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Master Services Agreement
El Camino Real Charter High School
June 15, 2021

MASTER SERVICES AGREEMENT TERMS AND CONDITIONS

THIS AGREEMENT is made this 15th day of June, 2021 ("Effective Date") by and between ICON School Management, a California corporation, having its principal office and place of business at 16959 Bernardo Center Drive, Suite 201, San Diego, CA 92128 USA ("ICON"), and El Camino Real Charter High School, a California not-for-profit corporation, having its principal office and place of business at 5440 Valley Circle Blvd, Woodland Hills, CA 91367("Client").

SECTION 1. SERVICES

- 1.1 Engagement. ICON agrees to perform the services ("Services") described in one or more Statements of Performance (each a "SOP") as may be entered into from time to time by Client and ICON, in accordance with the applicable SOP and these Terms and Conditions. Client agrees to engage ICON to perform the Services in accordance with the applicable SOP and these Terms and Conditions. This Master Services Agreement and all SOP are collectively referred to as this "Agreement."
- 1.2 Client Responsibilities. Client will provide safe and adequate working space and facilities, equipment and supplies, system access, and information (including all data, files, documentation, or other information necessary or appropriate for ICON's performance of Services). Client will also fulfill any additional obligations as defined in any applicable SOP. Client will be responsible for the collection and accuracy of all data necessary or appropriate for ICON to render the Services in any applicable SOP. Client understands that ICON's performance is dependent and conditioned upon Client's timely and effective performance of all responsibilities under this paragraph. Client's failure to fulfill any obligations under this paragraph will not relieve Client of any obligations to pay ICON under Section 3 of this Agreement or any other equivalent provisions of any SOP. ICON is entitled to rely on all information, decisions, and approvals provided by Client.
- 1.3 Independent Contractor Status. ICON is an independent contractor under this Agreement, and nothing herein will be construed to create a partnership, joint venture, agency or employment relationship between ICON and Client. Neither party will have authority to enter into agreements of any kind on behalf the other party, or otherwise bind or obligate the other party in any manner to any third party, by virtue of the relationship contemplated by this Agreement.
- 1.4 Method of Performance. Except as otherwise provided in the applicable SOP, ICON will have the right to determine the method and means of performing the Services.
- 1.5 Taxes. Client will be responsible for all applicable state and local sales, service and use taxes incurred during the performance of any Services.

SECTION 2. STATEMENTS OF PERFORMANCE

- 2.1 Generally. Client and ICON will, from time to time, enter into a SOP during the term of this Agreement, and each SOP will be effective only when signed and delivered by authorized representatives of Client and ICON and will become effective as of the latter of the parties' signature dates on the SOP. Each SOP will be subject to all provisions of these Terms and Conditions. If any provision contained in a SOP conflicts with any provision contained in these Terms and Conditions, the provision contained in the SOP will govern.
- 2.2 Changes. Client may from time to time propose changes in the Services to be performed pursuant to a SOP. Any material change to a SOP, including changes that will affect the compensation payable to ICON, will be made by an amendment to the SOP agreed by both parties in accordance with Section 9.6 of these Terms and Conditions.

- 2.3 Termination. A SOP will terminate upon completion of the Services unless earlier terminated at any time upon mutual written agreement of both parties. In addition, all SOP will terminate upon termination of this Agreement in accordance with Section 5.

SECTION 3. COMPENSATION, EXPENSES AND PAYMENT

- 3.1 Compensation. In consideration of the Services performed, Client will pay ICON compensation in the amount, and payable at the times and in the manner, set forth in this Agreement and the applicable SOP.
- 3.2 Invoices. ICON will submit to Client invoices for Services rendered on a periodic basis as set forth in the applicable SOP. If the SOP does not provide a schedule for the submission of invoices by ICON, invoices will be submitted monthly. The invoices will describe the Services rendered and will list all reimbursable charges, expenses and costs. Client will pay all invoices within 30 days. Invoices not paid within 30 days of receipt are subject to the lesser of 1.5% interest or the highest rate allowed by law.
- 3.3 Flat Fee. ICON is responsible for any costs that may be related to travel, hotel, car, meals, and any other unforeseen expenses. The Client will not see any charges from ICON that exceeds the agreed upon Monthly Cost as outlined in the Compensation section.

SECTION 4. TERM

This Agreement is effective commencing July 1, 2021 and shall expire on June 30, 2022 (the "Term"), unless terminated pursuant to Section 5 below. The Parties may agree, in a written and fully executed Addendum, to extend to Term.

