

MANAGEMENT SERVICES AGREEMENT BETWEEN
PATHWAYS MANAGEMENT GROUP, INC.,
AND
PATHWAYS IN EDUCATION – WEST ADA, INC.

This MANAGEMENT SERVICES AGREEMENT (“Agreement”) is effective December 1, 2022 (the “Effective Date”) and is entered into by and between Pathways Management Group, Inc., a California nonprofit corporation (“PMG”), and Pathways in Education – West Ada, Inc., an Idaho nonprofit corporation (“PIE-WA”).

RECITALS

WHEREAS, PMG provides management and other services to charter schools and has expertise in providing educational services to at risk students using independent study instructional modalities.

WHEREAS, PIE-WA was created to develop new ways to educate children in Idaho through the establishment of and/or operation of charter schools.

WHEREAS, PIE-WA is actively seeking to establish a charter to serve at-risk students under the purview of the West Ada School District (the “WASD”).

WHEREAS, the charter petition to be submitted by PIE-WA to the WASD will set forth the governance structure for the charter school and provide, among other things, that the management and day-to-day operation of the charter school may be delegated to third parties.

WHEREAS, PIE-WA desires to contract for services to support its startup period prior to commencing charter school operations and for services to support PIE-WA once it receives authorization and commences charter school operations. The services from PMG are described in more detail herein.

WHEREAS, the parties intend that the terms of this Agreement shall be consistent with the terms of any charter petition approved by the WASD.

NOW, THEREFORE, the parties hereto agree as follows:

ARTICLE 1

1.1 **Charter Petition**. The parties understand and acknowledge that PIE-WA may be bound by and subject to, all the terms and conditions of the Charter Petition or charter agreement to be entered into between PIE-WA and the WASD (hereinafter referred to as the “Charter Petition”) and that by entering into this Agreement, PMG’s services shall comply with the applicable terms and conditions of the Charter Petition.

1.2 **Independent Contractor**. The parties to this Agreement intend that:

1.2.1 The relationship between PMG and PIE-WA created by this Agreement is that of an independent contractor, and not a partnership or employer-employee or other relationship. No agent, employee, or servant of PMG shall be deemed to be the employee, agent or servant of PIE-WA. The

manner and means of conducting the work pursuant to this Agreement is under the sole control of PMG and PMG will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, and subcontractors during the entire Term of this Agreement.

1.2.2 No agent, employee, or servant of PIE-WA shall be deemed to be the employee, agent or servant of PMG. PIE-WA will be solely and entirely responsible for its acts and for the acts of its agents, employees, servants, and subcontractors during the entire Term of this Agreement.

ARTICLE 2 TERM

2.1 Unless earlier terminated pursuant to this Agreement, the term (“Term”) of this Agreement shall commence on the Effective Date and shall continue through August 30, 2028 (“Expiration Date”), provided however, that in the event PIE-WA becomes authorized to operate a charter school and thereafter ceases to be chartered by the WASD at any time during the Term, this Agreement shall terminate thirty (30) days following the effective termination date of PIE-WA’s charter. No later than eighteen (18) months prior to the Expiration Date, PIE-WA will schedule a meeting with PMG to discuss renewal of the Agreement. Following the meeting, if PIE-WA or PMG decide to forego renewal, the forgoing party will inform the other party in writing no less than twelve (12) months before the Expiration Date of this determination, or this Agreement will automatically renew for an additional five (5) year term.

ARTICLE 3 SERVICES TO BE PROVIDED BY PMG

3.1 Startup Services During Startup Period. As of the time of entering into this Agreement, PIE-WA has submitted an application to the WASD to seek authorization to open a charter school. If the application is approved by the WASD, PIE-WA will open and operate a charter school program commencing in July 2024. In anticipation of approval, PIE-WA is in need of startup services (“Startup Services”) from PMG for the period commencing on the Effective Date and up through June 30, 2024 (“Startup Period”). PMG shall provide to PIE-WA the Startup Services as described in Exhibit “A”, which is attached hereto and incorporated herein.

