

## **EXCELLENT EDUCATION DEVELOPMENT MANAGEMENT AND ACCOUNTING SERVICES AGREEMENT**

This Management and Accounting Services Agreement (the “Agreement”) is entered into as of the 30th day of June 2021 (the “Effective Date”) by University Preparation Charter School at CSU Channel Islands, a California nonprofit public benefit corporation (“Client”), and Excellent Education Development, a California nonprofit public benefit corporation (“ExED”), with reference to the following facts:

### **BACKGROUND**

ExED is non-profit organization, that exists to advance the purpose of giving every child access to an excellent public education that opens the doors to opportunity and provides a pathway out of poverty for those in need.

ExED will support Client with an articulated suite of services (defined as the “Services below”) at a fixed monthly price in order to fulfill Client’s need for the financial expertise, skills and integrity required to operate at the highest level.

In furtherance of Client’s long-term financial and organizational initiatives, ExED may make additional services available based upon the periodic or specific needs of Client and in accordance with an agreed upon fee for such additional services.

ExED is driven to help Client create efficiencies and implement sound business practices that will allow Client’s leadership to direct more of their time and energy to the classroom.

ExED’s expectation is that Client will observe the highest standards in its governance and management, and that it will dedicate itself to delivering a high-quality education to its students.

ExED believes in sustained collaboration on Client’s work and has structured this management agreement to provide services for period that is longer than a single school year. During the initial school year covered by this Agreement, ExED will begin providing Client with services as of the Effective Date. Subsequently, this Agreement will renew and extend for one year periods, beginning next year, as described in more detail below. This structure allows ExED to attend to financial matters such as closing financial statements and audits that occur in subsequent school or fiscal years, and to prepare budgets for use in forthcoming years. This structure also offers consistency and predictability to ExED and Client and their respective staffs and governing boards.

Now therefore, in consideration of the premises, and of the mutual covenants and conditions contained herein, Client and ExED agree as follows:

#### **1. DEFINITIONS.**

The following terms will have the meanings ascribed to them herein:

- a. “ADA” means the average daily attendance, reported as required by the California Department of Education that must be filed by the Client with the State of California in accordance with applicable laws and regulations.
- b. “Additional Services” means any supplemental services to be provided by ExED at request of Client. If Additional Services are part of this Agreement, they are described in a Schedule entitled “Additional Services Scope of Work to be Performed by ExED” and attached hereto. Additional Services supplement the Basic Services provided by ExED under this Agreement.
- c. “Affiliate” means nonprofit corporations or limited liability companies that are controlled by or under common control with Client. In this Agreement, the following corporation(s) or limited liability companies are Affiliates of Client: Not Applicable.
- d. “Auditor” means an independent certified public accountant selected by Client to prepare annual audited financial statements for Client, as required by California Education Code 41020.
- e. “Basic Services” means the services provided by ExED as selected by Client and described in Schedule A.
- f. “Board” means the governing body of the Client.
- g. “Budget” means the current and future budgets of the Client prepared by ExED in coordination with the Client as described in this Agreement and adopted by the Board.
- h. “California Department of Education” means The California Department of Education, which is the governmental agency within the State of California that oversees public education.
- i. “Categorical Funding Applications” means State funding programs for which the Client may be eligible and apply for and not included within the Local Control Funding Formula (LCFF).
- j. “Chartering Authority” means the local school district or county office of education or state board of education that has issued a charter to Client to operate a School.
- k. “Client Administrator” means one or more Client staff or Board member(s) in leadership positions authorized to work with ExED with respect to the services outlined in this Agreement. Unless otherwise notified in writing, the Client Administrator herein shall be (i) the chief executive officer, executive director or equivalent, (ii) the presiding officer of the Board, and (iii) the principal or head of school for matters pertaining to any specific School operated by Client.
- l. “Confidential Information” means any and all technical and non-technical information including copyright, trade secret, and proprietary information, inventions, know-how, processes and algorithms, software programs, and software source documents. Confidential Information includes, without limitation, information acquired from a student information systems used to

maintain individual-level data (including student demographics, course data, discipline, assessments, staff demographics, staff assignments), financial information, procurement requirements, purchasing information, plans and personnel information of the parties, and student information as protected under the Family Educational Rights and Privacy Act (FERPA) and other privacy protection laws, as applicable to the operations of Client and ExED under this Agreement.

Confidential Information does not include information that: (a) is now publicly or generally known or available or that hereafter, through no act or failure on the part of the receiving party, or through any violation of law or contract becomes generally known or available; (b) is known to the receiving party at the time of receiving such information; (c) is furnished to others by the disclosing party without a restriction on disclosure; (d) is hereafter furnished to the receiving party by a third party without restriction on disclosure, where such third party legally obtained such information and the right to disclose it to the receiving party; or (e) is independently developed by the receiving party without violation of any legal rights which the disclosing party may have in such information.

- m. “Effective Date Year” means the calendar year in which the Effective Date occurs.
- n. “Fiscal Year” means the accounting period between July 1 and June 30.
- o. “myExED Portal” means the ExED client portal ([myexed.org](http://myexed.org)) and the associated applications made available to select Client staff via this website.
- p. “Notice of Non-Renewal” means written notice from Client, substantially in the form attached hereto as Exhibit 2, delivered to ExED no later than 60 days from delivery by ExED of a Notice of Terms Supplement, that Client will not be renewing ExED’s Services under this Agreement for the coming Fiscal Year.
- q. “Notice of Terms Supplement” means written notice from ExED, substantially in the form attached hereto as Exhibit 1, and delivered to Client no later than May 1 of each year following the Effective Date Year.
- r. “P-1/P-2” means the attendance reports that must be submitted to the State of California for ADA apportionment purposes.
- s. “Paycom” means the third-party human capital management software provider that Client has contracted with to provide payroll processing and other human resource services.
- t. “Paycom Alternate” means Paychex, a payroll processing service alternative to Paycom. If this box is checked with an “X”, Client has elected to use a Paycom Alternate for the term of this Agreement: X.
- u. “Proprietary Property of ExED” means all right, title and interest in and to the materials and systems developed and used by ExED in the performance of the

Agreement including, without limitation, all trade secrets, know-how, protocols, policies, specifications, software, forms, as well as additions and modifications thereto developed and/or used by ExED in the furtherance of its operations and in performance of its obligations under this Agreement. Proprietary Property also includes ExED work product, reports, templates, studies, specifications, business methods, tools, methodologies, techniques, solution construction aids, analytical frameworks, algorithms, products, documentation, abstracts and summaries thereof that do not contain or embody Client's Confidential Information. Proprietary Property includes "ExED Core Business Components," defined as those general skills, know-how, expertise, techniques, methodologies, processes, templates, and business methods that are acquired or developed during the performance of the Agreement and that are related to ExED's primary business, such as, by way of example, but not of limitation, methodologies and processes for managing school budgets and financial reporting, that do not contain or embody Client's Confidential Information. Proprietary Property also includes "ExED Knowledge Capital," which means ExED materials existing prior to commencement of the Agreement, or developed outside the scope of the Agreement, that are proprietary to ExED, and all associated intellectual property rights and any enhancements and modifications to such materials, whether or not such enhancements and modifications are developed as part of the Agreement.

