

## **CHARTER IMPACT, INC.**

### **MANAGEMENT AND ACCOUNTING SERVICES AGREEMENT**

This agreement (the “Agreement”) is entered into as of July 1, 2021 (the “Effective Date”) by and between Charter Impact, Inc. (“CI”), and TEACH Las Vegas (“Client”).

#### **ARTICLE 1. DUTIES AND RESPONSIBILITIES**

Section 1.01. CI, a provider of business management and accounting services, will provide accounting, budgeting, compliance, strategic planning, documentation, deliverables, and other related services necessary to fulfill Client's business management and accounting requirements, as more particularly described in Exhibit A, B and C attached hereto and incorporated herein by this reference (the “Services”).

Section 1.02. Client will provide CI with the compensation and business expense reimbursement specified in Article 3 of this Agreement.

#### **ARTICLE 2. TERM OF AGREEMENT**

Section 2.01. Client will retain CI to work as a consultant for Client in the field of business management, accounting and consulting, beginning July 1, 2021, and ending June 30, 2022. CI accepts this engagement. CI will use CI's best efforts to accomplish the technical and commercial goals identified by Client during the term of this Agreement. Client acknowledges that CI may have other confidentiality commitments. Client will not require CI to perform tasks which might reasonably result in CI's breach of any confidentiality commitment.

Section 2.02. This Agreement will be renewed automatically for succeeding terms of one year each, unless either party gives notice to the other at least 60 days before the expiration of any term of his or her or its intention not to renew.

CI Initials:



Client Initials:



## ARTICLE 3. COMPENSATION AND EXPENSES

### Section 3.01. Fees.

Business Management Services: For services in Exhibit A, the Client will pay CI a fee equal to 2.00% of revenue as calculated based on each reporting unit (i.e. charter school, department, location, central office and any other additional reporting units which may be added at the discretion of the Client). Fees for services in Exhibit A are subject to a minimum of \$48,000 per year.

Payroll Processing: For services in Exhibit B, the Client will pay CI fees as follows:

- Payroll processing - \$100 base plus \$2.75 per employee per pay period
- Garnishment reporting - \$2.50 per occurrence
- New employee reporting - \$3.50 per occurrence
- Payroll delivery via FedEx - \$35.00 per occurrence, per 50 employees
- Quarterly/Annual Reporting - \$20.00 per occurrence
- Form W-2 or 1099 (for contractors paid via payroll) - \$5.75 each
- AATRIX late processing fees – based on a reimbursement of fees charged by AATRIX for priority processing of tax payments.

Rush Check Processing (optional): Upon special request of Client, emergency checks can be processed on a same-day basis in addition to the regular weekly cycle described in Exhibit A, Section 2C. For these rare occasions, an expedited processing fee of \$75 per check will be charged in addition to the reimbursement for shipping charges noted in Section 3.02 below.

Other Services: For other services requested by Client outside of the items included in Exhibit A or B, the Client will pay CI a fee based on CI's standard hourly rates as listed in Exhibit C.

Section 3.02. Expenses. In addition to the compensation specified in Section 3.01, CI will be paid for actual reasonable out-of-pocket expenses incurred in providing the Services, including mileage reimbursement for Client-requested meeting attendance. Reimbursement of aggregate monthly expenses will not exceed \$500, without written approved by Client before being incurred, unless Client elects to reimburse CI after the fact.

Section 3.03. Invoicing. CI will invoice Client on a monthly basis for Business Management, starting July 1st, 2021 and will CI will automatically update the amount based on 1/12<sup>th</sup> of the Client's projected annual revenue pursuant to the percentage based fee in Section 3.01. Student Data, Other Services and expenses pursuant to sections 3.01 and 3.02 above will be billed monthly based on the actual time and expenses incurred during the preceding month. Payroll processing fees will be invoiced upon processing of the payroll. CI will automatically prepare a check from Client on the invoice date for payment from Client. Payment for all services and expenses is due upon presentation of invoices.

CI Initials:



Charter Impact Management & Accounting Services Agreement

Page 2

Client Initials:



Section 3.04. Right to Suspend Performance. In the event of default or delay in payment greater than 30 days from the date of the invoice, CI reserves the right to suspend part or all of its performance of duties under this contract until all amounts for Services and Expenses are paid in full. In the event Client disputes all or any portion of an invoice, Client shall notify CI within 15 days of receipt of the invoice; and initiate the dispute resolution process under Section 15 hereof, but shall pay the invoice in full, pending the outcome of such process.