3.2 PMG Services After Startup Period. During the remaining Term of this Agreement following the Startup Period, except as otherwise provided herein, PMG shall provide to PIE-WA school management, facilities management, financial management, accounting, student achievement reporting and human resources services (hereafter referred to as the “PMG Services”). The PMG Services are more particularly identified and described herein below in Articles 5, 6, 7, 9 and 16, and in Exhibit “B,” which is attached hereto, and incorporated herein.

ARTICLE 4 PMG COMPENSATION

4.1 Fees for Startup Services During Startup Period. Throughout the Startup Period, in exchange for the Startup Services, PIE-WA shall pay PMG according to the hourly rates outlined in Exhibit “A”, which is attached hereto and incorporated herein.

4.1.1 PMG will invoice PIE-WA for the Startup Services on a monthly basis. PMG’s invoices will include a detailed description of the services performed and the amount of time spent performing those services. PIE-WA shall pay invoices within thirty (30) days of receipt. In the event full payment for any outstanding fees are not received when due, PMG reserves the right to charge a late fee of one and a half

percent (1.5%) on the unpaid balance for each 30 days that payment is past due until such balance is paid in full.

4.2 Fees for PMG Services After Startup Period.

4.2.1 For the period from August 1, 2023 through June 30, 2025, on the 5th day of each calendar month, PIE-WA shall cause to be paid to PMG a monthly fee of ten percent (10%) of the monthly gross revenue generated by PIE-WA in exchange for the PMG Services. The monthly fee will be in addition to PIE-WA's obligation to reimburse expenses as provided hereinafter.

4.2.2 Commencing on July 1, 2025 and until the Expiration Date (or earlier termination of this Agreement), on the 5th day of each calendar month during the Term of this Agreement, PIE-WA shall cause to be paid to PMG a monthly fee of fifteen percent (15%) of the monthly gross revenue generated by PIE-WA in exchange for the PMG Services. The monthly fee will be in addition to PIE-WA's obligation to reimburse expenses as provided hereinafter.

ARTICLE 5 FACILITIES MANAGEMENT SERVICES

5.1 PMG shall be responsible for the identification, location and acquisition of space for PIE-WA learning centers.

5.2 PIE-WA shall reimburse PMG or pay directly any and all rentals (including common area charges and other charges assessed directly by the landlord as part of each respective lease) advanced by PMG for the use of commercial premises for PIE-WA learning centers and/or school site(s). PMG has or may enter into and shall maintain for the benefit of PIE-WA leases of commercial real property and office space to provide learning centers and/or school site(s) for the students of PIE-WA. PIE-WA shall reimburse PMG or pay directly any and all costs associated with general contracting and construction related services, including, but not limited to construction management services, construction consulting services, construction, demolition, renovation, and remodeling.

5.3 PIE-WA shall also reimburse PMG or pay directly all expenses for utilities, including telephone, power, water, trash and other utilities used in connection with the foregoing learning centers.

5.4 PIE-WA acknowledges that the terms of certain leases held by PIE-WA at the time of this Agreement may expire or terminate prior to the end of the Term of this Agreement. In such event, PMG agrees to locate and secure, on behalf of PIE-WA, suitable replacement premises. PMG will obtain the prior written approval of PIE-WA staff before adding or subtracting the number of learning centers used by PIE-WA.

5.5 All learning centers will meet Idaho health and safety standards.

5.6 Facilities will be selected on the basis of identification of areas where the greatest numbers of potential students can be served.

5.7 PMG shall be responsible for the purchase and installation of technology (computers, modems, and phone units) integral to the operation of PIE-WA learning centers and PIE-WA will pay directly or reimburse PMG for these costs.

5.8 PMG shall be responsible for furnishing and maintaining PIE-WA learning centers as necessary to operate the learning centers. PIE-WA will pay directly or reimburse PMG for these costs.

5.9 PMG will secure insurance reasonably suitable to protect PIE-WA for personal and property damage caused by hazards at the learning centers. PIE-WA will pay directly or reimburse PMG for the cost of such insurance.

5.10 PMG will ensure that, at a minimum, each of the learning centers are open to teachers and students according to PIE-WA's operating schedules.

5.11 At PMG's request, PMG and PIE-WA will enter into a separate lease agreement for PIE-WA learning centers, which leases (to the extent time remains on the lease term) will survive the terminating of this Agreement.