- v. "School" means each charter school that Client has been authorized to operate by a Chartering Authority, which is actually operated by Client and included in the scope of the Services described herein.
- w. "Services" means the Basic Services and any Additional Services agreed upon by the parties as further described in Schedule A and additional Schedules (if applicable) attached hereto.
- x. "Standard Financial Reports" means the financial reports prepared by ExED for Client Administrators or the Board. See Schedule A for list of reports included.
- y. "State Budget" means the current budget of the State of California as approved and signed by the Governor of the State of California for the current Fiscal Year.
- z. "Term" means the period of time during which this Agreement is in effect between the parties, which shall commence as of the Effective Date (or, if the Client and ExED have an existing service agreement in effect on Effective Date, the date immediately after the expiration of such existing service agreement), and terminated upon receipt by ExED of the Client's Notice of Non-Renewal, unless and until earlier terminated in accordance with the terms and conditions hereof, and subject to any provisions which, by their express terms, survive expiration or termination of the Agreement.

## 2. THE SERVICES

- a. Basic Services. During the Term of this Agreement, ExED will provide Client with the Basic Services described on Schedule A. ExED shall provide Client a non-exclusive, non-assignable license to use the Proprietary Property of ExED solely for Client operations, at no additional cost, during the Term of this Agreement. Client specifically acknowledges that the Services do not include any services not specifically included on Schedule A (or additional schedules which outline Additional Services), including without limitation, those services expressly listed as Exclusions therein.
- b. Additional Services. Client may request ExED to provide additional Services. If ExED agrees to provide Additional Services, the Additional Services will be described in detail in a separate Schedule to be added to this Agreement and signed by authorized representatives of both parties. Charges, fees, responsibilities and obligations with respect to the Services will be adjusted as described in the separate schedule.
- c. Prior Term Services. Client may request ExED to provide services pertaining to a period prior to the Term of the Agreement or to prior Fiscal Years under Agreement (which request (i) is made to ExED after May 15<sup>th</sup> following the applicable Fiscal Year end, and (ii) not the result of ExED's default in the provision of such Services) ("Retroactive Services"). If ExED agrees to provide Retroactive Services, the services will be described in a separate schedule to be added to this Agreement as Schedule B and signed by authorized representatives of both parties. Charges, fees, responsibilities and obligations with respect to the Retroactive Services will be adjusted as described in that Schedule. For purpose of this Agreement, Retroactive Services shall be deemed to be Additional Services.
- d. Services to Affiliates. ExED is not providing any services to Affiliates of Client under this Agreement. Client shall cause its Affiliates to engage ExED for a separate scope of services or shall manage the financial affairs of its Affiliates without ExED assistance. If ExED has been engaged by one or more Affiliates to provide services, and Client has been designated to pay for such services (in lieu of paying higher rent, otherwise required for the Affiliate to pay directly, for example), Client agrees that ExED fees for such services will be billed to and due from Client. This direct billing and payment arrangement will be described in a separate agreement between ExED, the Client and the Affiliate, or, at ExED's election, a separate schedule to be added to this Agreement and signed by authorized representatives of both parties. Any termination or modification (including, without limitation through a Notice of Non-Renewal or Notices of Terms Supplements, respectively) applicable to this Agreement shall also apply to the rendering of services to such Client affiliate, unless the Client affiliate services are set forth in a separate agreement.

3. PAYMENT AND TERMS

- a. Fees and Charges. In addition to any other fees set forth herein, during the Term of this Agreement, Client will pay ExED a monthly fee of \$11,772.50 (i.e., \$141,270 per annum) for the Basic Services and reimburse ExED for its actual, reasonable out-of-pocket expenses incurred in providing the Basic Services as provided for in Schedule A. These out-of-pocket expenses will not exceed \$150 per month without prior, written authorization from the Client.
- b. One-Time Fee. Not Applicable
- c. Invoicing. ExED will automatically prepare a check for use in making ExED's payment on a monthly basis for execution by the person authorized by the Client to execute such checks.
- d. Payment Terms. Payment is due thirty (30) days from the date of delivery of the monthly invoice.
- e. Right to Suspend Performance. In the event of default or delay in payment greater than 30 days from the date of delivery of the monthly invoice, ExED reserves the right to suspend part or all of its performance of duties under this Agreement, including the rendering of Services, until all amounts for Services that are due and payable are paid in full. In the event Client disputes all or any portion of the invoice that is due, Client shall notify ExED in writing within 20 days of receipt of the invoice and initiate the dispute resolution process under Section 10 hereof, but shall pay the invoice in full, pending the outcome of such process.
- f. Taxes. Except as expressly stated in this Agreement, ExED and Client are responsible for any and all taxes on their respective incomes, and for payment and withholding of all applicable taxes, including but not limited to income, property and sales taxes.
- g. Late Payments. Payments made after the 30-day period set forth in Section 3.c. are subject to a late payment penalty equal to a monthly rate of 1%, not to exceed the maximum allowed under applicable law.
- h. Notice of Terms Supplement. The prices and related charges for the Services are subject to change each year, beginning June 30th of the year following the Effective Date Year. ExED shall deliver a Notice of Terms Supplement each year following the Effect Date Year, which Notice of Terms Supplement shall be in the form as attached hereto as Exhibit 1, and shall detail any applicable changes in Service prices, and related costs, including without limitation, with respect to expense reimbursements, and any other amendments, changes, or supplements to the terms and conditions of this Agreement. If Client determines not to renew ExED's Services under this Agreement, it shall timely deliver a Notice of Non-Renewal no later than 60 days from delivery by ExED of a Notice of Terms Supplement. Failure by Client to timely deliver a Notice of Non-Renewal shall be deemed to be Client's agreement to renewal of this Agreement, as modified by the terms and conditions contained in the Notice Terms Supplement.

4. RELATIONSHIP OF THE PARTIES

- a. Independent Contractors. ExED and Client are independent contractors. No representations or assertions shall be made nor actions taken by either party that would create any joint venture, partnership, employment, fiduciary, or trust relationship between the parties with respect to the subject matter of this Agreement. Except as may be expressly agreed upon in this Agreement or a Schedule attached hereto, neither party has any authority or power to act as an agent of the other, or to enter into any agreement, contract or commitment on behalf of the other, or to create any liability or obligation whatsoever on behalf of the other, to any third person or entity.
- b. No Benefits. No ExED employee is eligible to participate in any benefits programs offered by Client to its employees, nor in any pension plans, insurance plans or other similar plans offered by Client to its employees.
- c. Employees. Each party will exercise day-to-day control over and supervision of their respective employees, including, but not limited to, hiring, evaluation, promotion, demotion, compensation, employee benefits, discipline and discharge. All work assignments, instruction, scheduling, staffing and direction of Client employees shall be the exclusive province of the Client. Each party is responsible for obtaining and maintaining worker's compensation coverage and unemployment insurance for its employees.
- d. Subcontractors. ExED reserves the right to subcontract with other individuals and businesses for the Services. ExED will be responsible for its subcontractors, all payments to subcontractors, and the direction and control of the work to be performed by, its subcontractors, if any. All subcontractors, if any, will be required by ExED to comply with the terms and conditions of this Agreement respecting Client Confidential Information.

5. THE CLIENT'S OBLIGATIONS.

- a. Authorized Personnel. The Client Administrator(s) identified herein are authorized to work with ExED and authorize their staff to work with ExED with respect to the services outlined in this Agreement.
- b. Alternative Contacts. The Board may also identify, in writing to ExED, its key or principal contact, if other than the Client Administrator, who is authorized to receive and disclose Confidential Information, receive payroll checks and discuss personnel issues; as well as an alternate contact in the event the Client Administrator cannot or should not serve as the Client's contact due to conflict or suspected misconduct. In the absence of such designated persons, the chief executive officer and the presiding officer of the Board shall have such authority.
- c. Financial Records and Audit.
  - (i) The Client will maintain customary and reasonably correct, complete and accurate records and other supporting information which will enable ExED to render the Services hereunder. The Client will deliver all supporting documentation in accordance with the monthly close

timeline developed by ExED and provided to Client. If Client submits required supporting documentation after monthly close deadline, ExED cannot guarantee on-time submission of financial reports for Client management review and/or Client board meetings.

