

EXCELLENT EDUCATION DEVELOPMENT BUSINESS SERVICES AGREEMENT

This Business Services Agreement (the “Agreement”) is entered into as of the 1st day of July 2025 (the “Effective Date”) by Ocean Charter School, a California nonprofit public benefit corporation (the “Client”), and Excellent Education Development, a California nonprofit public benefit corporation (“ExED”), with reference to the following facts:

BACKGROUND

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

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

ExED is driven to help the Client create efficiencies and implement sound business practices, allowing the Client’s leadership to direct more time and energy to the classroom.

ExED expects the Client to observe the highest standards in its governance and management and dedicate itself to delivering a high-quality education to its students.

ExED believes in sustained collaboration on the Client’s work and has structured this Agreement to provide Services longer than a single school year. During the initial school year covered by this Agreement, ExED will begin providing the Client with Services as of the Effective Date. Subsequently, this Agreement will renew and extend for one year, starting next year, as described below. This structure allows ExED to attend to financial matters such as closing financial statements, supporting the completion of audits that occur in subsequent school or fiscal years, and preparing budgets for use in forthcoming years. This structure also offers consistency and predictability to the Client and ExED.

Now, therefore, in consideration of the premises and of the mutual covenants and conditions contained herein, the 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, which the Client must file with the State of California following applicable laws and regulations.
- b. “Additional Services” means any supplemental services to be provided by ExED at the Client's request. If Additional Services are part of this Agreement, they are described in a separate Exhibit and attached hereto.

- c. “Affiliate” means nonprofit corporations or limited liability companies controlled by or under common control with the Client. In this Agreement, the following corporation(s) or limited liability companies are Affiliates of the Client: Not Applicable.
- d. “Affiliate Services” means any Services rendered by ExED to an Affiliate.
- e. “Auditor” means an independent certified public accountant selected by the Client to prepare annual audited financial statements for the Client, as required by California Education Code 41020.
- f. “Basic Services” means the services provided by ExED as selected by the Client and described in Exhibits A, B, C, and/or D and attached hereto.
- g. “Board” means the governing body of the Client.
- h. “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.
- i. “Budget Overview for Parents” means the summary of a school budget, designed to be easily understood by parents and guardians, that is part of a school’s Local Control and Accountability Plan (LCAP).
- j. “California Department of Education” means the California Department of Education, the governmental agency within the State of California that oversees public education.
- k. “CALPADS” means the California Longitudinal Pupil Achievement Data System. CALPADS is a longitudinal data system used to maintain individual-level data, including student demographics, course data, discipline, assessments, staff assignments, and other data for state and federal reporting.
- l. “Chartering Authority” means the local school district, county office of education, or state board of education that has issued a charter to the Client to operate a School.
- m. “Client Administrator” means one or more Client staff or Board member(s) in leadership positions authorized to work with ExED concerning the services outlined in this Agreement. Unless otherwise notified in writing, the Client Administrator herein shall be (i) the chief executive officer, the executive director or equivalent, (ii) the presiding officer of the Board, and (iii) the principal or head of school for matters of any specific School operated by the Client.
- n. “Confidential Information” means any technical and non-technical information, including copyright, trade secret, 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, and 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 the 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.

- o. “Effective Date Year” means the calendar year the Effective Date occurs.
- p. “Fiscal Year” means the accounting period between July 1 and June 30.
- q. “myExED Portal” means the ExED client portal (myexed.org) and the associated applications available to Client staff via this website.
- r. “Notice of Non-Renewal” means a written notice from the Client delivered to ExED no later than sixty (60) days from delivery by ExED of a Notice of Terms Supplement, that the Client will not be renewing ExED’s Services under this Agreement for the coming Fiscal Year.
- s. “Notice of Terms Supplement” means written notice from ExED and delivered to the Client no later than May 1 of each year following the Effective Date Year.
- t. “Payroll Provider” means the third-party human capital management software provider that the Client has contracted with to provide payroll processing and other human resource services.
- u. “Personnel Activity Reports” means the document that demonstrates how a Client employee’s time is allocated to specific federal grants.
- v. “Proprietary Property of ExED” means all rights, 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 of ExED also includes ExED work products, 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 the Client’s Confidential Information. Proprietary Property of ExED 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 the Client’s Confidential Information. Proprietary Property of ExED also includes “ExED Knowledge Capital,” which means ExED materials existing before the 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 changes are developed as part of the Agreement.

- w. “Retroactive Services” means services pertaining to (i) a period before the Term of the Agreement, or (ii) prior Fiscal Years under the Agreement. If ExED agrees to provide Retroactive Services during the term of this Agreement, they are described in a separate Exhibit and attached hereto. If ExED agrees to provide Retroactive Services following termination of this Agreement, the Retroactive Services and fees will be described in a separate agreement between the parties.
- x. “School” means each charter school the Client has been authorized to operate by a Chartering Authority, which is operated by the Client and included in the scope of the Services described herein.
- y. “Semiannual Certifications” means the form of time and effort documentation used for the Client’s employees whose salary and benefits are solely charged to a single Federal grant or cost objective.
- z. “Services” means any Basic Services, Additional Services, or Retroactive Services agreed upon by the parties as further described in the respective Exhibits attached hereto.
- aa. “Term” means the period during which this Agreement is in effect between the parties, which shall commence as of the Effective Date and shall terminate upon receipt by ExED of the Client’s Notice of Non-Renewal, unless and until earlier terminated hereof, 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 the Client with the Basic Services described on Exhibits A, B, C, and/or D, as applicable. ExED shall give the Client a non-exclusive, non-assignable license to use the Proprietary Property of ExED solely for the Client's operations, at no additional cost, during the Term of this Agreement. The Client acknowledges that the Basic Services do not include any services not explicitly included on Exhibits A, B, C, and/or D, as applicable.
- b. Additional Services. The 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 Exhibit to be added to this Agreement and signed by authorized representatives of both parties. Charges, fees, responsibilities, and obligations concerning the Additional Services will be adjusted as described in the separate Exhibit.
- c. Retroactive Services. The Client may request ExED to provide Retroactive Services, provided that such request is (i) made to ExED after May 15th following the applicable Fiscal Year end, and (ii) not the result of ExED’s default in the provision of Services. If ExED agrees to provide Retroactive Services during the term of this Agreement, the Retroactive Services will be described in a separate Exhibit to be added to this Agreement and signed by authorized representatives of both parties. Charges, fees, responsibilities, and obligations concerning the Retroactive Services will be adjusted as described in that Exhibit.
- d. Affiliate Services. ExED does not provide Affiliate Services under this Agreement. The Client shall cause its Affiliates to engage ExED for a separate scope of Affiliate Services or shall manage the financial affairs of its Affiliates without ExED's assistance. If one or more Affiliates have engaged ExED to provide Affiliate Services, and the Client has been