ARTICLE 6 STUDENT ACHIEVEMENT REPORTING

6.1 PMG shall provide sufficient information to enable PIE-WA's governing board to monitor the sufficiency of services provided by PMG and whether it is in compliance with its obligations under this Agreement.

6.2 PMG shall make available to PIE-WA the following reports: monthly report of expenses incurred for reimbursement, monthly ADA or student attendance reports, reports required by the WASD, budget reports, and year to date budget variance reports. Upon reasonable request, PMG shall provide additional financial data and other data to PIE-WA in a format and structure reasonably directed by PIE-WA.

6.3 PMG, at its own election or when requested by PIE-WA, will contract periodically with an independent evaluator of charter schools to conduct an independent evaluation of PIE-WA's educational programs and student achievement. The results of the evaluation will be provided to PIE-WA. This independent evaluation will examine the effectiveness and quality of the educational programs and services provided to PIE-WA students. The evaluation will use both qualitative and quantitative data. The evaluator will analyze standardized test data and incorporate the results into the evaluation. In addition, the data relating to baseline student Performance Plans; educational and community agency services rendered to PIE-WA's students; and enrollment, academic and attendance records will be analyzed. Qualitative data will be collected through structured and unstructured interviews and questionnaires with PIE-WA staff, students, parents and community agency personnel. PIE-WA shall pay directly or reimburse PMG for the cost of any evaluation(s) requested by PIE-WA.

ARTICLE 7 EDUCATIONAL PROGRAM AND CURRICULUM

7.1 PMG has developed an educational program which consists of a unique blend of curriculum and educational materials that were carefully curated by PMG after expending significant time and effort in reviewing and analyzing various educational products available in the market. PMG has compiled a particular combination of recommended products to create an educational program menu unique for PIE-WA's use ("Program"). PMG consistently reviews the market to update and improve the Program based on the most current educational products available.

7.2 PMG agrees to make the Program available to PIE-WA throughout the Term of this Agreement.

7.3 The Program consists of interesting and challenging curriculum for the purpose of allowing students to progress as quickly as their capabilities will allow. The Program will allow students to use the knowledge that they are accumulating in novel ways to facilitate problem-solving and skill development. The recommended curriculum shall be designed in a language and format that are readily accessible, and students will be allowed to complete course work at their own pace, as the Program will be formulated based on an initial evaluation of each student's skill levels in reading, math and other core courses. They key components of the Program are as follows:

7.3.1 Students will be encouraged to concentrate their learning efforts on a maximum of one or two core subjects, in order to achieve greater depth of learning in each subject and to focus the students' attention on specific areas as a way to promote maximum efficiency for faster results.

7.3.2 Students will participate in independent study programs that will allow each student to tailor his or her work pace to meet personal needs and goals.

7.3.3 Student skills are assessed at regular intervals in order to determine appropriate placement and intervention. Advancement within each course will be determined by actual mastery of skills. Learning will be focused on specific skills and tasks, which will result in maximum advancements in a minimum amount of time.

7.3.4 The Program will be nonreligious, nonsectarian and shall not illegally discriminate against any student on the basis of race, creed, color, sex, national origin, religion, ancestry, age, disability, special need, marital status, citizenship or any other legally prohibited basis.

7.4 The Program will be implemented in a manner that is consistent with the Charter Petition between PIE-WA and the WASD and as otherwise required by law.

7.5 PIE-WA shall reimburse PMG or pay third party vendors directly for the cost of all Program related services, materials and purchasing incurred by PMG on behalf of PIE-WA. PIE-WA reserves the right to directly contract with and pay any providers of educational services or products identified by PMG as part of the recommended Program.

ARTICLE 8 MANAGEMENT OF THE CHARTER SCHOOL

8.1 PMG is not obligated to devote all of its time or business efforts to the affairs of PIE-WA.

8.2 PMG and its officers, directors, members, agents, employees and/or affiliates may engage or invest in any business activity of any type or description, including, without limitation, those that might be the same as or similar to the PIE-WA's business. PIE-WA shall have no right in or to such other activities or to the income or proceeds derived there from. PMG shall not be obligated to present any investment opportunity or prospective economic advantage to PIE-WA, even if the opportunity is of the character that, if presented to PIE-WA, could be invested in by PIE-WA.