- (ii) The Client will obtain an annual audit of its books and records no later than 168 days from the end of its Fiscal Year from a state-approved Auditor and immediately provide ExED with a copy of any annual audit and related reports, notes or statements. Client authorizes and instructs ExED to work with Client's Auditor on any matter or issue pertinent to the Services and will confirm such authorization upon request by ExED.
- (iii) Client covenants that it will respond promptly and professionally to any and all questions or investigations from the Chartering Authority, any governmental investigating or funding authority or Client's Auditor, to the extent required by law, including exceptions noted in any independent accountant's report, in each case, to the extent required by law and to effectively render the Services.

d. Coordination and Cooperation. Client will cause the Client Administrator(s) and other authorized staff members to work closely and cooperatively with ExED to facilitate the effective performance and delivery of the Services. Client will comply with and respond promptly to all reasonable requests of ExED for information or documents from the Client.

- (i) Client covenants to: assist ExED in reconciling outstanding invoices, and to provide ExED with copies or originals of vendor invoices and correspondence, as well as other statements and receipts in accordance with the monthly close deadline established by ExED.
- (ii) Client staff with access to the myExED Portal will take reasonable steps to maintain the confidentiality of their myExED login credentials. Client staff will notify ExED in writing if the confidentiality of their myExED login credentials has been compromised.
- (iii) Client staff will take reasonable steps to ensure the security of the devices used to access the myExED Portal and will use their best effort to notify ExED in writing if the security of a device has been compromised.
- (iv) Client staff will only use the myExED Portal for work related activities.

e. Payroll. Client will provide all necessary and proper data to ExED for payroll processing and retirement reporting, if applicable.

- (i) All original documents as it relates to personnel files or payroll logs will be maintained at the Client Site.



- (ii) If necessary, Client will use, and purchase if necessary to use, commercially reasonable time clocks for timekeeping purposes.
- (iii) The following provisions shall apply unless Client is using a Paycom Alternate for the term of this Agreement:
  - (1) Client will sign, or has signed, the Paycom Payroll Service Agreement and Paycom will deposit and file Client's Federal, State Withholding and State Disability taxes and tax returns, quarterly and annual, associated with payrolls processed through Paycom. Paycom will file Client's annual forms W-2/W-3.
  - (2) Client will be responsible for all fees and charges assessed by Paycom.
  - (3) Client will submit all necessary payroll and time and attendance data within the Paycom software.
  - (4) Client will be responsible for maintaining employee information, not related to payroll processing, within the Paycom software.
  - (5) Client will be responsible for working with Paycom to setup and track any payroll accruals (e.g., vacation, sick, etc.)
- (iv) Client will approve all final check calculations. ExED will follow the California Labor Code when calculating an employee's final check unless directed by the Client to follow the calculation method commonly used by school districts.
- (v) Client is responsible for complying with the retirement enrollment and reporting rules for the retirement program(s) in which the Client participates (e.g., CalSTRS, CalPERS) and is responsible for communicating to ExED the following information (it being acknowledged and understood that Client's failure to timely provide the following information completely and accurately to ExED may impact ExED's ability to timely and accurately perform retirement program reporting, classification and other retirement program-related Services hereunder):
  - (1) A determination of which retirement system a job should be reported to, based on job description and applicable education code(s)
  - (2) Staff job classification and applicable retirement system, per the rules of the respective retirement program(s) as applied to Charter Schools
  - (3) Staff eligibility of enrollment into an applicable retirement system, per the rules of the respective retirement program(s) as applied to Charter Schools

- (4) Details of time worked, pay rates and wages earned, as necessary for retirement reporting per the rules of the respective retirement program(s)
  - (vi) Client is responsible for providing ExED with accurate health and welfare deductions for each Client employee.
- f. Attendance Records and Reports. Client must take all necessary and proper steps to provide regular, accurate and timely responses to daily attendance tracking reports.
  - (i) Client is responsible for taking daily attendance records compliant with the California Education Code. Client must maintain phone logs, tardy logs and other pertinent information related to appropriate attendance tracking.
- g. Grant and Funding Requirements. Client covenants to comply with all material grant and funding requirements, as the same may impact the rendering of ExED's Services hereunder, including record keeping, reporting, management and financial controls and policies and procedures.
  - (i) Client to prepare Semiannual Certifications and/or Personnel Activity Reports to account for wages paid for with federal funds.
- h. Chartering Authority Requirements. Client covenants to comply with all material requirements, as the same may impact the rendering of ExED's Services hereunder, including policies and procedures, of the Chartering Authority to the extent applicable to the Client.
- i. Client Policies and Procedures. Client covenants to develop, apply and follow not less than customary and reasonable policies and procedures applicable to: human resources, payroll administration, internal financial controls, accounts payable and other disbursements and, if applicable, competitive bid procedures for vendors.
- j. Insurance. Client will obtain and maintain customary and reasonable general liability coverage for its facilities and operations. ExED shall be entitled to request and receive evidence of such coverage.
- k. Notice and Information. Client covenants that it will provide ExED with prompt, complete and accurate notice of and information concerning any material errors in Client data and Client's books and records, as well as with respect to investigations or inquiries into the Client, its activities, operations and reports by the Chartering Authority or any other governmental authority, to the extent permitted by law. Client will promptly provide ExED with copies of every report or notice provided to the Chartering Authority or any other governmental agency, including any schedules or exhibits thereto, to the extent such report or notice relates to the Services outlined in this Agreement.
- l. Designation of ExED. Client hereby designates employees and subcontractors of ExED whose duties require access to Confidential Information, including

personnel and student information, as having a legitimate educational interest under FERPA.

- m. Protection of Proprietary Property of ExED. Client shall maintain the confidentiality of all Proprietary Property of ExED and shall not divulge such information to any third parties both during the Term of this Agreement and after its termination except (i) as may be necessary for the discharge of its obligations under this Agreement, and (ii) as required by law. Client shall take reasonable precautions against disclosure of any Proprietary Property of ExED to any unauthorized person by any of its officers, directors, employees or agents. Client shall not directly or indirectly, without the express prior written permission of ExED, use the Proprietary Property of ExED for any purpose except to the limited extent necessary for the conduct of its operations in accordance with this Agreement. Upon termination of this Agreement for any reason, Client shall cease all use of Proprietary Property of ExED and discard and destroy any tangible portion of the Proprietary Property in its possession or control.
- n. Integrity and Financial Responsibility. Client will act in good faith and alert the management of ExED to any fraudulent activity which is reasonably related to the Services as soon as the Client becomes aware, to the extent permitted by law. Client acknowledges that ExED's ability to provide Services is premised upon the Client acting in a financially prudent manner, including but not limited to timely approval of balanced budgets and maintaining a positive variance to budget throughout the year to the extent feasible.

## 6. REPRESENTATIONS AND WARRANTIES OF CLIENT

- a. Organization of Client. Client is a *[State, legal entity type]*, duly organized, validly existing, and in good standing under the laws of the State of California and eligible for determination as a tax-exempt organization which has all requisite power and authority to own, lease and operate its properties and to carry on its educational operations as they are now being conducted.
- b. Corporate Power and Authorization. Client has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by Client have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by Client and constitutes the valid and legally binding obligation of Client enforceable in accordance with its terms and conditions. Client need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.
- c. No Breach. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which Client is subject or any provision of its Articles of Incorporation, Bylaws or

Charter, nor (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Client is a party or by which it is bound or to which any of its assets is subject.