SECTION 5. TERMINATION OF AGREEMENT

- 5.1 Termination. This Agreement may be terminated at any time by either party upon 30 days' prior written notice to the other party. In the event of termination of this Agreement, any executory obligations arising under a SOP shall be subject to the Terms and Conditions of this Agreement until completion. This Agreement will automatically terminate without notice one year after the termination of the last SOP.
- 5.2 Termination upon Breach. Notwithstanding Section 5.1, this Agreement may be terminated by either party upon written notice to the other party, in the event the other party materially breaches any obligation hereunder and the breaching party fails to cure within 30 days after written notice of the breach.
- 5.3 Termination upon Insolvency. This agreement will automatically terminate if Client ceases doing business as a going concern, is insolvent, makes an assignment for the benefit of creditors, and fails to pay its debts as they become due, offers a settlement to creditors or calls a meeting of creditors for any such purpose, files a voluntary petition for bankruptcy, is subject to an involuntary petition for bankruptcy, is adjudicated bankrupt or insolvent, or has filed against it a petition seeking reorganization, arrangement or composition under any law or regulation.
- 5.4 Effect of Termination. Except for a SOP currently in effect under paragraph 5.1, upon any termination of this Agreement, any and all rights and obligations of the parties under this Agreement will terminate, provided that all rights or obligations for payment of compensation earned and unpaid prior to termination, or reimbursement of reimbursable charges, expenses and costs incurred prior to termination, and that Sections 3, 5, 6, 7, 8 and 9, and any other right or obligation which by its nature or express duration extends beyond the termination of this Agreement, will survive termination and continue in effect indefinitely. The provisions of this Agreement that do not survive termination will nonetheless be controlling on, and will be used in construing and interpreting the rights and obligations of the parties with regard to any dispute, controversy or claim which may arise under, out of, in connection with, or relating to this Agreement.

SECTION 6. REPRESENTATIONS, WARRANTIES, AND COVENANTS

Parties represent, warrant, and covenant as follows:

- 6.1 **Performance.** All Services performed by ICON will be performed in a reasonable, workmanlike manner and shall adhere to the 2017 Fiscal Crisis & Management Assistance Team's "*Charter School Accounting and Best Practices Manual*". **EXCEPT AS EXPRESSLY SET FORTH HEREIN, ICON MAKES NO OTHER REPRESENTATIONS OR WARRANTIES, WHETHER EXPRESS OR IMPLIED, WITH REGARD TO THE PERFORMANCE OF THE SERVICES HEREUNDER, OR THE MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OF ANY DELIVERABLES PRODUCED BY ICON. NOTWITHSTANDING THE FOREGOING, ICON SHALL NOT BE LIABLE TO COMPANY OR ANY THIRD PARTY FOR ANY INCIDENTAL, CONSEQUENTIAL, PUNITIVE, EXEMPLARY, OR SPECIAL DAMAGES; IN NO EVENT, SHALL ICON'S ENTIRE LIABILITY EXCEED THE AMOUNT OF THE AVERAGE OF THE LAST THREE MONTH'S FEES ACTUALLY RECEIVED FOR THE SERVICES PERFORMED HEREUNDER WHETHER SUCH CLAIM IS MADE IN TORT (INCLUDING NEGLIGENCE OR STRICT LIABILITY), CONTRACT, OR ANY OTHERWISE.**
- 6.2 **Remedy for Non-performance.** In the event that ICON's performance does not conform to paragraph 6.1, and upon notice consistent with this paragraph and paragraph 9.4, ICON will have the opportunity to re-perform any non-conforming Services or, in ICON's sole discretion, refund the fees allocable to the non-conforming Services. Any notice of non-performance must describe the nature of the non-performance with sufficient particularity for ICON to remedy the non-performance. Any claim of non-conformity must be noticed to ICON within 45 days of the completion of the non-conforming Service, except that if such non-performance was not reasonably discoverable, Client will have the lesser of 30 days from the date of discovery or 120 days from completion of the non-conforming Service. **THIS REMEDY REPRESENTS CLIENTS SOLE REMEDY AND ICON'S SOLE LIABILITY IN CONNECTION WITH NON-PERFORMANCE OF ANY SERVICES UNDER THIS AGREEMENT OR ANY APPLICABLE**
- 6.3 **Deliverables.** ICON hereby grants perpetual, non-exclusive, non-assignable, non-transferable, royalty-free license to use, reproduce and distribute for internal purposes only all documents resulting or derived from, or made in the course of performance of the Services, including any written material, whether or not reduced to tangible form ("Deliverables"). All rights in and to ICON's existing intellectual property as defined in paragraph 6.4 and any modifications or derivatives of such property will remain the property of ICON, except to the extent that such property is included with or incorporated into the Deliverables, Client is hereby granted a perpetual, non-exclusive, non-assignable, non-transferable, royalty-free license to use the same for internal purposes only.
- 6.4 **Other Party's Intellectual Property.** Each of the parties own intellectual property which includes trademarks, patents, copyrights, and trade secrets ("Intellectual Property"). Except as provided for under paragraphs 6.3 and 9.12, neither party shall have any right in or to the Intellectual Property of the other party.
- 6.5 **Non-Solicitation.** During the term of this Agreement and for a period of one (1) year thereafter, neither ICON nor Client will directly solicit the employment of the other's employees who have been directly associated with the Services covered by this Agreement. In the event of any breach of this provision, the breaching party shall pay the non-breaching party a sum equal to 50% of the annual compensation of the solicited employee.