8.3 In addition to any other duties or obligation of PMG arising under this agreement, PMG shall ensure that, in the event that PIE-WA loses its charter or otherwise ceases to operate as charter school, all applicable legal requirements established by the WASD or other government entity shall be met.

ARTICLE 9 PERSONNEL AND TRAINING

9.1 PMG shall recruit, screen and hire certificated and non-certificated individuals on behalf of PIE-WA. PMG may also terminate the employment of certificated and non-certificated individuals.

9.2 All personnel recommended by PMG for employment by PIE-WA shall have the experience and knowledge appropriate to the position for which they are to be considered for employment.

9.3 All personnel recommended by PMG for employment by PIE-WA shall meet standards set forth by Idaho law, as applicable and such employee's particular job description. Certificated employees shall meet requirements of the Idaho charter laws.

9.4 When necessary, PIE-WA shall work with PMG to obtain waivers from WASD and shall work with PMG to expedite the certification process or alternative accreditation for all new or out-of-district personnel.

9.5 PMG shall provide training in its methods, curriculum, program, and technology to all teaching personnel of PIE-WA. Such training shall be at PIE-WA's expense, and may be held off-site, at locations selected by PMG. PMG will also provide team building events, at PIE-WA's expense, for the benefit of PIE-WA employees.

9.6 PMG will administer health and retirement benefits for PIE-WA's employees, including all certificated and non-certificated staff.

9.7 Personnel Policies

9.7.1 PMG and PIE-WA shall comply with all applicable federal and state laws, concerning employee welfare, safety and health, including, without limitation, the requirements of federal law for a drug free workplace.

9.7.2 Neither PMG nor PIE-WA will illegally discriminate against any employee or applicant for employment on the basis of race, creed, color, sex, national origin, religion, ancestry, age, disability, marital status, citizenship, or any other legally prohibited basis, in its recruitment, selection, training, utilization, termination or other employment-related activities.

ARTICLE 10 SUBCONTRACTING OF SERVICES

10.1 Subcontracting of Services. PMG reserves the right to subcontract any and all services specified in this Agreement to the WASD and/or to public or private subcontractors, as permitted by law.

10.2 Location of Performance. PMG reserves the right to perform non-instructional functions, such as purchasing materials or developing curriculum, off-site at PMG offices or remote locations, unless prohibited by federal, state laws, rules, or regulations.

ARTICLE 11 SCHOOL YEAR

11.1 School Year. The parties hereto agree that PIE-WA shall be in session between July 1st and June 30th of each school year in accordance with Idaho law.

11.2 Calendar. Notwithstanding the above, the parties understand and agree that the PIE-WA will have a year-round, multi-track, staggered start calendar for the programs, or, as necessary, any other calendar that would improve the delivery of instruction to students.

ARTICLE 12 STUDENT PRIVACY

12.1 Family Educational Rights and Privacy Act. PIE-WA shall advise the WASD to designate PMG and its officers, employees, agents and representatives as having a legitimate educational interest such that they are entitled to access to education records under 20 U.S.C.A. 1232g, the Family Educational Rights and Privacy Act and under applicable Idaho information and privacy laws. PMG, its officers and employees shall comply with the Family Educational Rights and Privacy Act at all times. PMG and PIE-WA's obligations under applicable privacy standards are more fully defined and provided for in Exhibit "C" to this Agreement.

ARTICLE 13 WARRANTIES AND REPRESENTATIONS

13.1 Representations of PIE-WA. PIE-WA represents and warrants to PMG that: (i) it is an organization formed, existing and operating under the laws of Idaho (ii) it has full lawful power and authority to execute, deliver and perform this Agreement, to incur the obligations provided for under this Agreement and to contract with PMG for PMG to provide the services set forth in this Agreement; (iii) the information, if any, PIE-WA has furnished to PMG concerning PIE-WA's finances, revenues, and student enrollment is accurate and the latest information available at the time of the execution of this Agreement; (iv) the execution, delivery and performance of this Agreement by PIE-WA is not a violation or breach of any other agreement between PIE-WA and any other person or entity.