designated to pay for such Affiliate Services (instead of paying higher rent, otherwise required for the Affiliate to pay directly, for example), the Client agrees that ExED's fees for such Affiliate Services will be billed to and due from the 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 Exhibit will be added to this Agreement and signed by authorized representatives of both parties. Any termination or modification applicable to this Agreement (including, without limitation, through a Notice of Non-Renewal or Notices of Terms Supplements, respectively) shall also apply to the rendering of Affiliate Services unless the Affiliate Services are outlined in a separate agreement.

3. PAYMENT AND TERMS

- a. Fees. In addition to any other fees set forth herein, during the Term of this Agreement, the Client shall pay ExED the following fees:
- (i) Basic Fees. The Client shall pay ExED a total of \$13,975.00 per month (i.e., \$167,700 per annum) for the Basic Services outlined in Exhibits A, B, C, and/or D, as applicable (the "Basic Fees"). For clarification, the Basic Fees include CALPADS Reporting fees of \$1,475.00 per month (i.e., \$17,700 per annum).
 - (ii) Supplemental Fee Schedule. ExED has established an hourly rate ("Supplemental Fee Schedule") to be charged for Additional Services the Client requests, and ExED agrees to perform, that are outside the Basic services defined in the Agreement. The Supplemental Fee Schedule sets the hourly rate at:
 - (1) VP or Director: \$150.00
 - (2) Manager: \$86.00
 - (3) Other Staff: \$57.00
 - (iii) Other expenses. The Client will reimburse ExED for its actual, reasonable out-of-pocket expenses. These out-of-pocket expenses will not exceed \$150 per month without prior written authorization from the Client.
- b. Payment terms.
- (i) ExED will invoice the Client monthly for services.
 - (ii) Payment is due thirty (30) days from the monthly invoice date.
 - (iii) Payments made after the 30-day period outlined in Section 3(b)(i) above are subject to a late payment penalty equal to a monthly rate of 1%, not to exceed the maximum allowed under applicable law.
- c. Right to Suspend Performance. In the event of default or payment delay greater than thirty (30) days from the invoice date, 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 the Client disputes all or any portion of the invoice that is due, the Client shall notify ExED in writing within twenty (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.

- d. Taxes. Except as expressly stated in this Agreement, ExED and the Client are responsible for any taxes on their respective incomes and for payment and withholding of all applicable taxes, including but not limited to income, property, and sales taxes.
- e. 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 Effective Date Year, which Notice of Terms Supplement shall detail any applicable changes in Service prices and related costs, including without limitation, concerning expense reimbursements, and any other amendments, changes, or supplements to the terms and conditions of this Agreement. If the Client determines not to renew ExED's Services under this Agreement, it shall timely deliver a Notice of Non-Renewal no later than sixty (60) days from delivery by ExED of a Notice of Terms Supplement. Failure by the Client to timely deliver a Notice of Non-Renewal shall be deemed the Client's agreement to renew this Agreement, as modified by the terms and conditions contained in the Notice of Terms Supplement.

4. RELATIONSHIP OF THE PARTIES

- a. Independent Contractors. ExED and the 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 concerning the subject matter of this Agreement. Except as may be expressly agreed upon in this Agreement or an Exhibit 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 the Client to its employees, nor in any pension plans, insurance plans, or other similar plans provided by the Client to its employees.
- c. Employees. Each party will exercise day-to-day control over and supervision of its 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 the Client employees shall be the exclusive province of the Client. Each party is responsible for obtaining and maintaining workers' compensation coverage and unemployment insurance for its employees.
- d. Subcontractors. ExED reserves the right to subcontract the Services with other individuals and businesses. 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 the Client's 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 concerning the Services outlined in this Agreement. In the absence of such designated persons, ExED shall be authorized to communicate with any of the Client Administrators and the presiding officer of the Board.
- b. Principal and Alternative Contact(s). 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 and to work with ExED concerning the Services outlined in this Agreement, as well as alternative contact(s) in the event the Client Administrator cannot or should not serve as the Client's contact due to conflict or suspected misconduct.
- c. Coordination and Cooperation.
 - (i) The 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. The Client will comply with and respond promptly to all reasonable requests of ExED for information, documents, or actions necessary for the performance of the Services.
 - (ii) The Client staff with access to the myExED Portal will take reasonable steps to maintain the confidentiality of their myExED login credentials. The Client staff will promptly notify ExED in writing if the secrecy of their myExED login credentials has been compromised.
 - (iii) The 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 promptly notify ExED in writing if a device's security has been compromised.
 - (iv) The Client staff will only use the myExED Portal for work-related activities.
- d. Financial Records and Audit. The Client will obtain an annual audit of its books and records from a state-approved Auditor at the end of each fiscal year and immediately provide ExED with a copy of any annual audit and related reports, notes, or statements.
- e. Grant and Funding Requirements.
 - (i) The 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, financial controls, and policies and procedures.
 - (ii) The Client is responsible for preparing the Semiannual Certifications and/or Personnel Activity Reports to account for wages paid for with federal funds.
- f. Chartering Authority Requirements. The Client covenants to comply with all material requirements, hereunder, as the same may impact the rendering of ExED's Services hereunder, including the adherence to the policies and procedures of the Chartering Authority to the extent applicable to the Client.