Section 3.05. Late Payments. Payments made after the payment terms are subject to a late payment penalty equal to an annual rate of twelve percent (12%).

Section 3.06. Price Changes. The prices and related charges for the Services are subject to increase upon renewal of this Agreement. CI reserves the right to immediately pass through increases in costs incurred from third parties, e.g., vendors, subcontractors and licensors, to the extent such services and supplies are identified in Exhibit A, B and C. In addition, CI will give Client not less than 30 days prior written notice of any price increases for Services.

#### ARTICLE 4. REPRESENTATIONS AND WARRANTIES

Section 4.01. Organization of Client. Client is a non-profit public benefit corporation, duly organized, validly existing, and in good standing and has all requisite power and authority to own, lease and operate its properties and to carry on its educational operations as it is now being conducted.

Section 4.02. No Breach. Each party hereto warrants and represents that 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 it is subject, or any provision of its Articles of Incorporation, Bylaws or Charter, nor (ii) conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify, or cancel, or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which it is a party or by which it is bound or to which any of its assets is subject.

Section 4.03. CI represents and warrants that it has the requisite personnel, equipment, expertise, experience and skill to perform its obligations hereunder and provide the Services to Client in a timely and professional manner.

CI Initials:



Client Initials:



## ARTICLE 5. DISCLAIMER OF WARRANTIES

Section 5.01. THERE ARE NO WARRANTIES THAT EXTEND BEYOND THOSE THAT ARE EXPRESSLY CONTAINED HEREIN. CI DISCLAIMS ALL OTHER REPRESENTATIONS AND WARRANTIES, EXPRESS OR IMPLIED, REGARDING THE SERVICES, INCLUDING, BUT NOT LIMITED TO, ANY IMPLIED WARRANTIES OF MERCHANTABILITY; FITNESS FOR A PARTICULAR PURPOSE; THIRD PARTY SOFTWARE OR HARDWARE; OR, RESPONSIBILITY FOR CLIENT DATA.

Section 5.02. Limited Remedy. Client's exclusive remedy for defective Services is re-performance of the Services by CI at CI's expense, subject to CI's confirmation of the existence of such defect after receiving notice of a claimed defect from Client.

## ARTICLE 6. LIMITATION OF LIABILITY

Section 6.01. EVEN IF CI CANNOT OR DOES NOT RE-PERFORM ANY DEFECTIVE SERVICES, AND CLIENT'S EXCLUSIVE REMEDY FAILS OF ITS ESSENTIAL PURPOSE, CI'S ENTIRE LIABILITY SHALL IN NO EVENT EXCEED \$50,000. CI HAS NO LIABILITY FOR GENERAL, CONSEQUENTIAL, INCIDENTAL OR SPECIAL DAMAGES ARISING FROM A DEFECT IN ANY SERVICES.

Section 6.02. EXCEPT FOR DAMAGES FLOWING FROM GROSS NEGLIGENCE OR INTENTIONALLY TORTIOUS CONDUCT, IN NO EVENT SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY LOSS OR INJURIES TO EARNINGS, PROFITS OR GOODWILL, OR FOR ANY INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES OF ANY PERSON OR ENTITY WHETHER ARISING IN CONTRACT, TORT OR OTHERWISE, EVEN IF EITHER PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES. THE LIMITATIONS SET FORTH IN THIS SECTION SHALL APPLY EVEN IF ANY REMEDIES FAIL IN THEIR ESSENTIAL PURPOSE. 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 defective Services between the parties. Client further acknowledges that the pricing and terms would have been different if there had been a different allocation of the risk.

## ARTICLE 7. CONFIDENTIAL BUSINESS INFORMATION

Section 7.01. CI agrees that all of the business information related specifically to Client developed by or communicated by or to CI in the performance of the services described in this Agreement is of a highly confidential nature, and that, unless the CI has the prior written approval of Client, no use or oral or written disclosure of that information by CI will be made either during or after the term of this Agreement, except that CI may disclose that information to persons or companies who may be designated by Client to work with the CI in connection with CI's performance of the Services. Nothing herein

CI Initials:



Charter Impact Management & Accounting Services Agreement

Page 4

Client Initials:



shall be construed as restricting CI in performing the Services, which require routine disclosure of such information to auditors, regulatory agencies, insurance carriers, and providers, and the Client as its agent. With the Client's consent, CI will provide financial references upon request by certification organizations, financial institutions, and potential grantors.

