

July 1, 2023

Dr. Mary Streshly
Superintendent
Oakland Military Institute College Preparatory Academy
3977 Lusk Street
Oakland CA 94608

Re: Services Agreement

Dear Dr. Streshly:

This is a Services Agreement (“Services Agreement”) by and between **OAKLAND MILITARY INSTITUTE COLLEGE PREPARATORY ACADEMY**, a California charter school with a mailing address at 3977 Lusk Street Oakland CA 94608 (“Client”) and **SCHOOLABILITY, LLC** (“Consultant”), an Arizona limited liability company with a mailing address at P.O. Box 21565, Albuquerque, NM 87154 (“Consultant”), entered into as of the date first written above (the “Effective Date”). Customer and Consultant hereby agree as follows:

1. SERVICES. In consideration of Client’s performance under this Services Agreement, including without limitation Client’s timely payment of Fees as described in **SECTION 2 (“FEES AND PAYMENT”)** below, Consultant agrees to use its commercially reasonable efforts to provide to Client certain back office and payroll services (collectively, “Services”), as such Services are further described in **EXHIBIT A (“SERVICES, FEES AND CHARGES”)**.

2. FEES AND PAYMENT.

2.1 Fees. Client hereby agrees to pay to Consultant certain fees (“Fees”) under this Services Agreement as described in **EXHIBIT A (“SERVICES, FEES AND CHARGES”)**.

2.2 Payment. Fees shall be due and payable no later than thirty (30) days from the date of corresponding Consultant invoice or receipt of funding from state or other sources, whichever is later. Any late payment of Fees shall bear interest at a rate of one and one-half percent (1.5%) for each month or partial month during which Fees were owed and unpaid, or the highest rate allowed by law, whichever is lower. Without limiting the generality of the foregoing, any failure by Client to pay Fees in a timely manner may be deemed a material breach of this Services Agreement at Consultant’s option.

3. CONFIDENTIAL INFORMATION. Each party (the “Disclosing Party”) may in the course of performance of this Services Agreement provide to the other party (the “Receiving Party”) certain confidential information regarding the business, technologies and plans of the Disclosing Party (“Confidential Information”). The Disclosing Party shall mark Confidential Information as such in writing, or when disclosed orally shall identify such Confidential

Information as such at the time of disclosure, and shall confirm such identification in writing within ten (10) days thereafter. The Receiving Party shall use Confidential Information only in the performance of this Services Agreement, and shall not disclose Confidential Information to any third party other than as required by law during or after the term of this Services Agreement. The obligations of this SECTION 3 (“CONFIDENTIAL INFORMATION”) shall continue for five (5) years from the date of expiration or termination of this Services Agreement.

4. TERM AND TERMINATION. The term of this Services Agreement shall commence upon the Effective Date and shall continue until June 30, 2024. Thereafter, the term of this Services Agreement shall continue on a year-to-year basis until such time, if ever, as either party has given the other party at least sixty (60) days’ written notice of non-renewal, in which case the term of this Services Agreement shall expire on the immediately following June 30 date. Either party may terminate this Services Agreement upon notice for the material breach of the other party which material breach has remained uncured for thirty (30) days after the date of notice thereof to the breaching party.

5. NON-SOLICITATION. The parties hereby acknowledge that Consultant has expended substantial time, money and effort training its employees and independent contractors with respect to business strategies, techniques and methods related to training and assisting third parties in the use, implementation and service of software and business office operations. Accordingly, during the Term of, and for a period of two (2) years immediately following expiration or termination of, this Services Agreement, Client agrees not to hire, solicit for employment or engage any employee or independent contractor of Consultant, or induce any such employee or independent contractor to terminate or breach any employment or other relationship with Consultant. The parties agree that where Client has breached the foregoing provision, Client shall pay to Consultant as liquidated damages, and not as a penalty, a sum equivalent to the greater of: **(a)** the annual salary of any such employee or amount of contractor fees paid or payable to any such independent contractor in the one (1) year period prior to such breach; or **(b)** the amount paid or payable by Client under this Services Agreement in the one (1) year period prior to such breach.

6. LIMITATION OF LIABILITY. ALL GOODS AND SERVICES, INCLUDING WITHOUT LIMITATION THE SERVICES AS DESCRIBED IN SECTION 1 (“SERVICES”), ARE PROVIDED ON AN “AS IS” BASIS WITHOUT WARRANTY. CONSULTANT HEREBY DISCLAIMS ANY AND ALL WARRANTIES WITH RESPECT THERETO INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE OR NON-INFRINGEMENT OF THIRD PARTY RIGHTS.