- g. The Client Policies and Procedures. The 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.
 - h. Insurance. The 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.
 - i. Notice and Information. The Client covenants that it will provide ExED with prompt, complete, and accurate notice of and information concerning any material errors in the Client data and the Client's books and records, as well as 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. The 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.
 - j. Designation of ExED. The 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.
 - k. Protection of Proprietary Property of ExED. The 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. The 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. The 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 per this Agreement. Upon termination of this Agreement for any reason, the Client shall cease all use of the Proprietary Property of ExED and discard and destroy any tangible portion of the Proprietary Property of ExED in its possession or control.
 - l. Integrity and Financial Responsibility. The Client will act in good faith and alert the management of ExED to any fraudulent activity reasonably related to the Services as soon as the Client becomes aware, to the extent permitted by law. The Client acknowledges that ExED's ability to provide Services is premised upon the Client acting financially prudently, 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 the Client. The Client is a California nonprofit public benefit corporation, 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. The Client 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. The 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 the Client have been duly

authorized by all necessary corporate action. This Agreement has been duly executed and delivered by the Client and constitutes the valid and legally binding obligation of the Client, enforceable in accordance with its terms and conditions. The Client need not give any notice to make any filing with or obtain any authorization, consent, or approval of any government or governmental agency 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 the Client is subject or any provision of its Articles of Incorporation, Bylaws, Articles of Organization, Operating Agreement, and/or other organizational documents, as applicable, 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 another arrangement to which the 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 the Client, nor are there any pending or threatened proceedings as to unpaid or disputed tax liabilities of the 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 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 another 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. Support Systems, Tools, and Services. Provide secure access to the myExED Portal (myexed.org) so that relevant Client staff can access ExED applications and exchange necessary information.
- e. No Duty to Monitor Compliance with Obligations. In the course of its work, and consistent with the Client's obligations hereunder, ExED may become aware of instances of non-compliance by the Client with its 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.
- f. 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 requires 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 its subcontractors as follows:
- (i) Except as set forth in Section 7(f)(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 the Client's Confidential Information will take reasonable steps to maintain the confidentiality of the Client's Confidential Information and will notify the 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 the Client Information and will use their best effort to notify the 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 the Client at the 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 the Client's Confidential Information in a non-identifiable way as part of its overall database of information about public charter schools. For example, the Client's salaries may be included in the general information ExED compiles and provides to all of its clients regarding the range of salaries offered by similar schools.

- g. 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 the Client in a timely and professional manner.

8. INDEMNITIES, DISCLAIMERS, AND LIMITATION OF LIABILITY.

- a. Subject to the terms of Section 8(d) below, the Client and ExED agree to indemnify each other and hold each other and each other's officers, directors, employees, and agents harmless from and against any 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. The Client's exclusive remedy for a default in the provision of Services hereunder is to (i) provide a 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 RE-PERFORM ANY DEFECTIVE SERVICES, AND THE 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 THE 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.

THE LIMITATIONS SET FORTH IN THIS SECTION 8 SHALL APPLY EVEN IF ANY REMEDIES FAIL IN THEIR ESSENTIAL PURPOSE.

- e. Allocation of Risk. The 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. The Client further acknowledges that the pricing and terms would have been different if there had been a different allocation of such risk.
- f. 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 the Client duly delivers a Notice of Non-Renewal to ExED. Notice of Non-Renewals delivered after sixty (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 the 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 (30) 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 without cause upon thirty (30) days written notice to the other party. During the notice period, the parties shall cooperate to 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 termination of this Agreement for convenience, the Client may request ExED to provide Retroactive Services pertaining to the Term of the Agreement. If ExED agrees to provide such Retroactive Services, such Retroactive 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 concerning financial controls, management, or operations, or (ii) the 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 the Client to transition its duties to the Client's 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 the 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 (2) months' fees for completion of any financial reporting Services pertaining to the last Fiscal Year covered by this Agreement. After termination of this Agreement following delivery of a Notice of Non-Renewal, the Client may request ExED to provide Retroactive Services pertaining to the Term of the Agreement. If ExED agrees to provide such Retroactive Services, such Retroactive 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 Sections 9(b) through 9(e), in addition to any fees and other amounts due and owing to ExED as may be outlined in each such Section, ExED's Service fees and expense reimbursements shall be prorated to the date of such termination. ExED shall have the right to payment for all Services rendered and reimbursable expenses incurred up to this Agreement's termination date.

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 (each, a "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 of 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 the 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 of 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 the California Evidence Code, except as otherwise explicitly 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 a decision would be appealable if rendered by a judge of the superior court.
- e. Expenses. During the pendency of any Dispute that 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 Sections 10(f) and (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 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 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 the address listed on its website or to such other addresses as such party shall designate by written notice given to the other party. It shall be deemed to have been made, given, or provided on the date of receipt.
- e. Assignment; Successors. This Agreement is personal, being entered into in reliance upon and consideration of the skill, qualifications, and representations of, as well as 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 fifteen (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. The 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 the Client in marketing materials provided that all references to the Client are fair, accurate, and not misleading and that they are approved by the 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. They 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 Exhibits) 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.

12. 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 explicitly set forth in the respective Exhibits:
 - (i) Managing or designing human resources processes to ensure the Client's compliance as the employer of record.
 - (ii) Managing or confirming the accuracy of vacation and sick accrual balances.
 - (iii) Identifying or applying for private grants. Should the Client receive a private grant, the Client is responsible for tracking and informing ExED of financial reporting requirements.