Section 7.02. For purposes of this Agreement, "Confidential Information" means any and all technical and non-technical information including copyright, trade secret, and proprietary information, inventions, know-how, processes and algorithms, software programs, software source documents. Confidential Information includes, without limitation, financial information, procurement requirements, purchasing information, and plans and personnel information of the parties and students as protected under FERPA, HIPPA, and other privacy protection laws. The restriction of Section 7.01 does not apply to information which CI can demonstrate was at the time of the execution of this Agreement:

- (a) In the public domain or is otherwise considered public information; or
- (b) Part of CI's prior knowledge; or
- (c) Learned from a third party without the breach of a confidential relationship with Client.

## ARTICLE 8. OBLIGATIONS OF CLIENT

Section 8.01. Authorized Personnel. The Client must identify to CI, in writing, the authorized staff member(s) to work with CI with respect to: general information about the Client, accounts payable, personnel and payroll, attendance records as well as funding compliance and reporting.

Section 8.02. Principal Contact. The Client must also identify, in writing to CI, its key or principal contact who is authorized to receive and disclose Confidential Information, receive payroll checks and discuss personnel issues.

Section 8.03. Financial Records and Audit.

- (i) The Client will maintain customary and reasonably correct, complete and accurate books and records of account as required by the United States government, the State of Nevada (and any other funding authority). The Client will deliver all supporting documentation in accordance with the monthly close timeline developed by CI. Unless otherwise stated, this deadline will be 5 calendar days following the end of the month.

CI Initials:



Client Initials:



- (ii) The Client will obtain a timely annual audit of its books and records from an independent certified public accounting firm (reasonably acceptable to CI) and immediately provide CI with a copy of any annual audit and related reports, notes or statements. Client authorizes and instructs its independent accountants to speak and work directly with CI on any matter or issue pertinent to the Services.
- (iii) Client covenants that it will respond promptly and professionally to any and all questions or investigations from any investigating or funding authority or Client's accountants, including exceptions noted in any independent accountant's report.

Section 8.04. Coordination and Cooperation. Client, its authorized staff members and principal contact will work closely and cooperatively with CI to facilitate the effective performance and delivery of the Services. Client will comply with and respond promptly to all reasonable requests of CI for information or documents from the Client. Client covenants to assist CI in reconciling outstanding invoices, and to provide CI with copies or originals of vendor invoices and correspondence, as well as other statements and receipts in accordance with the monthly close deadline established by CI. In the case where CI is required to incur additional time researching, obtaining or documenting transactions, re-processing payments or re-classifying expenses outside of the standard processes and procedures and established by CI, CI may charge additional fees based on the standard hourly rates for actual time spent as noted in Section 3.01 above.

Section 8.05. Payroll. Client will provide all necessary and proper data to CI for payroll processing.

- (i) All original documents as it relates to personnel files or payroll logs will be maintained at the Client site.
- (ii) Client will use, and purchase if necessary to use, commercially reasonable time clocks for hourly personnel if CI systems are not used.

Section 8.06. Attendance Records and Reports. Client must take all necessary and proper steps to provide regular, accurate and timely responses to daily attendance tracking reports.

Section 8.07. Grant and Funding Requirements. Client covenants to use its best efforts to comply with all grant and funding requirements, including record keeping, reporting, management and financial controls and policies and procedures. Client also recognizes that it is Client's sole responsibility to know and be aware of all restrictions and requirements of its grants and funding sources including both governmental and non-governmental sources.

Section 8.08. Client Policies and Procedures. Client covenants to develop, apply and follow not less than customary and reasonable policies and procedures applicable to: Human Resources, Payroll Administration, Internal Financial Controls, Accounts Payable and other disbursements and competitive bid procedures for vendors.

Section 8.09. Notice and Information. Client covenants that it will provide CI with prompt, complete and accurate notice of and information concerning any material errors in Client data and Client' books and records, as well as with respect to investigations or inquiries into the Client, its activities, operations and reports by any governmental authority. Client will provide CI promptly with copies of every report, including any schedules or exhibits, provided to any governmental agency.

Section 8.10. Client acknowledges that CI's employees, consultants and any other personnel have been thoroughly trained and employed at great expense, are of great value and provide CI with a substantial competitive advantage in its business. Client agrees not induce or attempt to induce any employees, consultants or other personnel of CI to breach their agreements with CI. Should Client hire or employ any current employee, consultant or any other personnel of CI within one year of their termination from CI, Client agrees to pay CI a fee equal to 100% of the annual starting salary, payment of which is due upon the offer of employment.