13.2 Representations of PMG. PMG represents and warrants to PIE-WA that: (i) it is a nonprofit corporation organized and existing under the laws of the State of California; (ii) it has full lawful power and authority to execute, deliver and perform this Agreement, to incur the obligations provided for under this Agreement and to contract with PIE-WA to provide the services set forth in this Agreement on behalf of PIE-WA; (iii) the information, if any, PMG has furnished to PIE-WA concerning PMG's finances and revenues is accurate and complete and the latest information available at the time of the execution of this Agreement; (iv) the execution, delivery and performance of this Agreement by PMG is not a violation or breach of any other agreement between PMG and any other person or entity.

ARTICLE 14 INDEMNIFICATION

14.1 PMG shall indemnify and hold PIE-WA and its members, managers, employees, officers, subcontractors, agents, representatives and authorized volunteers (collectively the "PIE-WA Agents") harmless from and against any and all claims, demands, suits, costs, judgments, or other forms of liability to third parties, actual or claimed, of whatsoever kind or character, including attorneys' fees, brought against PIE-WA and/or the PIE-WA Agents for injury to property or persons, occurring or allegedly occurring in, on or about PIE-WA learning centers as a result of actions by PMG and/or by its employees, officers, directors, subcontractors, representatives, and agents (collectively "PMG's Agents") during the Term of this Agreement or any renewal periods thereof. Upon timely written notice from PIE-WA, PMG shall defend PIE-WA and/or the PIE-WA Agents in any action or proceeding brought thereon with counsel reasonably acceptable to PIE-WA.

14.2 PIE-WA shall indemnify and hold PMG and PMG's Agents harmless from and against any and all claims, demands, suits, costs, judgments or other forms of liability to third parties, actual or

claimed, of whatsoever kind or character, including attorneys' fees, brought against PMG and/or PMG's Agents for injury to property or persons, occurring or allegedly occurring in, on or about PIE-WA learning centers as a result of actions by PIE-WA and/or by the PIE-WA Agents during the Term of this Agreement or any renewal periods thereof. Upon timely written notice from PMG, PIE-WA shall defend PMG and/or PMG's Agents in any action or proceeding brought thereon with counsel reasonably acceptable to PMG.

ARTICLE 15 TERMINATION AND CLOSURE

15.1 PIE-WA Termination for Cause. PIE-WA may terminate this Agreement for Cause prior to the end of the Term, in accordance with the procedures set forth herein. For purposes of this Section, "Cause" means:

15.1.1 Material breach of this Agreement which may include failure of PMG to provide services as required by this Agreement, or any other act or failure to act by PMG which undermines the joint purpose of this Agreement. PIE-WA may terminate for Cause only if PIE-WA has provided PMG written notice of the material breach and has allowed PMG a reasonable period in which to remedy such breach. A reasonable period for cure under this section shall not be less than ninety (90) days. If PIE-WA can show good cause that PMG's remedial action is unsatisfactory, PIE-WA may terminate the Agreement under this paragraph pursuant to the procedure set forth in Section 15.4.

15.2 PMG Termination for Cause. PMG may terminate this Agreement for Cause prior to the end of the Term, in accordance with the procedures set forth herein. For the purposes of this Section, "Cause" means:

15.2.1 Material breach of this Agreement, which may include, but is not limited to, PIE-WA's failure to adhere to the reasonable personnel, curriculum, program or similar recommendations of PMG with respect to PIE-WA, which PMG reasonably determines to be necessary for the implementation of PMG's Program, PIE-WA's failure to obtain waivers from third parties as provided for in this Agreement which PMG reasonably determines to be necessary for the implementation of PMG's Program, PIE-WA's failure to make payments as required by this Agreement; or any other failure which undermines the joint purposes of this Agreement.

PMG may terminate for cause only if PMG has provided written notice of the breach to PIE-WA and has allowed PIE-WA a reasonable period in which to remedy such breach. A reasonable period for cure under this section shall not be less than sixty (60) days. If PMG makes a good faith reasonable determination that PIE-WA's remedial action is unsatisfactory, PMG may terminate the Agreement under this paragraph pursuant to the procedure set forth in Section 15.4.