- (iv) Developing Local Control and Accountability Plan (LCAP) goals and actions, or identifying actions that contribute to increasing or improving services for unduplicated pupils.
- (v) Drafting the narrative sections of the Budget Overview for Parents.
- (vi) Ensuring compliance for programs paid for with restricted funds, including determining allowable expenses and completing time and effort reporting.
- (vii) Preparing and filing property tax exemption forms.
- (viii) System for Award Management (SAM) registration or renewal registration.
- (ix) Maintaining corporation/limited liability company/non-profit status, including filing Statements of Information.
- (x) Obtaining or renewing liability and workers' compensation insurance.
- (xi) Ensuring Brown Act compliance or providing Brown Act training.

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

CLIENT:

By: _____

Dated: _____,

Name: _____

Title: _____

ExED:

By: _____

Dated: _____,

Name: Tait G. Anderson

Title: CFO/COO

Exhibit A

School Finance and Accounting Services

(attached if applicable)

Exhibit A – School Finance and Accounting Services

- 1) List of School Finance and Accounting Services. ExED will perform the services outlined below (collectively, the “School Finance and Accounting Services”):
 - A) Budgeting, Financial Reporting, and Forecasting
 - 1) Budget Development.
 - (a) Work with the Client Administrator to develop an annual budget for each School and a multi-year budget, if necessary, beginning in March of each year, for approval by the Client’s governing board no later than June 30th.
 - 2) Budget Revisions
 - (a) Upon the approval of the budget of the State of California as approved and signed by the Governor of the State of California for the current Fiscal Year, ExED will work with the Client Administrator to perform any revisions to the Budget to reflect the legislation adopted, if necessary.
 - (b) Provide annual forecasts, updated monthly, to provide accurate year-end projections.
 - 3) Standard Financial Reports
 - (a) Prepare and email or make electronically available Standard Financial Reports (as defined below), or a subset of Standard Financial Reports approved by the Client Administrator, by the 10th of the month following month-end reconciliation or on a schedule mutually agreed to with the Client. For example, financial reports for September will be available by November 10th.
 - (b) In this Agreement, “Standard Financial Reports” shall mean:
 - (i) Financial Dashboard (excluded from July Financial Package)
 - (ii) Cash Flow Forecast (excluded from July Financial Package)
 - (iii) Financial Analysis (excluded from July Financial Package)
 - (iv) Income Statement
 - (v) Balance Sheet
 - (vi) Check Register
 - (vii) Credit Card Register
 - 4) Financial Dashboard
 - (a) Prepare a dashboard that displays key indicators of financial health – income statement summary with variances and forecast, cash flow charts with actuals and forecast for the year, ADA and enrollment chart with actuals and forecast, a balance sheet summary, and liquidity ratios.
 - 5) Cash Flow Forecast
 - (a) ExED will prepare the Cash Flow Forecast report for each School throughout the year as part of the Standard Financial Reports.
 - 6) Financial Analysis
 - (a) ExED will analyze actual versus budget revenue and expenses and monitor cash flow.
 - 7) Online Reporting
 - (a) Provide online access to year-to-date actuals, annual budget, budget remaining, and other financial and transactional reporting in the myExED client portal.
 - 8) The Client & Board Meetings
 - (a) At least once every quarter, ExED shall prepare and review the Client’s financials with the Client Administrator.
 - (b) Prepare and present the Client’s financial health to the Board as appropriate, but no less

- internal control procedures.
- C) Audit and Tax Preparation
 - 1) Audit Preparation
 - (a) Collect or provide instructions to the Client on how to provide the information required by Auditors for testing and audit report drafting.
 - (b) Prepare required schedules (e.g., accrual worksheet, fixed asset ledger, balance sheet account detail, etc.).
 - (c) Serve as the point of contact for all communication with the Auditors regarding financial data maintained by ExED.
 - (d) Work with and meet with the Client's Audit Committee as needed.
 - (e) Prepare the adjusting journal entries as required by the auditors.
 - 2) Tax Preparation
 - (a) Prepare and collect the required information for the Auditor to complete the Form 990 federal tax return and Form 199 California Exempt Organization Annual Information Return.
 - (b) Prepare sales and use tax returns when notified by the Client that these returns are needed and report the information if provided the necessary access to the relevant tax filing systems.
 - D) Cash Management
 - 1) Cash Position Reports
 - (a) Prepare the Cash Position Report and deliver it to the Client on a schedule and in a format agreed to with the Client. The Cash Position Report summarizes the current bank balance, payments issued, accounts payable balance, and projected short-term cash balances.
 - 2) Loans & Lines of Credit
 - (a) Analyze working capital needs and assist the Client in preparing or renewing loan or line of credit applications if needed.
 - (b) In the case of state cash deferrals, prepare the application for deferral exemptions if eligible.
 - 3) Invoice Payment
 - (a) Manage the timing of invoice payment.
 - E) Compliance and Fiscal Reporting
 - 1) Categorical Funding Applications
 - (a) Prepare funding applications for funding sources identified in the Client's Budget. This includes the following (if applicable): Mandated Block Grant, Consolidated Application (ConApp), 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.
 - (b) Assist with budget/financial sections of the Public Charter Schools Grant Program (PCSGP) and other grant applications, if applicable.
 - 2) Compliance and Fiscal Reporting
 - (a) Prepare the preliminary Budget report and submit it to the Chartering Authority in the required format.
 - (b) LCAP Reporting
 - (i) Incorporate the Local Control Accountability Plan ("LCAP") expenditure assumptions into the Client's Budget.
 - (ii) Provide Local Control Funding Formula ("LCFF") funding numbers (LCFF Base Revenue, LCFF Supplemental and Concentration, and Minimum Proportionality Percentage) required for the LCAP.