Section 8.11. Chartering Agency Requirements. Client covenants to use its best efforts to comply with all material requirements, including policies and procedures, of the Chartering Agency. Client also recognizes that it is Client's sole responsibility to know and be aware of all restrictions and requirements of its Chartering Agency.

#### ARTICLE 9. AGENCY

Section 9.01. It is understood and agreed that the CI is an independent contractor in respect to CI's relationship to Client, and that CI is not and should not be considered an agent or employee of the Client for any purpose. CI agrees not to represent itself as an agent or employee of the Client at any time.

Section 9.02. Nothing in this Agreement will be construed or implied to create a relationship of partners, agency, joint venture partners, or of employer and employee between CI and Client.

#### ARTICLE 10. INDEPENDENT CONTRACTOR STATUS

Section 10.01. CI and Client are independent contractors. No representations or assertions shall be made nor actions taken by either party that would create any agency, joint venture, partnership, employment or trust relationship between the parties with respect to the subject matter of this Agreement. Neither party shall have any right to bind the other party, to make any representations or warranties, or to perform any act or thing on behalf of the other party, except as expressly authorized under this Agreement or in writing by the other party in its sole discretion. CI will have full control and discretion as to the ways and means of performing any and all services to be provided under this

CI Initials:



Charter Impact Management & Accounting Services Agreement

Page 7

Client Initials:



Agreement. It is understood that in the performance of this Agreement CI is not in any way acting as an employee of Client, and CI will be responsible for all taxes, social security payments, and other similar payments or contributions due as a result of any payments made to CI pursuant to the terms of this Agreement.

Section 10.02. As an independent contractor, CI agrees that Client has no obligation to CI under the state or federal laws regarding employee liability, and that Client's total commitment and liability under this arrangement is the performance of its obligations and the payment of CI's compensation and expenses as described herein. Each party will exercise day-to-day control over and supervision of their respective employees, and all instruction and direction of Client employees shall be the exclusive province of the Client. Each party is responsible for obtaining and maintaining worker's compensation coverage and unemployment insurance on its employees. Except as expressly stated in this Agreement, CI and Client are responsible for any and all taxes on their respective net incomes, and for payment and withholding of all applicable taxes on the income of their respective employees.

Section 10.03. CI reserves the right to subcontract with other individuals and businesses for the Services. CI will be responsible for all payments to, as well as the direction and control of the work to be performed by, its subcontractors, if any.

#### ARTICLE 11. INDEMNIFICATION

Section 11.01. Indemnification. Client and CI warrant to indemnify each other and hold each other, and each other's officers, directors, employees, agents harmless, from and against any and all direct claims, costs, losses, liabilities and expenses for personal injury and property damage, including reasonable attorneys' fees, attributable to their actions and omissions under this Agreement, but excluding claims that would not be made but for the gross negligence or willful misconduct of the party seeking indemnification.

#### ARTICLE 12. INSURANCE

Section 12.01. CI carries customary and reasonable comprehensive insurance coverage for errors and omissions.

Section 12.02. Client will obtain and maintain customary and reasonable insurance for its facilities and operations, naming CI as additional insured under all policies.

#### ARTICLE 13. ETHICAL CONDUCT; RECORDKEEPING

Article 13.01. Client's policy requires ethical conduct in all business activities and practices, including proper recording and reporting of all transactions and compliance with applicable laws. The adequacy and accuracy of CI's billings, supporting documentation, and other information rendered to Client become the basis for Client's further recording and reporting, both internally and externally. CI is not expected or authorized to take any action on Client's behalf that would result in inadequate or

CI Initials:



Charter Impact Management & Accounting Services Agreement

Page 8

Client Initials:





inaccurate recording or reporting of assets, liabilities, or any other transaction or that would violate any applicable laws, rules, or regulations.

Section 13.02. Integrity and Financial Responsibility. Client will act with integrity and alert the management of CI to any fraudulent or unethical activity related to Client operations as soon as the Client becomes aware, to the extent permitted by law. Client acknowledges that CI's ability to provide Services is premised upon the Client acting in a financially prudent manner, including but not limited to timely approval of balanced budgets, maintaining a positive variance to budget throughout the year to the extent feasible and proper submission of supporting documentation for incoming and outgoing payments of any kind. Notwithstanding Section 14 hereof, CI may immediately terminate this contract in the event it determines, in its sole discretion, that Client personnel are or have acted in a fraudulent or unethical manner or in the case that CI cannot provide the Services in a professional manner consistent with laws and regulations governing the Client, Client approved policies and procedures or business management best practices, based upon the actions or inaction of the Client.