SECTION 7. INDEMNITY

- 7.1 **Indemnification by ICON.** ICON will indemnify, hold harmless and defend Client and its affiliates, and their respective officers, directors, employees, agents and advisors, from and against, and will reimburse such indemnified parties with respect to, any and all claims, demands, causes of action,

proceedings, losses, damages, debts, expenses, liabilities, fines, penalties, deficiencies, judgments or costs, including reasonable attorney fees, court costs, amounts paid in settlement and costs and expenses of investigations, at any time and from time to time asserted against or incurred by any such indemnified party arising out of, in connection with, resulting from or by reason of (a) any failure by ICON to perform any obligations of this Agreement, or (b) any negligent or willful act or omission of ICON.

- 7.2 Indemnification by Client. Client will indemnify, hold harmless and defend ICON and its affiliates and their officers, directors, employees, agents and advisors from and against, and will reimburse such indemnified parties with respect to, any and all claims, demands, causes of action, proceedings, losses, damages, debts, expenses, liabilities, fines, penalties, deficiencies, judgments or costs, including reasonable attorney fees, court costs, amounts paid in settlement and costs and expenses of investigations, at any time and from time to time asserted against or incurred by any such indemnified party arising out of, in connection with, resulting from or by reason of (a) any failure by Client to perform any obligations of this Agreement, or (b) any negligent or willful act or omission of Client.

SECTION 8. CONFIDENTIALITY

- 8.1 Definition. "Confidential Information" means any documentation containing technical, financial, or other business information that the provider considers competitively sensitive, proprietary or confidential and is marked "Confidential Information" or, if disclosed orally or visually, is confirmed in writing and marked "Confidential Information" within thirty (30) days of the date of first disclosure
- 8.2 Each party acknowledges that Confidential Information may be disclosed to the other party during the course of this Agreement. Each party will protect the other party's Confidential Information by using the same degree of care, but no less than a reasonable degree of care, to prevent the unauthorized disclosure of such Confidential Information as the receiving party uses to protect its own confidential or proprietary information. The receiving party will not use the other party's Confidential Information for any purpose other than in pursuit of the business relationship contemplated by this Agreement. The receiving party will neither disclose nor copy the other party's Confidential Information except as necessary for its employees, agents or contractors with a need to know.
- 8.3 The receiving party's obligations under this Section will not apply, or will cease to apply, to that Confidential Information that the receiving party can establish: (i) is or hereafter becomes generally known or available to the public or interested persons through no breach of this Section by the receiving party; (ii) is rightfully known to the receiving party without restriction on disclosure at the time of its receipt from the disclosing party; (iii) is rightfully furnished to the receiving party by a third party without breach of an obligation of confidentiality; (iv) is independently developed by the receiving party without use or reference to the Confidential Information; (v) is required to be disclosed by applicable law or pursuant to the order of a court, administrative agency or other governmental body (provided that the receiving party shall give the disclosing party reasonable notice prior to such disclosure and shall comply with any applicable protective order or equivalent); or (vi) is approved for release by written authorization of the disclosing party.

SECTION 9. GENERAL PROVISIONS

- 9.1 Binding Nature of Agreement; Assignment. All the terms and provisions of this Agreement will be binding upon and will inure to the benefit of the parties and their respective successors, assigns, heirs and personal representatives. Client may not assign, delegate or transfer to third parties its rights or obligations hereunder without the prior written consent of ICON. Any such transfer without ICON's written consent will be null and void.
- 9.2 No Third-Party Beneficiaries. The terms and provisions of this Agreement are intended solely for the benefit of each party and their respective successors, assigns, heirs and personal representatives and it is not the intention of the parties to confer third-party beneficiary rights upon any other individual or entity.