15.3 Statutes or Legislative Changes. In the event that any enactment, repeal, promulgation or withdrawal of any federal, state, or local law, regulation, or court or administrative decision or order materially affects the operation of PIE-WA in conformity with this Agreement, or otherwise constitutes a violation of law, or otherwise has a material adverse effect on PMG's ability to operate, PMG or PIE-WA may elect to deliver written notice to the other of such changes and the resulting consequences. Upon delivery of such notice, the parties shall promptly commence negotiations in good faith regarding a mutually agreeable approach (including without limitation, an amendment to the Agreement) to address the statutory and/or legislative changes. If despite such good faith negotiations the parties are unable to agree upon an acceptable approach to address the statutory and/or legislative changes, then either party may elect to terminate the Agreement without further obligation or liability to the other,

by delivering written notice of termination to the other at least one hundred eighty (180) days in advance of the effective date of such termination, or in such lesser time as is reasonable under the circumstances. Among other events, the foregoing section applies to actions that may be made by the State Board of Education and/or Department of Education.

15.4 Termination Notice and Other Termination Procedure

15.4.1 Unless otherwise expressly provided herein, each party shall give the other party at least ninety (90) days advance written notice of a termination of this Agreement prior to the end of its Term.

15.4.2 Notwithstanding any other provision in this agreement, each party shall use its good faith best efforts to avoid a termination of the Agreement, which becomes effective during the middle of a school year because of the disruption to the educational program and the students. Therefore, in the event this agreement is terminated by either party prior to the end of the Term, absent unusual and compelling circumstances, the termination will not become effective until the end of the school year.

15.4.3 In the event of termination of this Agreement for any reason, PMG shall provide reasonable assistance to PIE-WA for up to ninety (90) days after the effective date of termination of the Agreement, to assist in the closure of the charter school and the transition of students, if necessary.

15.4.4 In the event PIE-WA terminates this Agreement prior to the end of the Term, regardless of the reason, then PIE-WA shall, for the duration of the Term, be obligated to reimburse PMG for all expenses incurred by PMG on account of the leases and all other reimbursable items listed in Article 5.

ARTICLE 16 INSURANCE

16.1 Liability Insurance

16.1.1 PMG, on behalf of PIE-WA and the WASD, shall secure and maintain, insurance, including, but not limited to general liability insurance coverage for bodily injury and property damage for the protection of PIE-WA, the WASD, PMG, and their respective officers, directors, board members, employees, students, teachers and volunteers. Such insurance policies shall be issued by an insurance company or companies selected by PMG and licensed to do business in Idaho. Except as otherwise agreed in writing by PIE-WA and PMG, all such insurance coverage shall be primary insurance, with deductibles or SIR's which are outside the policy limits, and shall be occurrence based insurance (and not claims made insurance). PIE-WA shall pay directly or reimburse PMG for all costs of such insurance.

16.1.2 PIE-WA shall require that its contractors, if providing transportation or other services to PIE-WA, name PMG and its, and their respective officers, directors, board members, employees, and agents as additional insureds under their respective commercial general liability and automobile liability insurance policies for personal injury and property damage; and if such services are provided directly by PIE-WA rather than by contracted service, then PMG may ensure such persons shall be named as an additional insured under corresponding PIE-WA insurance policies.

16.1.3 The insurance policies maintained by each party pursuant to this Agreement shall be endorsed to state that coverage shall not be suspended, voided, canceled, or reduced, in coverage or limits, except after thirty (30) days prior written notice to PMG and PIE-WA. The parties shall furnish

one another certified copies of the insurance or certificates of insurance which name one another as additional insured as additional insured and which demonstrate compliance with this Agreement.

16.2 Workers' Compensation Insurance. PMG, on behalf of PIE-WA, shall secure and maintain workers' compensation insurance covering PIE-WA employees and authorized volunteers. Such insurance policies shall be issued by an insurance company or companies licensed to do business in Idaho. PIE-WA shall pay directly or reimburse PMG for its pro-rata share of such cost.

16.3 Coordination of Risk Management. The parties shall coordinate risk management activities with one another, which shall include the prompt reporting of any and all pending or threatened claims, filing of timely notices of claim, cooperating fully with one another in the defense of any claims and complying with any defense and reimbursement provisions of state governmental immunity laws and applicable insurance policies. The parties shall give each other prompt written notice of any claim arising out of the operation of PIE-WA learning centers. Neither PMG nor PIE-WA shall compromise, settle, negotiate or otherwise affect any disposition of any claim or potential claims asserted against it to the extent such claims are insured by or through the other party, without the approval of the other party.