#### ARTICLE 14. TERMINATION

Section 14.01. If either party defaults in the performance of this Agreement or materially breaches any of its provisions, the non-breaching party may terminate this Agreement by giving written notification to the breaching party. Termination will take effect if either Party breaches any of its material obligations under this Agreement in any respect, which breach is not remedied within ninety (90) days following written notice to such breaching Party. For the purposes of this paragraph, material breach of this Agreement includes, but is not limited to, the following:

- (a) Client's failure to pay CI any undisputed compensation due within 30 days after written demand for payment or invoicing.
- (b) CI's failure to complete the services specified in Article 1.
- (c) Client's material breach of any representation or agreement contained in this Agreement.

Section 14.02. In the event that Client is unable to pay its debts when they become due, declares bankruptcy or insolvency, or makes an assignment for the benefit of its creditors, CI may terminate this Agreement upon written notice to Client.

Section 14.03. Effect of Termination; Survival. Expiration or termination of this Agreement will not relieve either party from its obligations arising hereunder prior to such expiration or termination. Rights and obligations which by their nature continue or should survive will remain in effect after termination or expiration of this Agreement.

CI Initials:



Client Initials:



Section 14.04. All Services, including preparation of financial statements and compliance reporting related to a period within the term, will cease upon termination or expiration of this Agreement. If Client has compliance needs that stretch beyond the term of this Agreement into the next fiscal year, it is common for a closing agreement to be created upon termination or expiration to clearly define a term and scope of services falling outside this Agreement. The fee for such services is determined at that time based upon the scope of work to be completed past the Agreement term.

Section 14.05. In the event of early termination, the Business Management fee deemed to be earned by and due to CI will be equal to the fee in Section 3.01 and the forecasted revenue from the most recently prepared financial report, prorated from the commencement date of this agreement to the termination date, regardless of fee actually invoiced as of the termination date.

## ARTICLE 15. DISPUTE RESOLUTION

Section 15.01. Any controversy or claim, whether based on contract, tort, strict liability, fraud, misrepresentation, or any other legal theory, arising out of either party's performance of this Agreement ("Dispute") shall be resolved solely in accordance with the terms of this Section.

- a. Resolution Sequence. If the Dispute cannot be settled by good faith negotiation between the Chief Executive Officers of the parties – which must take place within thirty days of receipt by one party of a claim of a Dispute – CI and Client will submit the Dispute to non-binding mediation in Los Angeles County. If complete agreement cannot be reached within thirty days of submission to mediation, any remaining issues will be resolved by binding arbitration in accordance with Sections (c) and (d) below. Arbitration will comply with and be governed by the provisions of the California Arbitration Act
- b. Arbitrator. A single Arbitrator who is a retired judge and knowledgeable in commercial matters will conduct the arbitration. The Arbitrator's decision and award will be final, must be made in writing with findings of fact and conclusions of law, will be binding and may be entered in any court with jurisdiction. The Arbitrator will not have authority to make errors of law or legal reasoning, nor to modify or expand any of the provisions of this Agreement. The Arbitrator will not have the authority to award damages not permitted by this Agreement.
- c. Rules and Expenses. Any mediation or arbitration commenced pursuant to this Agreement will be conducted under the then current rules of the alternate dispute resolution ("ADR") firm in the site selected by the parties. If the parties are unable to agree on an ADR firm, the parties will conduct the mediation and, if necessary, the arbitration, under the then current rules and supervision of the American Arbitration Association. CI and Client will

CI Initials:



Charter Impact Management & Accounting Services Agreement

Page 10

Client Initials:



each bear its own attorneys' fees associated with the mediation and, if necessary, the arbitration. CI and Client will pay all other costs and expenses of the mediation/arbitration as the rules of the selected ADR firm provide.

- d. Limitation on Actions. Any dispute Client may have against CI with respect to this Agreement must be brought within two years after the cause of action arises.