7. DAMAGES. OTHER THAN FOR DAMAGES ARISING FROM A BREACH OF SECTION 3 (“CONFIDENTIAL INFORMATION”), NEITHER PARTY SHALL BE LIABLE FOR ANY INCIDENTAL, CONSEQUENTIAL, INDIRECT, SPECIAL OR PUNITIVE DAMAGES UNDER THIS SERVICES AGREEMENT, EVEN IF ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. IN NO EVENT SHALL THE TOTAL LIABILITY OF CONSULTANT UNDER THIS SERVICES AGREEMENT EXCEED THE GREATER OF ONE HALF (50%) OF TOTAL FEES ACTUALLY PAID TO CONSULTANT HEREUNDER OR

TEN THOUSAND DOLLARS (\$10,000) REGARDLESS OF THE CAUSE OF ACTION, IN CONTRACT, TORT OR OTHERWISE.

8. INDEMNIFICATION. Client shall fully indemnify, defend and hold harmless Consultant, its officers, directors, shareholder`s, agents, employees, sublicensees and customers from and against any and all claims, demands, threats, suits or proceedings, and any losses, liabilities, damages, obligations or payments in connection therewith (including without limitation attorneys' fees and court costs) which result from or in connection with any breach or alleged breach of this Services Agreement, including without limitation all provisions of this Services Agreement, provided that Consultant shall give Client prompt notice of each such claim, demand, threat, suit or proceeding and the opportunity to defend or settle the foregoing at Client's expense.

9. CHOICE OF LAW AND JURISDICTION. Any dispute under this Services Agreement shall be subject to the laws of the State of California as apply to contracts entered into and performed in California between California residents and without regard to conflicts of laws principles. The State and Federal courts located in Sacramento, California, shall have sole jurisdiction over any disputes under this Services Agreement and the parties hereby consent to the personal jurisdiction of such courts.

10. GENERAL. This Services Agreement may not be assigned by either party without the prior written consent of the other party which consent shall not be unreasonably delayed or withheld. This Services Agreement may be modified only in writing and signed by both parties. Any purported oral amendment to this Services Agreement shall have no effect. This Services Agreement is the entire agreement between the parties with respect to this subject matter, and supersedes any and all prior or contemporaneous, conflicting or additional communications, negotiations or agreements.

If you agree with the terms of this Services Agreement, please so indicate by signing below and returning this Services Agreement to me within fifteen (15) days.

Very truly yours,

Alfredo Diaz
Manager & CEO
schoolAbility, LLC

OAKLAND MILITARY INSTITUTE COLLEGE PREPARATORY ACADEMY

BY: _____
DR. MARY STRESHLY

TITLE: SUPERINTENDENT

DATE: _____

www.schoolAbility.com

EXHIBIT A
SERVICES, FEES AND CHARGES

Consultant shall designate a California Charter School back office and payroll subject matter expert as the principal individual to deliver and to oversee the delivery of Services to Client.

Consultant shall use its commercially reasonable efforts to provide the following Services, either directly itself or through subcontractors selected by Consultant, or both. Consultant shall remain responsible for the performance of any Consultant subcontractors providing Services hereunder:

- 1. Services.** Services as set out in Addendum 1 shall be provided for the term of the Services Agreement.

- 2. Office Space, Equipment, and Supplies.** Client shall provide Consultant, without cost, access to and use of available office space, equipment, and supplies at its administrative offices or other mutually agreed upon facility. Consultant agrees to observe Client's normal security and safety rules while using such facilities.

- 4. Costs.** Consultant will bill Client, and Client will pay as Fees, any travel and lodging expenses incurred by Consultant personnel in the provision of Services subject to prior written approval by Client. Lodging expenses will include hotel expenses and will apply where Consultant personnel are required to stay overnight. Travel expenses may include airfare if Consultant employees are required to travel by air to reach Client's offices. Travel may include the cost of a rental car. If a Consultant employee uses a personal vehicle, mileage will be charged at the then-currently published IRS reimbursement rate. When a Consultant employee is at or traveling to Client's offices, there will also be a seventy five dollars (\$75) per diem amount charged for meals and incidentals.

- 5. Fees and Charges.** Client shall pay those Fees described in Schedule 1 ("Fees").

Schedule 1
Fees

Fees shall be:

1. **Back Office and Payroll Services Fee:** Two Hundred and Forty Thousand dollars (\$240,000.00) per year, plus applicable taxes (such amount to be deemed the “Back Office and Payroll Services”).
2. **Travel, Living and other Out of Pocket Costs:** To be paid by Customer pursuant to Section 3 of Exhibit A (“Services, Fees and Charges”).

Consultant shall invoice, and Client shall pay:

1. Back Office and Payroll Services shall be invoiced monthly on or about the last day of each month starting with July 1, 2023, at the rate of Twenty Thousand dollars (\$20,000) per month.
2. Travel, Living and other Out of Pocket Costs shall be invoiced monthly starting at the end of month of Effective Date.