- d. No Litigation. Other than as disclosed to ExED, there are no pending or threatened legal actions, arbitrations or other proceedings against Client, nor are there any pending or threatened proceedings as to unpaid or disputed tax liabilities of Client which may adversely impact its operations or ability to perform its obligations under this Agreement.

## 7. REPRESENTATIONS AND WARRANTIES OF ExED

- a. Corporate Power and Authorization. ExED has full corporate power and authority to execute and deliver this Agreement and to perform its obligations hereunder. The execution, delivery and performance of this Agreement by ExED have been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by ExED and constitutes the valid and legally binding obligation of ExED enforceable in accordance with its terms and conditions. ExED need not give any notice to, make any filing with, or obtain any authorization, consent, or approval of any government or governmental agency in order to consummate the transactions contemplated by this Agreement.
- b. No Breach. Neither the execution and delivery of this Agreement, nor the consummation of the transactions contemplated hereby, will (i) violate any, statute, regulation, rule, injunction, judgment, order, decree, ruling, charge, or other restriction of any government, governmental agency, or court to which ExED is subject or any provision of its Articles of Incorporation or Bylaws or (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which ExED is a party or by which it is bound or to which any of its assets is subject.
- c. Insurance. ExED will obtain and maintain customary and reasonable comprehensive commercial general liability, professional liability, crime, and cyber liability insurance appropriate to the Services being rendered under this Agreement.
- d. No Duty to Monitor Compliance with Obligations. In the course of its work, and consistent with Client's obligations hereunder, ExED may become aware of instances of non-compliance by Client with its own policies, procedures or other obligations described in Section 5 of this Agreement. ExED may bring such failures to the attention of the Client Administrator or chief executive officer or the presiding officer of the Board, but shall have no obligation to do so, unless the failure directly and materially affects ExED's ability to carry out

its obligations under this Agreement or is the basis for termination of the Agreement for cause.

- e. Confidentiality. ExED shall use commercially reasonable efforts to keep all Confidential Information made available to it under this Agreement confidential to the extent required by law; provided that nothing herein shall be construed as restricting ExED in performing the Services, which require routine disclosure of such information to Auditors, Chartering Authorities, regulatory agencies, insurance carriers, service providers and suppliers, and the Client. Confidential Information shall be handled by ExED, its employees and subcontractors as follows:
- (i) Except as set forth in (vi) below, ExED shall not use the Confidential Information disclosed by the Client pursuant to this Agreement for any purpose other than carrying out its obligations under this Agreement.
  - (ii) ExED and any ExED subcontractors granted access to Client Confidential Information, will take reasonable steps to maintain the confidentiality of Client's Confidential Information and will notify Client if the confidentiality has been compromised.
  - (iii) ExED and any ExED subcontractors will take reasonable steps to ensure the security of the devices used by their staff to access Client Information and will use their best effort to notify Client if the security of a device has been compromised.
  - (iv) ExED shall maintain reasonable security measures to safeguard the Confidential Information.
  - (v) ExED may, but shall not be required to, destroy the Confidential Information in its possession when no longer needed to carry out the purposes of this Agreement. To the extent such Confidential Information resides only on equipment or in files owned or controlled by ExED, upon termination of this Agreement, ExED shall provide copies to Client at Client's expense. ExED shall require its employees and subcontractors to agree to comply with these Standard Conditions for the handling of Confidential Information.
  - (vi) Notwithstanding the foregoing, ExED shall have the right to use Client Confidential Information in a non-identifiable way, as part of its overall database of information about public charter schools. For example, Client salaries may be included in overall information ExED compiles, and provides to Client, about the range of salaries offered by similar schools.
- f. Limited Services Warranty. ExED represents and warrants that it has the requisite personnel, equipment, expertise, experience and skill to perform its obligations hereunder and provide the Services to Client in a timely and professional manner.

8. INDEMNITIES, DISCLAIMERS AND LIMITATION OF LIABILITY.

- a. Subject to the terms of Section 8(d) below, Client and ExED agree to indemnify each other and hold each other, and each other's officers, directors, employees, agents harmless, from and against any and all direct claims, costs, losses, liabilities and expenses for personal injury and property damage, including reasonable attorneys' fees, attributable to their actions and omissions in violation of the terms of this Agreement, but excluding claims that would not be made but for the gross negligence or willful misconduct of the party seeking indemnification.

- b. Disclaimer of all Other Warranties.

THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE EXPRESSLY MADE IN SECTION 7 OF THIS AGREEMENT. ExED DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICES, OR ANY THIRD PARTY SOFTWARE OR HARDWARE USED IN CONNECTION THEREWITH, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE.

- c. Limited Remedy. Client's exclusive remedy for a default in the provision of Services hereunder is to (i) provide written notice detailing the default to ExED and, following review and a determination of fault by ExED, to have ExED perform or reperform the applicable Service at ExED's expense, and/or (ii) to terminate this Agreement in accordance with Section 9(b) below.

- d. Limitation of Liability.

EVEN IF ExED CANNOT OR DOES NOT PERFORM OR REPERFORM ANY DEFECTIVE SERVICES, AND CLIENT'S EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE, ExED'S (INCLUDING ITS DIRECTORS, OFFICERS, AND EMPLOYEES') TOTAL AND AGGREGATE LIABILITY, WHETHER ARISING IN TORT, CONTRACT, MISREPRESENTATION, BREACH OF WARRANTY OR FOR ANY OTHER CAUSE OF ACTION AT LAW OR IN EQUITY SHALL NOT EXCEED ExED'S TOTAL AGGREGATE FEES ACTUALLY PAID FOR SERVICES RENDERED PURSUANT TO THIS AGREEMENT DURING THE PRIOR 12 MONTH PERIOD ENDING ON THE DATE THE CLAIM GIVING RISE TO SUCH LIABILITY IS MADE HEREUNDER. IN NO EVENT SHALL ExED BE LIABLE TO THE CLIENT OR ANYONE CLAIMING BY OR THROUGH THE CLIENT FOR SPECIAL, INCIDENTAL, CONSEQUENTIAL, PUNITIVE OR EXEMPLARY DAMAGES SUFFERED BY THE CLIENT OR ANY AFFILIATE OF THE CLIENT, WHETHER OR NOT SUCH DAMAGES WERE OR COULD HAVE BEEN FORESEEABLE TO ExED. NO DIRECTOR, OFFICER OR EMPLOYEE OF ExED SHALL BE LIABLE TO CLIENT OR ANYONE CLAIMING BY OR THROUGH THE CLIENT ON ACCOUNT OF ANY ACT OR OMISSION OF ExED,

REGARDLESS OF THE NATURE OF SUCH ACT OR OMISSION OF ExED, OR THE THEORY OF LIABILITY ASSERTED AGAINST ExED OR SUCH DIRECTOR, OFFICER OR EMPLOYEE OF ExED, EITHER INDEPENDENTLY OR IN A VICARIOUS CAPACITY.

- e. Allocation of Risk. Client acknowledges that the pricing of the Services and the other terms of this Agreement have been set based on the foregoing sections of this Agreement providing for an agreed allocation of the risk for any default in Services, as between the parties. Client further acknowledges that the pricing and terms would have been different if there had been a different allocation of such risk.
- f. THE LIMITATIONS SET FORTH IN THIS SECTION SHALL APPLY EVEN IF ANY REMEDIES FAIL IN THEIR ESSENTIAL PURPOSE.
- g. Survival. The terms of this Section 8 shall survive the expiration or earlier termination of the Agreement.