## ARTICLE 16. GENERAL PROVISIONS

Section 16.01. Any notices to be given under the Agreement by either party to the other will be in writing and may be transmitted by personal delivery or by e-mail, mail, registered or certified, postage prepaid with return receipt requested. Mailed notices will be addressed to the parties at their known place of business, but each party may change that address by written notice in accordance with this section. Notices delivered personally will be deemed communicated as of the date of actual receipt; mailed notices will be deemed communicated as of two days after the date of mailing.

Section 16.02. This instrument contains the entire Agreement of the parties with respect to the subject matter hereof and there are no other promised representations or warranties affecting it. This Agreement supersedes any and all other agreements, either oral or in writing, between CI and Client with respect to the engagement of CI by Client and contains all of the covenants and agreements between the parties with respect to that engagement in any manner whatsoever. Each party to this Agreement acknowledges that no representation, inducements, promises, or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party that are not embodied in the Agreement, and that no other agreement, statement, or promise not contained in this Agreement will be valid or binding on either party.

Section 16.03. Any modification of this Agreement will be effective only if it is in writing and signed by the party to be charged.

Section 16.04. The failure of either party to insist on strict compliance with any of the terms, covenants, or conditions of this Agreement by the other party will not be deemed a waiver of that term, covenant, or condition, nor will any waiver or relinquishment of any right or power at any one time or times be deemed a waiver or relinquishment of that right or power for all or any other times.

Section 16.05. If any provision in this Agreement is held by a court or arbitrator of competent jurisdiction to be unreasonable, invalid, void, or unenforceable, then this Agreement will be deemed amended to provide for the modification of the unreasonable, invalid, void, or unenforceable provision to the extent that the court or arbitrator finds reasonable, and the remaining provisions of this Agreement will continue in full force without being impaired or invalidated in any way.

CI Initials:



Charter Impact Management & Accounting Services Agreement

Page 11

Client Initials:  


Section 16.06. Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of California, without giving effect to its conflict of law provisions or to constructive presumptions favoring either party.

Section 16.07. Force Majeure. Neither Party shall be in breach of this Agreement to the extent that any delay or default in performance is due to causes beyond the reasonable control of the delayed or defaulting Party; provided, that the delayed or defaulting Party shall immediately notify the other Party of the event, an estimate of the duration of the event, and the delaying or defaulting Party's plan to mitigate the effects of the delay or default.

Section 16.08. Successors and Assigns. 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. 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.

Section 16.09. Publicity. Client agrees to act as a reference for CI with respect to the Services upon CI's reasonable request. CI may issue press releases or identify Client in marketing materials, including the start and termination of the Agreement, provided that all references to Client are fair, accurate and not misleading.

Section 16.10. Corporate Power and Authorization. The parties hereto have full corporate power and authority to execute and deliver this Agreement and to perform their obligations hereunder. The execution, delivery and performance of this Agreement by each party has been duly authorized by all necessary corporate action. This Agreement has been duly executed and delivered by each party and constitutes the valid and legally binding obligation of Client and CI enforceable in accordance with its terms and conditions.

*[signature page to follow]*

CI Initials:

  
\_\_\_\_\_

Client Initials:  
  
\_\_\_\_\_



Accepted and Agreed, as of the Effective Date first written above:

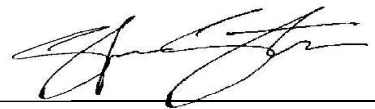
**TEACH LAS VEGAS**


Signed: 

Name: Trishawn Allison

Title: President

**CHARTER IMPACT, INC.**

By   
Spencer Styles, President & CEO

CI Initials:  


Client Initials:  


**EXHIBIT A  
SCOPE OF WORK: BUSINESS MANAGEMENT SERVICES**

**1. IMPLEMENTATION AND TRAINING**

- a. Create a customized accounting database based specifically on the school's reporting needs (both internal and external)
- b. Import historical data to the extent possible (typically monthly balances as far back as data is available) to allow for maximum comparability of financial information
- c. Review existing contracts for terms, requirements and school responsibilities
- d. Create, refine or replace existing processes and procedures to increase efficiency and improve the strength of internal controls
- e. Provide training in specific processes and procedures including to school site staff including: accounts payable, accounts receivable/deposits, petty cash accounts, student stores, payroll, etc.
- f. Provide training to new and/or existing board members on:
  - i. Charter school funding - including drivers, calculations, restrictions and cash flow timing,
  - ii. Reading and interpreting financial reports, and
  - iii. Internal controls and the board's responsibility for oversight and maintenance