- 9.3 Governing Law; Venue. This Agreement will be governed by and will be construed, interpreted, and enforced in accordance with the laws of the State of California, without reference to principles of conflicts of law. All disputes arising out of or relating to this Agreement, or the breach or default of this Agreement, will be determined solely by a state or federal trial court located in Los Angeles County, California, and the parties hereby consent to the jurisdiction of such courts. In the event legal action is necessary to interpret or enforce the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees and costs incurred in such an action.
- 9.4 Notices; Electronic Communications. All notices or other communications required or permitted under this Agreement will be in writing and will be deemed duly given either (a) when delivered in person to the recipient party, or (b) 3 business days after being mailed by either registered or certified U.S. mail, return receipt requested, postage prepaid to the recipient party at the mailing address designated for the recipient party in the recipient party's contact information above. The parties may use and rely upon electronic records and signatures for all agreements, undertakings, notices, disclosures, and other documents, communications or information of any type sent or received in accordance with this Agreement.
- 9.5 Entire Agreement. This Agreement, including the SOP, if any, contain the entire agreement among the parties with respect to the subject matter hereof, and supersede all prior and contemporaneous agreements and understandings, inducements or conditions, express or implied, oral or written. The express terms hereof control and supersede any course of performance or usage of the trade inconsistent with any of the terms hereof.
- 9.6 Amendment. Except as otherwise provided herein, this Agreement, including any SOP, may not be modified or amended other than by an agreement in writing signed by duly authorized representatives of each of the parties.
- 9.7 No Waiver. No failure or delay by any party in exercising any right, power, or privilege hereunder will operate as a waiver of any right, power, or privilege hereunder. No waiver of any default on any one occasion will constitute a waiver of any subsequent or other default. No single or partial exercise of any right, power, or privilege will preclude the further or full exercise thereof.
- 9.8 Severability. The provisions of this Agreement will be deemed severable, and the invalidity or unenforceability of any one or more of the provisions hereof will not affect the validity and enforceability of the other provisions. If any part of this Agreement is held unenforceable, the rest of this Agreement will continue in effect.
- 9.9 Remedies. Except as limited by paragraph 6.2, the rights and remedies of the parties with respect to failure of a party to comply with the terms of this Agreement are not exclusive, the exercise thereof will not constitute an election of remedies and the aggrieved parties will in all events be entitled to seek whatever additional remedies may be available in law or in equity.
- 9.10 Counterparts. This Agreement may be executed in any number of counterparts, each of which will be deemed an original but all of which will constitute one and the same instrument. The parties agree that this Agreement may be executed by any party by electronic signature.
- 9.11 Headings. The headings of this Agreement are for purposes of reference only and will not limit or otherwise affect the meaning hereof.
- 9.12 Publicity. ICON may use the name of Client in any publicity releases, advertising or other promotional activities without the prior written consent of Client.
- 9.13 Force Majeure. Any delay in the performance of ICON's obligations hereunder will not be considered a breach of this Agreement if such delay is caused by Acts of God, natural disaster, war, terrorism, national emergency, labor disputes, shortage of material, fire, earthquake, flood or any other event beyond the reasonable control of ICON provided that ICON uses reasonable efforts under the circumstances to notify Client of the circumstances causing such delay and to resume performance as soon as possible.

STATEMENT OF PERFORMANCE

Overall Service Delivery

The overall ICON service delivery is proactive, forward-looking and brings our deep charter operations expertise to bear on behalf of our school partners.

- Cash flow projections that are updated monthly
- Budget forecasts that are updated monthly
- ICON provides expert budget and actuals interpretation - flagging necessary changes
- Further, ICON takes its responsibility seriously as a trusted service provider to the adjusting assumptions and forecasts throughout the year, and warning about potential future cash flow issues.
- We will be actively engaged in seeking existing and new funding sources to ensure that all possible grants that are open to E are carefully considered and utilized.

A. Budget Development, Accounting & Finance

ICON School Management provides unparalleled and the most comprehensive back-office support for charter schools. Team of experts in financials, accounting, and charter operations management will ensure accurate budget development and budget forecasts tailored for the unique needs of your charter organization. In addition, ICON School Management does the leg-work in evaluating funding programs to ensure our partner schools are knowledgeable on and participating in all eligible funding opportunities.