- (iii) 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 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 the Client develops LCAP in a short time frame, ExED may not be able to provide budget estimates, and the Client will need to develop these estimates.
 - (iv) Assist with completing the financial portions of the mid-year and annual LCAP updates.
 - (c) Prepare and disseminate fiscal reports to lenders and creditors as appropriate.
 - (d) Prepare per pupil expenditure section of the School Accountability Report Card (SARC).
 - (e) School Nutrition Program
 - (i) Prepare year-end School Nutrition Program Cost and Revenue reporting.
 - (ii) Assist in preparing the financial components of the School Nutrition Program Administrative Review.
 - (f) Prepare the Every Student Succeeds Act Per Pupil Expenditure Report.
 - (g) Prepare and submit federal and state expenditure reporting as appropriate, including expenditure reporting for categorical funding sources (e.g., ESSER, Arts Music and Instructional Materials Discretionary Block Grant, Expanded Learning Opportunity Program, Proposition 28 – Arts & Music in Schools Program, Learning Recovery Emergency Block Grant, Educator Effectiveness, the Universal Pre-K Planning Grant, Title I, II, III, and IV, After School Educational & Safety program, etc.).
 - (h) Submit Federal Cash Management reports and prepare calculations for interest earned on federal funds.
 - (i) Assist, as appropriate, in preparing the fiscal components of Federal Program Monitoring visits and other compliance monitoring reviews.
- F) Charter Authorizer Support
- 1) Support the Client with financial-related communications with the Charter Authorizer. ExED will:
 - (a) Prepare regular financial reporting (budget and interim reporting).
 - (b) Provide financial documents and reports as requested.
 - (c) In partnership with the Client, prepare the fiscal materials requested for the Client’s oversight reviews with the charter authorizer and governmental agencies and participate in oversight reviews.
 - (d) Assist the Client Administrator when meeting with the charter authorizer to discuss the fiscal health and outlook of each Client school.
 - 2) Assist in the charter renewal and material revision process by preparing the required forecasts and cash flow projections.
- G) Strategic Planning
- 1) Partner with the Client Administrator(s) and the Client’s board of directors to develop financial strategies to support the Client’s long-term success.
- 2) The Client’s Obligations. In addition to the obligations of the Client set forth in the Agreement and the other Exhibits thereto, the Client shall have the following additional obligations relating to ExED’s provision of the School Finance and Accounting Services:
- A) Financial Records and Audit.
 - 1) The Client will maintain customary and reasonably correct, complete, and accurate records and other supporting information enabling ExED to render the Services hereunder. The

- Client will deliver all supporting documentation by the monthly close timeline developed by ExED and provided to the Client. If the Client submits the required supporting documentation after the monthly close deadline, ExED cannot guarantee the on-time submission of financial reports for the Client management review and/or Client board meetings.
- 2) The Client covenants to assist ExED in reconciling outstanding invoices and provide ExED with copies or originals of vendor invoices and correspondence, as well as other statements and receipts, per the monthly close deadline established by ExED.
- B) Bank Accounts. The Client is responsible for notifying ExED of all bank accounts.
 - C) Leases and Fixed Assets.
 - 1) The Client is responsible for notifying ExED of all lease activity (e.g., when the Client enters into a new lease or modifies an existing lease).
 - 2) The Client is responsible for notifying ExED if it disposes of fixed assets.
 - D) Other School Entity Accounting. The Client is responsible for completing the accounting and bookkeeping activities of other school entities (e.g., the Associated Student Body (ASB), the Parent Teacher Association (PTA), etc.).
 - E) Statement of Information. The Client is responsible for submitting the biannual Statement of Information to the Secretary of State.
- 3) Additional Fees
- A) The following services, responsibilities, and activities are available as part of the Services, as requested by the Client in writing, for the additional 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 \$3,750.
 - 2) Rush Checks/Payments: Rush checks are discouraged and are defined as checks/payments that the Client requests outside of the regular weekly processing schedule. The Client will be allowed one rush check a month with no charge. After that, the Client will be charged a fee of \$40.00 per rushed check. The Client will also be responsible for the cost of any special delivery, if applicable.
 - 3) ExED will charge \$150/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 the Client in securing or applying for facility financing).
 - 4) SpendBridge invoice automation features
 - (a) If the Client chooses to use SpendBridge's AI invoicing feature to process invoices automatically, ExED will charge \$1.25 per invoice.

Exhibit B

Payroll Processing and Retirement Reporting Services

(attached if applicable)

Exhibit B – Payroll Processing and Retirement Reporting Services

- 1) List of Payroll Process and Retirement Reporting Services. ExED will perform the services as outlined in the table and further described below (collectively, the “Payroll Processing and Retirement Reporting Services”):

Service	ExED will Perform Service
A. Payroll Processing	Yes
B. Retirement Reporting	
B.1. CalSTRS Reporting	Yes
B.2. CalPERS Reporting	No
B.3. Other Retirement Reporting	Yes, if applicable

A) Payroll Processing

- 1) Review the payroll information the Client maintains within the Payroll Provider software in a manner consistent with the information given to ExED, including (i) employee information related to payroll processing and (ii) non-tax payment information, such as voluntary deductions and garnishments.
- 2) Calculate and submit the state payroll tax payments and returns if the Payroll Provider requests/requires assistance in completing the reports it does not file.
- 3) Provide the Client with a payroll schedule for the calendar year, which includes pay periods and deadlines for ExED to receive or confirm 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 for submitting all payroll-related data by the deadlines established in the Client’s payroll schedule.
- 4) If the Client receives a payroll package and is closed for a school break and cannot receive the payroll package, the Client is responsible for coordinating with ExED to make special delivery arrangements prior to processing payroll.
- 5) Create or review employee earnings, deductions, and benefit codes.
- 6) Process supplemental payroll runs as needed, including supplemental checks for terminations, stipends, and bonuses. Additional fees may apply.
- 7) Process garnishments.
- 8) Set up the coding to track payroll expenses related to restricted grants, Local Control Accountability Plan (LCAP), school sites, etc.
- 9) Provide minimum wage guidance related to state labor laws.
- 10) Assist with general payroll-related questions.