**2. ACCOUNTS PAYABLE PROCESSING**

- a. Review all invoices sent to Charter Impact for proper approval and coding
  - i. Any discrepancies will be reported to the Client within three business days of CI becoming aware of the discrepancy. CI is not responsible for communicating any information to Client vendors. The fees described in Section 3.01 are based upon Client cooperation and compliance with CI processes and procedures. Time incurred to process payments outside of the pre-established timeline is subject to additional fees as described in Section 8.04 above.
- b. Enter invoices for each reporting entity, process check payments, and send checks directly to vendors to reduce turn-around time
- c. Provide weekly check registers, accounts payable aging reports, vendor payment history or other ad hoc reports on a recurring or as needed basis
- d. On an emergency basis, same day payments can be processed in addition to the weekly cycle (\*additional processing fees apply).
- e. Complete 1099s for all independent contractors.
  - i. It is the Client's sole responsibility to obtain and submit to CI the IRS Form W-9 for all vendors. Client acknowledges that CI is not responsible for processing of Form 1099 for any vendor for which CI has not received a Form W-9 or for any vendor that has not been paid through CI's vendor payment process.

**3. ACCOUNTS RECEIVABLE PROCESSING**

- a. Monitor the receipt of State approved funding amounts and verify balances paid are correct
- b. Work directly with governmental agencies to resolve any issues or discrepancies identified
- c. Review all donor letters and grant agreements for proper coding and revenue recognition in accordance with GAAP
- d. Maintain independent records, as necessary, for both public and private sources to ensure accurate reporting and compliance

**4. BANK RECONCILIATION AND GENERAL LEDGER MAINTENANCE**

- a. Reconcile all bank accounts on a weekly basis for a heightened level of security and monitoring
- b. Maintain general ledger in accordance with GAAP on an ongoing basis, ensuring all revenues and expenses are recorded and reported accurately
- c. Maintain an inventory of fixed assets over the school-designated capitalization threshold and calculate depreciation on a monthly basis

**5. CASH MANAGEMENT**

- a. On a weekly basis, use reconciled bank balance to project daily cash balances for 30 days (for analysis of cash for any period of time over 30 days, the monthly forecast will be utilized)
- b. On a weekly basis, provide schools with amount of cash available for accounts payable or other discretionary spending while ensuring sufficient funds for regularly recurring transactions such as payroll, taxes, rent, insurance, etc.
- c. Plan and manage payment of outstanding debt as needed
- d. Prepare all financial reporting necessary for renewal of loans or lines of credit
- e. Present line of credit status to board and obtain board resolutions as needed
- f. Monitor compliance with all debt covenants as a part of the ongoing budgeting and forecasting process
- g. Analyze future cash flow and determine whether schools need to make adjustments to spending or seek other funding options.

**6. MONTHLY FINANCIAL REPORTING**

- a. Provide a monthly reporting package by the 20th day of the following month, assuming all necessary data is received from the school site on a timely basis, to ensure management has the necessary information to make sound business decisions
- b. Create financial reporting package based on customized business segments. This includes budgets and forecasts as well.
- c. Offer a menu of report options for the monthly financial reports including, but not limited to:
  - i. Monthly summary by financial section with bulleted highlights for presentation purposes
  - ii. Monthly Cash Flow Forecast and comparison to approved budget
  - iii. Budget vs. Actual Report (both current month and year-to-date)

- iv. Schedule of Revenue and Expenses by Period
  - v. Comparative Statement of Financial Position
  - vi. Combining/Consolidating Statements of Activities and Financial Position
  - vii. Statement of Cash Flows (both current month and year-to-date)
  - viii. Accounts Payable/Receivable Aging
  - ix. Check Register(s)
  - x. General Ledger Detail
  - xi. Other customized reports as requested by the school, executive team or board
- d. On a monthly basis, review and present the financial package with the school staff and/or board members to assess the current fiscal condition of the school
  - e. Provide access to the accounting database via a VPN connection allowing school staff to run reports and see real-time data as it exists in the system
  - f. On an as needed basis, provide or present financial information or training to lenders, board members, community members, parents or other external parties as requested by the school.