- Budgeting:
 - a. Preliminary/Adopted Budget – Prepare, analyze, discuss and file the preliminary budget report in District/County/State required format by July 1st (present to school leaders and board members well in advance of the due date for analysis, discussion, and possible revision).
 - b. Interim financial reports – Prepare, analyze, discuss and file the two interim financial reports (1st Interim and 2nd Interim) in District/County/State required format to the authorizer by or prior to the December 15 and March 15 deadlines.
 - c. Unaudited/Audited financial reports – Prepare and file the unaudited financial report by September 15 and the final audited report (from the auditor) by December 15.
 - d. Budget revisions (as needed, on demand) – Revise budgets in between the required interim reports for special project analysis, anticipated funding changes, and for various circumstances or scenarios as requested by the school.
- Financial Statements:
 - a. Monthly year-to-date financial statements – Prepare YTD financials compared to budget
 - b. Monthly cash flow projections – Monitor the school's cash position and anticipate cash shortfalls in future months so the school can adjust spending accordingly or secure cash flow loans
 - c. Financial statements analysis – Provide a succinct PowerPoint summary and analysis of the financial statements so Board and staff can quickly focus on the salient financial issues facing the school
 - d. Updated monthly budget forecasts – Track budget to actuals and update the budget forecast on a monthly basis.
- Accounting:
 - a. Setup of school's SACS-compliant chart of accounts and general ledger – ICON team sets up and maintains the school's chart of accounts, based on ICON School Management's standard structure compliant with SACS

- b. Fund accounting – ICON team can track revenue and expenditures by fund, e.g., implementation grant funds and expenses or Title I expenditures.
- c. Transaction recording – ICON team with work with Client’s staff to record in detail all transactions in a SACS-compliant, computerized accounting system.
- d. Journal entries and account maintenance – ICON team prepares and records journal entries and maintains the general ledger according to generally accepted accounting standards
- e. Bank reconciliation – ICON team reconciles primary bank and investment accounts to general ledger monthly or upon receipt of statements. Revolving and petty cash accounts are reconciled quarterly or as required.
- f. Cash in County Treasury reconciliation – ICON team will reconcile the Cash in County Treasury account to NetSuite.
- g. General financial reports monthly – ICON team can generate the following reports upon request: detailed account activity; bank register activity; summary of budget, expenditures by account; cash balances; payroll register (for periods when payroll is processed by ICON team); revenues; all general ledger account balances
- h. Accounts Receivable: Revenue verification - ICON team verifies that the school is receiving the correct amount of funds in a timely fashion

B. Payroll

- o Payroll record maintenance – downloading all payroll reports to shared drive.
- o Payroll journal entries – creating and uploading payroll journal entries from Paycom to NetSuite.

C. Board Presentation and Support

- o Financial Analysis Presentation: We develop a thorough Financial Analysis presentation for each Board Meeting that supplements the monthly financial reports and that informs and facilitates senior-level decision making. We are committed to attending all regular Board Meetings and special board meeting as needed.

D. Compliance, Grant Administration & Reporting Support

- o Financial Reports – ICON prepares customized financial reports for grant purposes.
- o Fund Accounting - ICON sets up fund accounting to track direct and allocated costs to grants.

E. Comprehensive Financial Audit Support

ICON has an impeccable record of delivering smooth and clean audits for our school partners since we have been charter school auditors for the past 10 years. ICON does the “heavy lifting” on behalf of your organization that minimizes school leadership and staff time in the process.

- o Audit Support: ICON will help to prepare the financial documents for the audit and works side-by-side with the auditing firm’s personnel at the school’s location.
- o Single Audit Act of 1984: ICON provides support in school compliance with accounting related audit requirements, including the Single Audit Act of 1984.
- o IRS Form 990 Support: ICON supports the school and auditor in preparing Form 990 tax-exempt organization annual filing

F. Management Staffing for El Camino Real Charter High School

We are the primary and regular contact for the school leaders and are responsible for the management service delivery to the school and the Board. We manage the client relationship, are responsible for client satisfaction, and for delivering ICON’s highest level of customer service.

COMPENSATION

A. Contract Term: July 1, 2021, through June 30, 2022 (12 months)

- The contract term between ICON School Management and El Camino Real will be for 12 months.

B. ICON is offering El Camino Real Charter High School a substantially discounted fee structure from the standard management pricing model:

- \$96,000 for the fiscal year, paid in equal monthly installments equal to \$8,000 per month.

Thank you for allowing ICON School Management the opportunity to continue these services to El Camino Real Charter High School.

ICON School Management
16959 Bernardo Center Drive, Suite 201
San Diego, CA 92128

By: _____

Name: Daniel J. Lee

Title: Chief Executive Officer

Date: _____

El Camino Real Charter High School
5440 Valley Circle Blvd.
Woodland Hills, CA 91367

By: _____

Name: David Hussey

Title: Executive Director

Date: _____