B) Retirement Reporting

- 1) CalSTRS Retirement Reporting
 - (a) Submit the required information monthly to the local county office of education or the designated recipient and comply with all retirement program requirements. This shall also include coordinating the remittance of CalSTRS contributions with the accounting department at the county office of education or the designated recipient.
 - (b) Calculate and report all retirement benefits for CalSTRS in alignment with the information provided by the Client based on employee and payroll data supplied by the Client, unless the Client does not provide the required data. If the Client does not provide the necessary payroll and employee 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.
 - (c) In partnership with the Client, assist in researching staff with CalSTRS to ensure proper

membership is established based on retirement regulations.

- 2) CalPERS Retirement Reporting
 - (a) Submit the required information monthly to the local county office of education or the designated recipient and comply with all retirement program requirements. This shall also include coordinating the remittance of CalPERS contributions with the accounting department at the county office of education or the designated recipient.
 - (b) Calculate and report all retirement benefits for CalPERS in alignment with the information provided by the Client based on employee and payroll data supplied by the Client, unless the Client does not provide the required data. If the Client does not provide the necessary payroll and employee 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.
 - (c) In partnership with the Client, assist in researching staff with CalPERS to ensure proper membership is established based on retirement regulations.
 - 3) Other Retirement Reporting (e.g., 403B, 401K, 457)
 - (a) Process appropriate employee deductions upon receipt of the proper paperwork from the Client. ExED will submit payment and the contributions report to the applicable retirement company based on the Client's payroll schedule.
- 2) The Client's Obligations. In addition to the obligations of the Client set forth in the Agreement and the other Exhibits thereto, the Client shall have the following additional obligations relating to ExED's provision of the Payroll Processing and Retirement Reporting Services:
- A) The Client will provide all necessary and proper data to ExED for payroll processing and any applicable retirement reporting programs the Client participates in.
 - B) The Client will maintain all original documents related to personnel files or payroll data.
 - C) If necessary, the Client will use and purchase, if needed, commercially reasonable time clocks for timekeeping purposes.
 - D) The Client will sign or has signed a service agreement with the Payroll Provider for the necessary services so that ExED can process payroll using the Payroll Provider's service.
 - 1) The Payroll Provider will file the Client's annual forms W-2/W-3.
 - 2) The Payroll Provider will file the relevant federal and state tax returns. If necessary, the Payroll Provider may request that ExED file the tax returns if it cannot.
 - E) The Client is responsible for ensuring they comply with the Affordable Care Act (ACA) reporting requirements, if applicable.
 - F) The Client will be responsible for all fees the Payroll Provider assesses, whether those fees are paid for by the Client or by ExED. If ExED pays the Payroll Provider fees, ExED will invoice the Client for the fees it has incurred.
 - G) The Client will submit all necessary payroll and time and attendance data within the Payroll Provider's software, which includes ensuring the payroll hours submitted have the correct labor allocation.
 - H) The Client will maintain employee information unrelated to payroll processing within the Payroll Provider's software.
 - I) The Client will work with the Payroll Provider to set up and track any payroll accruals (e.g., vacation, sick, etc.). ExED should be informed of these requests and will assist with this setup where possible.

- J) The 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.
 - K) The Client is responsible for providing ExED with accurate health and welfare deductions for each Client employee.
 - L) The Client is responsible for all communications with its employees regarding payroll and retirement reporting information. ExED should not be asked to communicate directly with the Client's employees regarding payroll and retirement reporting information.
 - M) The 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 is acknowledged and understood that the 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 for enrollment into an applicable retirement system, according to 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).
 - N) The Client is responsible for collecting and maintaining accurate retirement enrollment forms for the retirement program(s) in which the Client participates (e.g., CalSTRS, CalPERS).
 - O) CalSTRS or CalPERS audits (if applicable).
 - 1) The Client is responsible for managing CalSTRS and/or CalPERS audits.
 - 2) The Client should keep ExED informed of any CalSTRS or CalPERS audit to which it is subject.
 - 3) The Client should share audit findings and documentation received from CalSTRS or CalPERS with ExED, and communicate whether adjustments need to be made.
 - 4) The Client is responsible for collecting the audit documentation/backup requested for any audit finding and sharing this documentation with ExED.
- 3) Additional Fees. The Payroll Processing and Retirement Reporting Services are available as part of the Services for the additional fees described below:
- A) Payroll
 - 1) Late Payroll Submission: If the Client does not submit payroll information (e.g., timecards and new hire information) by the deadline or submits incomplete information, the Client will be charged a late payroll submission fee of \$145.00 per payroll period.
 - 2) Supplemental Payroll: If the Client provides late, inaccurate, or incomplete information and ExED has to process a supplemental payroll to ensure the Client's employees are paid correctly, the Client will be charged a supplemental payroll fee of \$145.00 per payroll period and a fee of \$57.00 per check if individual checks need to be issued.
 - 3) Prior Period Adjustment: The Client may request ExED to make a prior pay period adjustment to payroll and/or retirement reports for an employee. If ExED agrees to make the requested adjustment, it will charge a fee of \$340.00 per employee. The Client will be

responsible for any additional fees charged by the payroll provider, retirement program, or other 3rd party entities that result from the adjustment.

B) Retirement Reporting

- 1) ExED will charge \$150.00/hour for making prior period CalPERS or CalSTRS adjustments or corrections.