## **7. COMPLIANCE AND GRANT REPORTING**

- a. Assist the school with grant applications including the development of grant-specific budgets as well as school long-term projections
- b. In the event that new funding programs become available, funding program elements and pricing will be revised if the Client wishes CI to pursue such funding. These applications will be subject to the timelines and conditions of the funding programs and will be the primary responsibility of the Client.
- c. Track all restricted revenues (both public and private) to ensure compliance with governmental and donor-required restrictions
- d. Provide financial information and reporting to governmental entities, donors, and other supporting organizations for grant compliance

## **8. CHARTER AUTHORIZER SUPPORT**

- a. Support the school with all financial and business communications with the charter authorizer. This includes, but is not limited to: Prepare regular financial reporting (budget and interim financial reports)
- b. Provide ad hoc financial documents and reports as requested
- c. Partner with school leaders to meet with authorizer staff to discuss fiscal health and outlook of the school
- d. Assist in the renewal process by preparing and/or reviewing fiscal narratives, preparing the required forecasts and cash flow projections.

## **9. ANNUAL BUDGET CREATION AND REVISIONS**

- a. Work with school staff on an annual basis to create a 5-year budget and cash flow projection on an annual basis to ensure proper future planning
- b. Provide a monthly budget and cash flow report to monitor the cash balance and protect against the gap caused by revenue and expenditure seasonality

CI Initials:



Charter Impact Management & Accounting Services Agreement

Page iii

Client Initials:





- c. Revise the annual forecasts on an as-needed basis (but at least monthly) to provide school staff and board members with accurate year-end projections and the information necessary in a constantly changing environment

#### **10. AUDIT PREPARATION AND OVERSIGHT WITH AUTHORIZERS**

- a. Maintain electronic records of all transaction support
- b. Work directly with the independent auditors to provide information, thereby reducing client time commitment and audit fees
- c. Participate in, and support all oversight reviews from charter authorizers and governmental agencies to improve outcomes

#### **11. TAX PREPARATION AND SUPPORT**

- a. Prepare and electronically submit Form 1096 (summary of all 1099 forms) to the IRS for all required vendors and service providers
- b. Prepare and report sales and use tax returns
- c. Provide any and all information necessary for the preparation and submission of Form 990. *Payroll tax reporting is included in the payroll processing Exhibit B below.*

#### **12. STRATEGIC PLANNING**

- a. Work with school management and the Board of Directors to develop long-term strategies to ensure the school's prosperity
- b. Provide second opinions and act as sounding board for school management and the Board on business and financial matters

**EXHIBIT B**  
**SCOPE OF WORK: PAYROLL SERVICES**

**1. PAYROLL PROCESSING**

- a. Maintain employee static pay information in a payroll database
- b. Process status updates, new hires, terminations, and/or informational changes in payroll system
- c. Assist in the development of a regular payroll schedule that is compliant with State labor laws and consistent with employee contracts
- d. Process supplemental payroll runs such as the following:
  - i. Involuntary termination - the check will be prepared ahead of time and provided to the school on the termination date
  - ii. Voluntary termination without notice - the check will be prepared and delivered to the employee within the time frame required by the State
  - iii. Scheduled bonuses/stipends
  - iv. Additional unscheduled/emergency payroll runs
- e. Process and pay all federal and state payroll tax payments according to required guidelines
- f. Prepare the state payroll tax filing report annually, and quarterly for federal and state agencies
- g. Prepare, review, and distribute W-2s to all employees

**2. RETIREMENT REPORTING**

- a. Process and submit retirement reports
- b. Submit payment via ACH or cashier's check within the requisite timeframe for the pension contributions
- c. Process 403(b) retirement plan deductions, if applicable, and in compliance with State and Federal laws submit payments to the third-party administrator

**3. WEB-BASED EMPLOYEE TIMEKEEPING SYSTEM**

- a. All employees can be given online access to a streamlined, secure electronic timekeeping system which is fully integrated into our accounting system and eliminates the need for paper timesheets.
- b. In addition to entering time, employees can also electronically:
  - i. request time off
  - ii. make changes to their addresses and W2s
  - iii. access their historical paystubs

**4. GENERAL SUPPORT**

- a. Provide support and assistance with creation of internal processes and procedures, forms and tracking systems

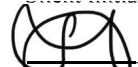
**EXHIBIT C  
HOURLY RATES**

<b>Level</b>	<b>Rate</b>
<b>Clerk</b>	<b>\$100.00</b>
<b>Staff</b>	<b>\$150.00</b>
<b>Senior</b>	<b>\$175.00</b>
<b>Director</b>	<b>\$200.00</b>
<b>Executive</b>	<b>\$250.00</b>

CI Initials:

  
\_\_\_\_\_

Client Initials:

  
\_\_\_\_\_