9. TERM, EXPIRATION AND EARLY TERMINATION.

- a. The Term. This Agreement shall continue in full force and effect during the Term. The Term of this Agreement shall renew and extend automatically for one year, on June 30th of the year following the Effective Date Year, and on each year anniversary thereafter, unless Client duly delivers a Notice of Non-Renewal to ExED. Notice of Non-Renewals delivered after 60 days from delivery by ExED of a Notice of Terms Supplement shall be deemed to be a termination for convenience on the part of Client under Section 9(d) below.
- b. Termination for Uncured Breach. If either party to this Agreement materially defaults in the performance of any of the terms of this Agreement, the non-defaulting party may terminate this Agreement by providing written notice of termination to the defaulting party of the nature of the default or material breach of this Agreement and the termination shall be effective thirty days from receipt of notice unless the defaulting party cures such default within said thirty-day period.
- c. Insolvency. In the event that either party is unable to pay its debts when they become due, declares bankruptcy or insolvency, or makes an assignment for the benefit of its creditors, the other party may terminate this Agreement upon written notice.
- d. Termination for Convenience. Either party may terminate this Agreement upon 30 days written notice to the other party, without cause. During the notice period, the parties shall cooperate to wind up and complete the pending Service work for the current month and payment for Services hereunder shall be made through the end of the month in which termination occurs. After a termination of this Agreement for convenience, the Client may request ExED to provide services pertaining to the Term of the Agreement or Retroactive Services. If ExED agrees to provide services, the services and fees will be described in a separate agreement.

- e. Immediate Termination for Cause. ExED may immediately terminate this Agreement in the event it determines that (i) it cannot provide the Services in a timely or professional manner, due to the actions or inaction of the Client with respect to financial controls, management or operations, or (ii) Client has engaged or been accused of engaging in material misconduct inconsistent with ExED's mission or nonprofit purpose; in such event, ExED will cooperate with Client to transition its duties to Client personnel or another vendor and ExED shall be entitled to payment of its fees and reimbursable expenses for each month ExED is involved with such transition of duties.
- f. Non-Renewal. If Client timely delivers a Notice of Non-Renewal to ExED ending the Term of this Agreement, ExED shall be entitled to a close out fee equal to two month's fee for completion of any financial reporting Services pertaining to the last Fiscal Year covered by this Agreement. After this time, Client may request ExED to provide services pertaining to the Term of the Agreement or Retroactive Services. If ExED agrees to provide services, the services and fees will be described in a separate agreement.
- g. Other Rights. Subject to the terms of Section 8(c), (i) the rights of the parties to terminate this Agreement are not exclusive of any other rights and remedies available at law or in equity, and such rights are cumulative, and (ii) the exercise of any right or remedy under this Section 9 does not preclude the exercise of any other right or remedy.
- h. Proration of Service Fees Upon Termination. If this Agreement is terminated early, as provided for above in Section 9(b)-9(e), in addition to any fees and other amounts due and owing to ExED as may be set forth in each such Section, ExED's Service fees and expense reimbursements shall prorated to the date of such termination, and ExED shall have the right to payment for all Services rendered and reimbursable expenses incurred up to the date of termination of this Agreement.

## 10. DISPUTE RESOLUTION.

Any dispute, controversy or claim, whether based on contract, tort, strict liability, fraud, misrepresentation, or any other legal theory, arising out of either party's performance of this Agreement ("Dispute") shall be resolved solely in accordance with the terms of this Section 10.

- a. Resolution Sequence. The claiming party with respect to the Dispute shall provide written notice of the Dispute to the non-claiming party, with reasonable detail regarding the claiming party's position and supporting facts. The parties shall have their chief executive officers meet and confer in good faith, in person if reasonably possible, within thirty (30) days of receipt such written notice regarding the Dispute, in an effort to resolve the Dispute in a mutually acceptable manner. If the Dispute cannot be settled by good faith negotiation between the chief executive officers of the parties, ExED and Client will submit the Dispute to the judicial reference process pursuant to California Code of Civil Procedure Section 688, et seq. Any Dispute brought



before a forum in which pre-dispute waivers of the right to trial by jury are invalid under applicable law shall be subject to the terms of this Section 10, in lieu of the jury trial waivers otherwise provided for in this Agreement.

- b. Referee Qualifications. The referee shall be a retired California state court judge or an attorney licensed to practice law in the State of California with at least ten (10) years' experience practicing commercial law. The parties shall not seek to appoint a referee that may be disqualified pursuant to California Code of Civil Procedure Section 641 or 641.2 without the prior written consent of all parties.
- c. Referee Selection. If the parties are unable to agree upon a referee within ten (10) calendar days after the thirty (30) day negotiation period referenced above has ended, then the referee will be selected by the court in accordance with California Code of Civil Procedure Section 640(b).
- d. Reference Procedure. The referee shall render a written statement of decision and shall conduct the proceedings in accordance with the California Code of Civil Procedure, the Rules of Court, and California Evidence Code, except as otherwise specifically agreed by the parties and approved by the referee. The referee's statement of decision shall set forth findings of fact and conclusions of law. The decision of the referee shall be entered as a judgment in the court in accordance with the provisions of California Code of Civil Procedure Sections 644 and 645. The decision of the referee shall be appealable to the same extent and in the same manner that such decision would be appealable if rendered by a judge of the superior court.
- e. Expenses. During the pendency of any Dispute which is submitted to judicial reference in accordance with this Agreement, each of the parties to such Dispute shall bear their own legal expenses, and equal shares of the fees charged and costs incurred by the referee in performing the services described in this Section 10. The compensation of the referee shall not exceed the prevailing rate for like services. Following adjudication of a Dispute, the prevailing party shall be entitled to reasonable court costs and legal fees, including customary attorney fees, expert witness fees, paralegal fees, the fees of the referee and other reasonable costs and disbursements charged to the party by its counsel, in such amount as is determined by the referee.
- f. Equitable Relief and Indemnification. Each of the parties acknowledges and agrees that due to the unique nature of the Confidential Information and the Proprietary Information of ExED there can be no adequate remedy of law for any breach of its obligations to maintain the confidentiality and security of such information, and that any breach may allow the breaching party or third parties to unfairly compete with the non-breaching party resulting in irreparable harm to the non-breaching party that cannot be adequately compensated for through damages. Therefore, notwithstanding the foregoing provisions of this Section 10, upon any such breach or any threat thereof, the non-breaching party may, at its option, seek temporary, preliminary, and permanent injunctive relief, and other provisional or ancillary remedies, and, subject to the terms of Section 8(d) hereof, to be indemnified by the breaching

party from any loss or harm, including without limitation, actual attorney fees, in connection with any breach or enforcement of the breaching party's obligations to keep the non-breaching party's Proprietary Information and Confidential Information confidential and secure, or the unauthorized use or release of any such Proprietary Information and Confidential Information. Each party will notify the other party in writing immediately upon the occurrence of any unauthorized release or other breach of which it is aware. The obligations of the parties under this paragraph shall survive the expiration or termination for any reason of this Agreement.

- g. Bankruptcy Proceedings. In addition, the foregoing provisions of this Section 10 shall not be deemed to apply to or limit the right of the claiming party to pursue rights against the non-claiming party in a bankruptcy or insolvency proceeding.
- h. Exercise of Rights & Remedies Not A Waiver. The exercise of the rights and remedies set forth in Section 10(f)-(g) which are not subject to the judicial reference process described in this Section 10 shall constitute a waiver of the right of any party, including, but not limited to, the claiming party in any such action, to require submission to judicial reference the merits of the Dispute occasioning resort to such remedies.
- i. THIS SECTION 10 CONSTITUTES A "REFERENCE AGREEMENT" BETWEEN OR AMONG THE PARTIES WITHIN THE MEANING OF AND FOR PURPOSES OF CALIFORNIA CODE OF CIVIL PROCEDURE SECTION 638.
- j. Limitation on Actions. Any Dispute either party may have against the other with respect to this Agreement must be brought within two years after the cause of action arises. This Section 10 shall survive the expiration or termination for any reason of this Agreement.