Exhibit C

Data Management Services

(attached if applicable)

Exhibit C – Data Management Services

- 1) List of Data Management Services. ExED will perform the services as outlined in the table and further described below (collectively, the “Data Management Services”):

Service	ExED will Perform Service
A. Attendance Reporting	Yes
B. Nutrition Claims Reporting	No
C. CALPADS Reporting	Yes

A) Attendance Reporting

- 1) Orientation. Provide an orientation to ExED’s Attendance Reporting services in a workshop format.
- 2) Resources. Provide resources to the Client-identified staff responsible for the Student Information System (“SIS”) used by the Client, attendance reporting, and data management.
 - (a) Review data elements specific to Attendance in a workshop format, including CDE updates.
- 3) Prepare PENSEC (if applicable), PENSEC Charter 20-Day (if applicable), P-1, P-2, and P-3/Annual attendance reports from the Client-provided records and submit them to the Chartering Authority as required. As used herein, PENSEC Charter 20-Day and P-1, P-2, and P-3/Annual are defined as follows:
 - (a) “PENSEC Charter 20-Day” means the Charter School 20 Day Attendance Report. This data collection gathers actual average daily attendance (ADA), enrollment, and unduplicated pupil counts from new or expanding charter schools for the first twenty (20) days of instruction.
 - (b) “P-1/P-2/P-3/Annual” means the attendance reports that must be submitted to the State of California for ADA apportionment purposes.
- 4) Prepare and submit monthly attendance reports, if required, to the Chartering Authority.
- 5) Submit monthly attendance revisions as needed and as allowed by the Chartering Authority.

B) Nutrition Claims Reporting

- 1) Orientation. Provide an orientation to ExED’s Nutrition Claims reporting services in a workshop format.
- 2) Resources. Provide resources to the Client-identified staff responsible for School Nutrition Programs.
 - (a) Review data elements specific to School Nutrition Program data relevant to monthly meal claim reporting in a workshop format, including CDE updates.
- 3) Prepare monthly claim information for federal and state meal programs, as appropriate, and transfer information into the Child Nutrition Information and Payment System (CNIPS) based on the Client-provided records.

C) CALPADS Reporting

- 1) Orientation. Provide an orientation to ExED’s CALPADS Reporting services in a workshop format.
 - (a) Discuss CALPADS reporting requirements related to School funding.
 - (b) Review the responsibilities of ExED and the Client.
- 2) Resources. Provide resources to the Client-identified staff responsible for the SIS used by the Client, CALPADS reporting, and data management.
 - (a) Review data elements specific to CALPADS in a workshop format, including Students, Staff, Courses, Discipline, and Attendance.
 - (b) Facilitate troubleshooting in SIS on issues specific to CALPADS.

- (c) Provide support via email, phone, remote assistance, and permitted in-person visits on issues specific to CALPADS.
 - (i) Phone support will be available during regular business hours.
 - (ii) Email requests can be directed to ExED at datamanagement@exed.org.
- 3) Data Integrity. Assess and support data integrity for CALPADS-related data elements.
 - (a) Identify areas for improvement throughout our working partnership and offer guidance or resources for collecting and populating data to meet requirements.
 - (b) Create and/or locate Statewide Student Identifiers (SSIDs) for new students enrolling at the Client. ExED will complete this process as part of monthly attendance reporting.
 - (c) Identify and communicate to the Client any missing required SIS data necessary to complete CALPADS reporting submission. ExED will provide timelines, guidance, and instructions to the Client to address missing and/or required SIS or SEDS data.
 - (i) As used herein, “SEDS” means Special Education Data System or Systems. Special education data is managed via special education information data systems identified by the Client’s SELPA (Special Education Local Plan Area). A SEDS allows centralized management of IEPs (Individualized Education Plans), special education data, CALPADS reporting, and service tracking. Examples of SEDS are Welligent, SEIS (Special Education Information System), and SIRAS (SELPA Information and Records Analysis Support).
- 2) Data Validation & Certification.
 - (a) Validate and extract data from SIS and upload to CALPADS, review and troubleshoot with Client CALPADS validation errors and anomalies, and certify the Client-approved data in CALPADS as required, including the following for each school year during which ExED is rendering Services:
 - (i) Prepare and facilitate the Client’s approval of Fall 1 data.
 - (ii) Prepare and facilitate certification of Fall 2 data.
 - (iii) Prepare and facilitate certification of End of Year 1 data (as applicable)
 - (iv) Prepare and facilitate certification of End of Year 2 data.
 - (v) Prepare and facilitate LEA approval of End of Year 3 data.
 - (vi) Prepare and facilitate certification of End of Year 4 data.
 - (vii) Summarize key data for certification in CALPADS and secure the Client Administrator’s sign-off and approval of CALPADS data reported prior to certification.
 - (viii) Manage CALPADS anomalies, including Multiple Identifiers (MID), Exit Reason Discrepancies (ERD), and Concurrent Enrollments (CCE) within the threshold given by CALPADS for successful certification.
 - (ix) Provide Certified Reports for the Client’s reference and archives.
 - (x) If the Client requests that the CALPADS amendment window be utilized, ExED has the right to charge an additional fee. ExED will notify the Client of any additional fees prior to beginning work.
 - (b) Data integrity and accuracy remain the responsibility of the Client and are acknowledged upon the signature of approval of CALPADS reports and summary data provided by ExED.
- 3) Additional Reporting Support.
 - (a) Provide support and guidance on reporting CBEDS data. As used herein, “CBEDS” means the California Basic Educational Data System, which aims to collect data about schools and districts and aggregate data on students and staff.
 - (i) Troubleshoot any issues with CBEDS extracts/data.

- (ii) Provide a review of any missing required CBEDS data in the SIS or by other means provided to ExED.
- (iii) Secure the Client sign-off and approval of CBEDS data prior to final submission.