(C) Fee Increases:

Consultant reserves the right at its sole discretion to increase all Fees for each subsequent annual term of this Customer Agreement, in each case by no more than five percent (5%).

ADDENDUM 1
STATEMENT OF WORK

Consultant shall be responsible for maintaining an accurate financial system of record but shall not have the authority to make any management-level decisions nor make any recommendations to the Client’s governing body. Such decision-making authority and responsibility for making recommendations to Client’s governing body shall be exclusive to the Client’s Director or designee. Client shall manage the school’s day-to-day operations as its administrative manager.

Consultant shall implement the necessary software and set up the systems required to provide Services remotely including training of Client designated liaison.

Consultant shall perform the back office and payroll services functions indicated below under the direction and supervision of Client. Client’s designated staff shall assist with the functions indicated below with support from Consultant:

#	Item	Client	Consultant
1.	Keep the Director informed on the business affairs of the school.		✓
2.	Respond to requests for financial/accounting information from Director and others in a timely manner.		✓
3.	Evaluate accounting procedures, systems, and controls in all school departments and recommend improvements in their design, implementation, and maintenance.		✓
4.	Maintain a continuous auditing program for all funds and assist the school’s independent and internal auditors in conducting the annual or periodic audits.	Assist with non-business office items	✓
5.	Ensure that accounting systems comply with applicable laws and regulations.		✓
6.	Develop periodic cash flow analysis to aid in determining cash available for investment and payment of bills.		✓
7.	Oversee preparation of monthly bank reconciliations.		✓
8.	Prepare and enter all budget adjustments, additions, and deletions.	Approved by Client	✓
9.	Review all expenditure requests, purchase orders, and check requests and maintain control of budget by verifying availability of funds and proper account coding.	Final approval of all PO’s	✓

#	Item	Client	Consultant
10.	Assist in the preparation of the budget and development of long- and short-range objectives for the business operations of the school.	Final approval of Budget	✓
11.	Ensure that business operations support the school's goals and objectives.	Assist with non-business office items	✓
12.	Comply with policies established by federal and state law, CDE, and local board policy in area of business operations.	Assist with non-business office items	✓
13.	Compile, maintain, and file all physical and computerized reports, records, and other documents as required.	Assist with physical records kept at Client's location	✓
14.	Prepare and evaluate monthly financial statements by funding source and related budget reports.		✓
15.	Develop financial information for submission of data to CDE as required.	Client shall approve all submittals to outside agencies	✓
16.	Oversee quarterly and annual reports for all grant funds.		✓
17.	Prepare all board, administrative, and staff reports in a timely and professional manner.	Assist with non-business office items	✓ Consultant shall be responsible for Financial and business office related reports only
18.	Participate in board meetings remotely (via Zoom or conference call) and make presentations to the board.		Remotely via Zoom or conference call
19.	Prepare Financial schedules for grant applications and compliance reports.		✓

#	Item	Client	Consultant
20.	Purchasing:		
	a) Punch Out Purchasing administration		✓
	b) Purchase Requisitions and Approval workflow	Approve PO's	✓
	c) Purchasing and Ordering	✓	
	d) Receiving and Distribution of goods and services	✓	
21.	Accounts Payable:		
	a) Scanning and uploading invoices and back up documentation to Consultant	✓	
	b) Processing Vendor Invoices	✓	✓
	c) Processing Accounts Payables	Approve all payments	✓
	d) Print and mail checks	✓	
22.	Cash receipts:		
	a) Process cash receipts and bank deposits	✓	
	b) Record deposits		✓
23.	Human Resources:		
	a) Applicant tracking and processing	✓	
	b) Employee HR files	✓	
	c) Benefits management	✓	
	d) STRS/PERS Appointments		✓
	e) Contributions and Deductions	✓	✓
	f) Time and Attendance records collection and upload for Payroll	✓	

#	Item	Client	Consultant
	g) Employee Online Portal administration		✓
24.	Payroll:		
	a) Payroll processing a. Paychecks b. Direct Deposits	Approve Payroll Registers	✓
	b) Payroll Liabilities processing a. Health & Welfare b. Garnishments c. Federal and State Payroll Taxes		✓
	c) 941 preparation and filing		✓
	d) STRS/PERS a. reporting b. tracking		✓
	e) EDD filings and responses		✓
	f) Credential monitoring and management	✓	✓
	g) Time and Attendance	✓	
	h) Payroll Reporting a. Monthly, b. Quarterly, and c. Annual (including W2 and 1095).		✓

SCHOOLABILITY, LLC

BY: _____

Alfredo Diaz
Manager & CEO
schoolAbility, LLC

OAKLAND MILITARY INSTITUTE COLLEGE PREPARATORY ACADEMY

BY: _____

DR. MARY STRESHLY

TITLE: SUPERINTENDENT

DATE: _____