11. GENERAL.

- a. Entire Agreement. This Agreement sets forth the entire agreement between the parties hereto, fully supersedes any and all prior agreements or understandings pertaining to the subject matter hereof and no change in, modification of or addition, amendment or supplement to this Agreement shall be valid unless set forth in writing and signed and dated by each and all of the parties hereto subsequent to the execution of this Agreement.
- b. Waiver in Writing. During the term of this Agreement, neither party shall be deemed to have waived any right, power or privilege under this Agreement or any provision thereof unless such waiver shall have been duly executed in writing and acknowledged by the party to be charged with such waiver.
- c. No Implied Waiver. The failure of any party to act or exercise its rights hereunder upon the breach of any of the terms or conditions hereof shall not be construed as a waiver of such breach, nor shall it prevent such party from hereafter enforcing strict compliance with any and all of the terms and conditions herein set forth.

- d. Communications. Any notice or other communication required by, or permitted to be made by or given to, either party pursuant to this Agreement shall be sent to such party by electronic mail, registered, certified or express mail, postage prepaid or prepaid courier service, addressed to such party at its address set forth below, or to such other addresses as such party shall designate by written notice given to the other party, and shall be deemed to have been made, given or provided on the date of receipt.

Client: 1099 Bedford Drive  
Camarillo, CA 93010  
Email: CEvans@pvdsd.k12.ca.us

ExED: 1990 South Bundy Drive, Suite 340  
Los Angeles, CA 90025  
E-mail: tanderson@exed.org

- e. Assignment; Successors. This Agreement is personal, being entered into in reliance upon and in consideration of the skill, qualifications and representations of, and trust and confidence reposed in, ExED and its employees and its selected subcontractors. Accordingly, neither this Agreement nor any of its rights or privileges shall be sold, assigned, transferred, shared, or encumbered, by operation of law or otherwise, without the prior written consent of the affected (non-assigning) party, except that ExED may assign this Agreement to an affiliate which ExED controls. Subject to the foregoing, this Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.
- f. Force Majeure. Neither party shall be liable for any delay or failure in its performance of any of the acts required by this Agreement, except for the payment of money as and when due, when such delay or failure arises from circumstances beyond the control and without the fault or negligence of such party. Such causes may include, without limitation, acts of God, acts of public enemies, acts of civil or military authority, labor disputes, material or component shortages, embargoes, rationing, quarantines, blockades, sabotage, utility or communication failures or delays, earthquakes, fire, flood, epidemics, riots or strikes. The time for performance of any act delayed by any such event may be postponed for a period equal to the period of such delay. In order to avail itself of rights under this Section 11(f), a party claiming force majeure excusal must provide written notice to the other party of the circumstances constituting force majeure within 15 days of their occurrence. The provisions of this Section 11(f) shall not excuse the payment of money by the parties when and as due, regardless of force majeure.
- g. Publicity. Client may act as a reference for ExED with respect to the Services upon ExED's reasonable request. ExED may issue press releases or identify Client in marketing materials provided that all references to Client are fair, accurate and not misleading and approved by Client in writing, in advance, in each instance.

- h. Headings. The headings of the several articles and sections are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of this Agreement.
- i. Governing Law. This Agreement shall be governed by the laws of the State of California, without regard to principles of conflicts of law.
- j. Counterparts. This Agreement (and its schedules) may be executed in several counterparts, including electronic counterparts (such as facsimile or .pdf), each of which shall be deemed to be an original, and all of which together shall constitute one agreement binding on all parties hereto, notwithstanding that all of the parties shall not have signed the same counterpart.
- k. Waiver of Jury Trial; Venue. TO THE EXTENT PERMITTED BY LAW, THE PARTIES WAIVE TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS AGREEMENT OR THE SERVICES RENDERED HEREUNDER, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. TO THE FULLEST EXTENT PERMITTED BY LAW, THE VENUE FOR ANY ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS SHALL BE LAID IN LOCAL OR FEDERAL COURTS LOCATED IN LOS, ANGELES, CALIFORNIA. THE PARTIES HEREBY WAIVE ANY DEFENSE OF INCONVENIENT FORUM.

IN WITNESS WHEREOF, the parties hereto execute this Agreement in counterparts as of the Effective Date through duly authorized representatives.

CLIENT:

By: \_\_\_\_\_

Dated: \_\_\_\_\_,

Name: Charmon Evans

Title: Executive Director

ExED:

By: \_\_\_\_\_

Dated: \_\_\_\_\_,

Name: Tait Anderson

Title: Executive Vice President

## SCHEDULE A:

### SUMMARY OF BASIC SERVICES TO BE PERFORMED BY EXED

- 1) Budgeting
  - A) Budget Development
    - 1) Work with Client Administrator to develop an annual budget for each School (1 **budget**) for the subsequent Fiscal Year, beginning in March of each year, for approval by Client's governing board no later than June 30<sup>th</sup>.
  - B) Budget Revisions
    - 1) Upon the approval of the State Budget, ExED will work with Client Administrator to perform any needed revisions to the Budget to reflect legislation adopted.
- 2) Financial Management, Reporting, and Forecasting
  - A) Standard Financial Reports
    - 1) Prepare and email and/or make electronically available Standard Financial Reports by the 10<sup>th</sup> of the month following month end reconciliation. For example, financial reports for September will be available by November 10<sup>th</sup>.
    - 2) In this Agreement, "Standard Financial Reports" shall mean:
      - (a) Financial Dashboard (excluded from July Financial Package)
      - (b) Cash Flow Forecast (excluded from July Financial Package)
      - (c) Financial Analysis (excluded from July Financial Package)
      - (d) Income Statement
      - (e) Balance Sheet
      - (f) Check Register
  - B) Financial Dashboard
    - 1) Prepare a dashboard which displays key indicators of financial health – income statement summary with variances and forecast, cash flow charts with actuals and forecast for the year, ADA chart with actuals and forecast, and balance sheet summary.
  - C) Cash Flow Forecast
    - 1) ExED will prepare a Cash Flow Forecast report for each School (1 **forecast**) throughout the year as part of the Standard Financial Reports.
  - D) Financial Analysis
    - 1) ExED will perform on-going analysis of actual versus budget revenue and expenses and monitor cash flow.
  - E) Client & Board Meetings
    - 1) At a minimum once every quarter, ExED shall prepare and review Client's financials with Client Administrator.
    - 2) Prepare and present Client's financial health to the Board as appropriate, but no less than once every quarter, and including special Board meetings.
    - 3) Prepare and present Client's financial reports to Finance Committees as appropriate.
  - F) Chartering Authority Financial Reporting