2) The Client's Obligations. In addition to the obligations of the Client set forth in the Agreement and the other Exhibits thereto, the Client shall have the following additional obligations relating to ExED's provision of the Data Management Services:

A) General

- 1) Integrity. The Client will act in good faith and alert the management of ExED to any fraudulent activity reasonably related to the Data Management Services as soon as the Client becomes aware, to the extent permitted by law. The Client acknowledges that ExED's ability to provide the Data Management Services is conditioned upon the Client acting in good faith and acting in a commercially reasonable manner.
- 2) SIS Records. The Client will maintain all data records in SIS. The Client is responsible for maintaining the accuracy of the Client's data records, correcting data errors, and entering new or corrected data in the SIS. The Client is solely responsible for ensuring the accuracy of the data it provides to ExED or maintained in the Client's SIS database. ExED has no responsibility to independently confirm the accuracy of the data it receives from the Client or that is maintained in the Client's SIS database, and has the right to rely on the same. ExED will advise the Client of the data to be corrected to comply with various reporting requirements and may provide data entry templates or instructions. The Client is responsible for correcting the errors or completing the missing data.
- 3) The Client Policies and Procedures. The Client covenants to develop, apply, and follow no less than customary and reasonable policies and procedures for a charter school applicable to data management, including, but not limited to, enrollment, attendance, eligibility for student participation in free and reduced-price meal programs, and special education.
- 4) Provide ExED with two accounts with appropriate access to its SIS application.
- 5) The Client staff understands their responsibility to ensure compliance with the federal Family Educational Rights and Privacy Act (20 U.S.C. §1232g).
- 6) ExED will utilize software systems such as Box, a third-party organization ExED has contracted with to provide cloud-based file-sharing services, to share confidential student and staff information via a secured system rather than individual emails.
- 7) ExED will not use any information in the pupil record for purposes other than those required or expressly permitted by the Data Management Services.

B) Attendance Records and Reports

- 1) The Client must take all necessary and proper steps to provide regular, accurate, and timely responses to monthly and period attendance requests.
- 2) The Client is responsible for taking daily attendance records compliant with the California Education Code. The client must maintain phone logs, tardy logs, Independent Study agreements and work products, and other pertinent information related to appropriate attendance tracking.

C) Nutrition Claims Reporting

- 1) The Client will provide ExED with appropriate access to CNIPS as requested.
- 2) The Client will provide ExED with the information needed to prepare a monthly meal claim by the 10th of each month.
- 3) The Client will review the monthly meal claim information ExED has prepared, notify ExED of any discrepancies, and submit the final monthly claim information in CNIPS by submission deadlines.

D) CALPADS Reporting Services.

- 1) Access to State Systems. The Client is responsible for maintaining master accounts with associated usernames and passwords for accessing the CALPADS state system, the CBEDS online reporting system, and any 3rd party systems.
- 2) Coordination and Cooperation. The Client will identify one principal contact who will work with ExED related to CALPADS Reporting Services. The principal contact will be responsible for facilitating requests for records verification and data collection to troubleshoot errors in CALPADS data or other systems for which CALPADS certification is dependent (e.g., SEDS).
- 3) Deadlines. If the Client does not meet the ExED timelines for making data corrections required for CALPADS certification, ExED will not be responsible if the Client is unable to certify on time or if the Client certifies with inaccurate data.
- 4) Provide the ExED Data Management Team Lead with a CALPADS account with LEA Admin-level access. LEA Admin account is the master account and allows for creating users and resetting passwords.
- 5) The Client staff will not directly change CALPADS data without first communicating with and coordinating with ExED, with the exception of updates to special education eligibility and program data (i.e., IEP, services, degree of support, meetings, amendments, etc.).
- 6) The Client will provide CBEDS-ORA login information and return CBEDS School Information Form (SIF) to ExED as requested and within the timeframe established in the request.
- 7) The Client is responsible for the accuracy of their data and acknowledges this responsibility when they review and sign off on the summary data provided by ExED.
- 8) The Client is responsible for uploading all required special education data files from their SEDS to CALPADS in accordance with ExED, CDE, and SELPA deadlines.

E) Data Integrity

- 1) The Client is responsible for the integrity of their data.
- 2) Pupil records remain the property of and under the Client's control unless otherwise required by law.
- 3) Provide an overview to ExED of the Client's data management structure and current processes for collecting, validating, and reporting data.
- 4) Provide time for the appropriate staff to meet to review processes with ExED.
- 5) For all students who enroll and exit the Client, the Client is responsible for ensuring enrollment is entered in the SIS in the correct grade level within the first attendance reporting cycle of the student's enrollment.
- 6) The Client is responsible for notifying ExED if enrolled students have a mid-year grade-level change once enrolled.
- 7) The Client is responsible for notifying the District of Residence of the exited student pursuant to California Education Code §47605(d)(3).
- 8) The Client is responsible for completing any missing data and/or required data and entering the relevant data into the Client's SIS or data entry templates as requested and within the timeframe established in the request to set up the Client's SIS system.
- 9) The Client is responsible for following up with any data discrepancies and notifying ExED once resolved.
- 10) The Client will provide ExED with any requested dates and instructional calendar for school years covered by this Agreement and notify ExED of any changes when they occur.
- 11) The Client will provide ExED with next year's school and grade information for returning students, including any retained students, as required in their SIS, no later than August 15 of each year.

- (a) The Client will identify and properly transfer out non-returning students in the SIS and SEDS.
- 3) Confidentiality and Security. ExED will directly access the Client's SIS and extract data related to the Data Management Services (e.g., student information and staff employment data). Such information shall be considered Confidential Information to the extent it contains any personally identifiable information under FERPA.
- 4) Additional Fees. The Data Management Services are available as part of the Services for the additional fees described below:
- A) ExED will provide orientation workshops (e.g., CALPADS reporting, attendance reporting, etc.) for the Client staff who are hired mid-year and require additional support. ExED will charge the Client \$220 per workshop.
 - B) The Client transitions to a new SIS – 1 School
 - 1) Transition to Aeries or PowerSchool \$3,450
 - 2) Transition to Another SIS \$5,750
 - C) The Client transitions to a new SIS – 2+ Schools
 - 1) Transition to Aeries or PowerSchool \$6,900
 - 2) Transition to Another SIS \$11,550

Exhibit D

Invoice Upload Services

(attached if applicable)