reporting to Michigan Department of Education
- ☐ Authorizer and MDE Audits
- ☐ 401(k) Administration and investment planning
- ☐ Workman's Compensation and Unemployment Insurance
- ☐ Special Education staff reporting to the ISD and MDE
- ☐ Cobra Administration
- ☐ Management and Training of AESOP, online substitute program if applicable

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MD
DC

BUSINESS SERVICES

The following business services will be provided by Partner Solutions unless provided by the Academy pursuant to Article III, Section A, second paragraph.

- ☐ Accounts Payable
- ☐ Check disbursement
- ☐ Monitor A/P against budget
- ☐ Maintain student activity and special revenue accounts
- ☐ Prepare monthly financial statements (to include: budget vs. actual, balance sheet, cash flow and check register)
- ☐ Monthly presentation of FS to board
- ☐ IDEA draws
- ☐ Title fund monthly review
- ☐ School deposits
- ☐ Budget planning with school leadership

The following business services will be completed by Partner Solutions under this Agreement.

- ☐ Review monthly financial statements before presentation to the board.
- ☐ Provide software and training to school accountant
- ☐ Cash planning
- ☐ Grant draws
- ☐ State Aid Deposits
- ☐ Bank Account Reconciliation (all accounts)
- ☐ State aid note planning and coordination
- ☐ Financial reports (SE-4096, SE-4094, FID, DS-4044, IDEA, GSRP, others as needed)
- ☐ Audit preparation
- ☐ Capitalization of assets/depreciation schedules
- ☐ Long term debt reporting
- ☐ Budget planning with school leadership (with school accountant)
- ☐ Annual qualifying statement with MDT

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