- 1) Complete and submit all financial reporting required to Chartering Authority including First Interim, Second Interim, Unaudited Actuals, and Preliminary Budget as required by any mandated due dates.
- 3) Accounting and Bookkeeping Services
- A) General Ledger Maintenance
    - 1) Establish and maintain Client's general ledger per the account codes mandated by the California Department of Education. ExED will monitor and edit revenue and expenditure account code structure, add program and location codes when needed, and perform all other regular maintenance.
  - B) Bookkeeping
    - 1) Record all transactions into accounting system with appropriate coding to enable the required reporting.
  - C) Balance Sheet Reconciliation
    - 1) Perform monthly reconciliation of all bank statements. Quarterly perform reconciliation of remaining balance sheet accounts: Prepaid/Deposits, Accounts Receivable, Accounts Payable, Payroll Liability, Debt/Loans, and any Other Asset or Liability Item. Record monthly depreciation entries and update asset values for capitalized items.
  - D) Accounts Payable
    - 1) Process vendor invoices for payments, in accordance with Client fiscal policies.
    - 2) Complete 1099s for independent contractors.
  - E) Accounts Receivable
    - 1) Monitor receipt of revenue to ensure the Client receives all entitlements. Perform collection activities to receive past due funding from government agencies, not including initiation of legal proceedings.
  - F) Audit Preparation
    - 1) Collect, or arrange for Client to provide, all information required by Auditors for testing and audit report drafting.
    - 2) Prepare required schedules (e.g., accrual worksheet, fixed asset ledger, balance sheet account detail, etc.).
    - 3) Serve as the point of contact for all communication with the Auditors regarding financial data maintained by ExED.
    - 4) Prepare and collect required information for Auditor to complete the 990 tax return.
    - 5) Work and meet with Client's Audit Committee as needed.
- 4) Cash Management
- A) Cash Position Reports
    - 1) Prepare and distribute weekly cash position report to the Client summarizing current bank balance, checks issued and accounts payable balance.
  - B) Loans & Lines of Credit
    - 1) Analyze working capital needs and assist client in preparing or renewing loan or line of credit applications if needed. In the case of state cash deferrals, prepare application for deferral exemptions if eligible.

## 5) Payroll Processing and Retirement Reporting

### A) Payroll Processing

- 1) Paycom. The following provisions shall apply unless Client is using a Paycom Alternate for the term of this Agreement:
  - (a) Client shall maintain within the Paycom software, in a manner consistent with the information given to ExED, (i) employee information related to payroll processing and (ii) non-tax payment information, such as voluntary deductions and garnishments.
  - (b) Notify Client if Client does not have sufficient funds to cover its payroll amounts, taxes, processing charges and fees in Client's designated Demand Deposit Account, on or before 1:30 p.m., Central Time, based on one of the following schedules: Three (3) banking days prior to each check date, unless the check date is on a Saturday, Sunday, or bank holiday, in which case four (4) banking days prior to check date.
  - (c) Assist Client in instructing the Bank holding the Client's Demand Deposit Account to honor the charges as initiated from time to time by Paycom.
- 2) Paycom Alternate. If Client is using a Paycom Alternate for the term of this Agreement ExED will (i) process any status updates, new hires, terminations, and or informational changes in the payroll system based on information submitted by the Client on Status Change Request forms, and (ii) calculate and submit to federal and state authorities federal and state payroll tax payments and reports, as required by law and directed by Client.
- 3) Regular Payroll Schedules: ExED will provide the Client a payroll schedule for the calendar year which includes accrual period and deadlines for ExED to receive from the Client the following information: new hire documentation, personnel change forms and payroll time data for each respective pay period. The Client is responsible to submit all information by the deadlines established per Client's payroll schedule. If a client does not submit payroll information by the deadline or submits incomplete information and has to submit additional information after the payroll deadline, the Client will be charged a late fee of \$125.00 per payroll period.
- 4) File and deposit Client's State Unemployment taxes and quarterly returns associated with payrolls processed through Paycom.
- 5) If Client is closed for school break and cannot receive payroll package, Client can approve payroll package to be mailed to ExED. ExED will deliver the payroll package to Client at the next scheduled school meeting. At Client's direction and Client's expense, ExED can mail out each individual employee's paystub.

### B) Retirement Reporting

- 1) STRS/PERS - ExED will timely submit monthly the required information to the local county office of education or the designated 3<sup>rd</sup> party administrator. The retirement division at the county office of education will then forward the information to CalSTRS/CalPERS. Reports submitted will be based on employee and payroll data provided by the Client unless Client does not provide required data. If Client does not provide the required employee and payroll data, ExED will use its knowledge of the respective retirement program to report the necessary information but cannot guarantee it will comply with all retirement program requirements. ExED will coordinate remittance of STRS/PERS



contributions with the county office of education accounting department via check, ACH or debit from Client's apportionment account.

- 2) Other retirement plans (e.g., 403B, 401K, 457, etc.) – ExED will process appropriate deductions for employees upon receipt of appropriate paperwork from the Client. ExED will submit payment to the applicable retirement company based on Client payroll schedule.

#### 6) Compliance and Data Management Services

##### A) Attendance Reporting

- 1) Prepare PENSEC 20-Day, P-1, P-2, and Annual attendance reports from Client-provided records and submit to the Chartering Authority as required.
- 2) Prepare and submit monthly statistical and classification attendance reports, if required to be submitted by Chartering Authority.

##### B) Categorical Funding Applications

- 1) Prepare funding applications for funding sources identified in Client's Budget. This includes the following (if applicable): Consolidated Application (ConApp), Title III Consortium Application English Learner, the Annual Funding Survey, the PENSEC Report for new/expanding schools, SB 740 Facility Grant Program, and the Facilities Incentive Grant, if the Client is eligible and requests that ExED complete the application.
- 2) Assist with budget/financial sections of Public Charter Schools Grant Program (PCSGP) and other grant applications, if applicable.

##### C) Compliance and Fiscal Reporting

- 1) Prepare preliminary Budget report and submit to Chartering Authority in required format.
- 2) Provide Local Control Funding Formula (LCFF) funding numbers (LCFF Base Revenue, LCFF Supplemental and Concentration, and Minimum Proportionality Percentage) required for Local Control and Accountability Plan (LCAP).
- 3) Assist with budget estimates related to the actions and services included in LCAP. ExED expects the development of the LCAP to be an iterative, ongoing process that is developed over multiple months. For each iteration, ExED requires 10 business days to provide budget estimates. If ExED is not provided sufficient time to develop budget estimates or if Client develops LCAP in a short time frame, ExED may not be able to provide budget estimates and Client will need to develop these estimates.
- 4) Prepare and disseminate fiscal reports to lenders and creditors as appropriate.
- 5) Prepare and submit Title I, II, III, IV and V reporting as appropriate.
- 6) If appropriate, complete After School Educational & Safety program reporting.
- 7) Prepare per pupil expenditure section of the School Accountability Report Card (SARC).
- 8) Prepare school expenditure section of the Civil Rights Data Collection.

##### D) Nutrition Claims Reporting

- 1) Prepare monthly claim information for National School Lunch Program, as appropriate, and transfer information into Child Nutrition Information and Payment System (CNIPS). Client reviews, notifies ExED of any discrepancies and submits final monthly claim information in CNIPS.
- 2) Prepare and submit year-end Cost and Revenue reporting.

- 3) Provide assistance in preparing for financial components of the School Nutrition Program administrative review.
- 7) Other Support Systems, Tools, and Services
  - A) myExED Portal
    - 1) Provide secure access to myExED Portal (myexed.org) for relevant Client staff to access ExED applications and exchange necessary information.
    - 2) From within the myExED Portal, ExED will provide select Client staff access to various applications, including but not limited to the following:
      - (a) Box - FileShare
      - (b) Power BI - Financials
      - (c) ScreenSteps - Knowledge Base
      - (d) SpendBridge - Marketplace
      - (e) ExED Business Guide
- 8) EXCLUSIONS & ADDITIONS.
  - A) The following services, responsibilities and activities are hereby expressly excluded from the Services, together with any services, responsibilities and activities by ExED on behalf of the Client not specifically set forth on this Schedule A:
    - 1) Managing or designing Human Resources processes to ensure Client compliance as the employer of record.
    - 2) Managing or confirming accuracy of vacation and sick accrual balances.
    - 3) Identifying or applying for private grants. Should a client receive a private grant, client is responsible for tracking and informing ExED of financial reporting requirements.
    - 4) Developing Local Control and Accountability Plan (LCAP) goals and actions or identifying actions that contribute to increasing or improving services for unduplicated pupils.
    - 5) Drafting the narrative sections of the Budget Overview of Parents.
    - 6) Ensuring compliance for programs paid for with restricted funds, including determining allowable expenses and completing time and effort reporting.
    - 7) Preparing and filing property tax exemption forms.
    - 8) System for Award Management (SAM) registration or renewal registration.
    - 9) Maintaining corporation/non-profit status including Statement of Information filings.
    - 10) Obtaining or renewing liability and worker's compensation insurance.
    - 11) Ensuring Brown Act compliance or providing Brown Act training.
  - B) The following services, responsibilities and activities are available as part of the Services, as requested by the Client in writing, for the additional charges and fees described below:
    - 1) For new charter school petitions, ExED will prepare the budget to be submitted with the petition for an additional fee of \$3,000.

- 2) Rush Checks: Rush checks are strongly discouraged. The Client will be allowed one rush check a month. After that, the Client will be charged a fee of thirty dollars (\$30.00) per rushed check requested by the Client or as a result of the Client's acts or omissions (e.g., invoices held up at the Client site). The Client will also be charged the cost of delivery, if applicable. Rush Checks are defined as checks requested to be sent out immediately, outside normal weekly processing schedule.
- 3) Supplemental Payroll Schedules: For all supplemental payroll schedules requested by the Client, ExED will charge Client at the following rates (note: Client may incur charges from Paycom in addition to ExED charges outlined below):
  - (a) Late Submission/Unexpected Payroll Schedules: The Client will be charged a fee of thirty dollars (\$30.00) per check. Such supplemental checks include, but are not limited to:
    - (i) Late Submission of Payroll Data: If the Client submits late payroll information and specifically requests checks be processed as a supplemental run:
    - (ii) Supplemental Checks Regarding Terminating Employees:
      - (i) Involuntary Termination by the Client: California law generally requires an employee who is being terminated to receive a check upon exit from the Client. If the Client anticipates an employee termination, the Client is expected to communicate with ExED's payroll contact as soon as it becomes aware of the termination and work together to get the check to the Client as expeditiously as possible.
      - (ii) Voluntary Termination by Employee: California law generally requires an employee to be paid within 72 hours of terminating. The Client is expected to provide payroll information to ExED's payroll contact immediately upon notification of a terminating employee.
    - (iii) Supplemental Checks Regarding Employees Going on Family/Maternity Leave or Family Medical Leave: The Client is expected to communicate with ExED's payroll contact as soon as it becomes aware that an employee is going on family/maternity leave or leave that falls under the Family and Medical Leave Act.
  - (b) Scheduled Bonus/Stipend Supplemental Runs: When a bonus/stipend payroll is agreed upon in advance and ExED is given sufficient lead time to prepare, the Client will not be charged. If the Client requires a quick turnaround (less than 72 hours), ExED will charge the Client thirty dollars (\$30.00) per check.
  - (c) Unscheduled/Emergency Supplemental Runs: When a special check is requested without advance notice and preparation time, the Client will be charged thirty dollars (\$30.00) per check.
- 4) Attendance Reporting Revisions: All attendance reporting revisions required to be made after submission deadlines agreed to by ExED and Client during which Client confirms attendance data is ready to be run, will be charged at the

following rates (in the case Client operates multiple Schools, these charges will be applied for each School that requires an adjustment):

- (i) The Client will be charged a fee of one-hundred dollars (\$100.00) for each instance and each month the monthly attendance data needs to be revised.
  - (ii) The Client will be charged a fee of one-hundred dollars (\$100.00) if a prior year P-2 adjustment is required.
- 5) The Client will be charged a fee of five-hundred dollars (\$500.00) if a CALPADS Unduplicated Pupil Count (UPC) adjustment is required.
- 6) ExED will charge \$125/hour for work related to securing facility financing ( e.g. providing financial analysis, developing financial scenarios, and preparing financial reporting that is required to assist Client in securing (or applying for) facility financing)
- 7) ExED will charge \$125/hour for making corrections related to STRS audits.

## EXHIBIT 1

### Excellent Education Development Management and Accounting Services Agreement - NOTICE OF TERMS SUPPLEMENT

Reference is made to that certain Excellent Education Development Management and Accounting Services Agreement between University Preparation Charter School at CSU Channel Islands, a California nonprofit public benefit corporation (“Client”), and Excellent Education Development (“ExED”), a California nonprofit public benefit corporation, dated the 30th day of June 2021 (the “Agreement”). Capitalized terms not defined herein shall have the meanings set forth in the Agreement.

Unless a Notice of Non-Renewal is received by ExED within 60 days of the date hereof, the Agreement Term is hereby extended for a period of one year from June 30th of the year in which this Notice of Terms Supplement (“Notice”) is delivered, on the same terms and conditions as contained in the Agreement, except as expressly set forth below.

#### 12. **SERVICE FEES AND RELATED EXPENSES.**

- a. ExED’s fees and related charges are hereby amended, modified and/or supplemented as follows:
  - (i) ExED’s monthly fees for [Basic Services/Additional Services] are hereby [increased to \_\_\_\_] effective [July 1st of the current year].
  - (ii) ExED’s out-of-pocket-expenses will not exceed [\$\_\_\_\_] per month without the prior, written authorization from Client.
  - (iii) ExED’s [late payment charge for Service fees/rush check fee /late payroll information fee/ \_\_\_\_] is hereby [increased to \_\_\_\_] effective [July 1st of the current year].
  - (iv) [\_\_\_\_\_].

#### 13. **OTHER CHANGES.**

- a. The Agreement is hereby amended, modified and/or supplemented as follows:
  - (i) [\_\_\_\_\_].

#### 14. **AGREEMENT IN FULL FORCE IN EFFECT; NOTICE OF NON-RENEWAL REQUIRED TO TERMINATE.**

- a. The Agreement remains in full force and effect, on its original terms and conditions, except as may be modified by this (and any prior) Notices. The

Agreement, together with this Notice (and any prior Notice) shall be taken together and construed as the complete agreement of the parties. If Client does not wish to extend the Term of the Agreement as described in this Notice, Client is required by the terms of the Agreement to deliver a Notice of Non-Renewal to ExED no later than 60 days from the date of this Notice.

We thank you for your continued collaboration,

ExED:

By: \_\_\_\_\_

Dated: \_\_\_\_\_,

Name: \_\_\_\_\_

Title: \_\_\_\_\_

## EXHIBIT 2

### Excellent Education Development Management and Accounting Services Agreement - NOTICE OF NON-RENEWAL

- b. Reference is made to that certain Excellent Education Development Management and Accounting Services Agreement between University Preparation Charter School at CSU Channel Islands, a California nonprofit public benefit corporation (“Client”), and Excellent Education Development (“ExED”), a California nonprofit public benefit corporation, dated the 30th day of June 2021 (the “Agreement”). Capitalized terms not defined herein shall have the meanings set forth in the Agreement.
- c. The Client is in receipt of a Notice of Terms Supplement from ExED as provided for under the Agreement, and as per the terms of the Agreement and the Notice of Terms Supplement, Client has 60 days to issue a Notice of Non-Renewal terminating the Agreement.

#### 15. **NOTICE OF NON-RENEWAL.**

- a. Client hereby elects to issue this Notice of Non-Renewal, terminating the Agreement, effective as of June 30th of the year in which this Notice of Non-Renewal is delivered. Those provisions of the Agreement which by their express terms survive expiration or termination of the Agreement shall remain in full force and effect.

Client:

By: \_\_\_\_\_

Dated: \_\_\_\_\_,

Name: \_\_\_\_\_

Title: \_\_\_\_\_