ARTICLE 17 CONFIDENTIAL AND PROPRIETARY INFORMATION

17.1 Proprietary Marks and Intellectual Property. PIE-WA acknowledges and agrees as follows:

17.1.1 PMG owns, may develop, or may create certain proprietary marks during the course of this Agreement and that all proprietary rights in and to such intellectual property, including but not limited to, all trademarks, trade names, service marks, industrial designs, insignias, logos, and designations (as presently or hereafter comprised) in connection therewith (the "Proprietary Marks").

17.1.2 PMG also owns, may develop, or purchase curriculum materials, software and other intellectual property to be used in connection with PIE-WA educational programs, including but not limited to all copyrights, patents, source codes, technology and trade secrets (as presently or hereafter comprised) in connection therewith (the "Intellectual Property").

17.1.3 PMG has extensively invested in developing and improving the Proprietary Marks and Intellectual Property and in marketing, refining, advertising, promoting and publicizing the same, all of which have become well and favorably known to the public throughout the United States and elsewhere, and, as a result of such efforts, PMG has acquired valuable goodwill therein.

17.2 Validity and Use of Proprietary Marks and Intellectual Property. PIE-WA hereby acknowledges the validity of the Proprietary Marks and Intellectual Property identified above and acknowledges that same are the sole property of PMG. PIE-WA may use such Proprietary Marks and Intellectual Property only for so long as the right and license granted here remains in force, and only in connection with PIE-WA operations, in the manner and for the purposes specified in this Agreement. PIE-WA, shall not, either during or after the term of this Agreement, do anything, or aid or assist any other party to do anything, which would infringe upon, harm, or contest the rights of PMG in any of its Proprietary Marks and/or Intellectual Property. PIE-WA further agrees that any additional rights that may develop in any of PMG's Proprietary Marks and/or Intellectual Property in the future, whether as trade names, trademarks, service marks, or copyrighted materials, shall inure and accrue to the benefit of PMG.

17.3 License. Subject to the terms and conditions contained herein, PMG hereby grants to PIE-WA, and PIE-WA hereby accepts from PMG, a non-exclusive license to use PMG Proprietary Marks and Intellectual Property during the Term.

17.4 Prohibitions on Use. PIE-WA agrees not to interfere in any manner with or attempt to prohibit the use of the Proprietary Marks and Intellectual Property by any other entity. PIE-WA further agrees to execute any and all other necessary papers, documents, and assurances to effectuate this purpose and agrees to cooperate fully with PMG or its agents in securing all necessary and required authority from any Secretary of State, licensing authority, or any other state or federal authority to the use of the Proprietary Marks and Intellectual Property wherever needed. The grant of the License pursuant to this Agreement, does not grant exclusivity of territory or use to PIE-WA.

17.5 Ownership of Proprietary Information. PIE-WA agrees that PMG shall own all copyright and other proprietary rights in and to the Proprietary Marks and Intellectual Property, including but not limited to all instructional materials, training materials, curriculum and lesson plans, and any other materials developed by PMG, its employees, agents or subcontractors, during the Term of this Agreement or any renewal Terms hereof PMG shall have the sole and exclusive right to license such materials for use by other WASD schools or customers, or to modify and/or sell such materials to other WASD schools and customers. PMG may disclose such proprietary information, including that which is currently in existence as well as that which may be created in the future. PIE-WA shall take all measures reasonably necessary to assure that none of its personnel or agents disclose, publish, copy, transmit, modify, alter or utilize the Proprietary Marks and Intellectual Property without PMG's prior written consent.

17.6 Unauthorized Use. PIE-WA shall promptly report to PMG any unauthorized use of PMG's Proprietary Marks and/or Intellectual Property that comes to its attention in any manner whatsoever. If requested by PMG, PIE-WA will cooperate with PMG in precluding unauthorized use of PMG's Proprietary Marks and Intellectual Property, or any confusingly similar mark or property.

17.7 Confidential Information.

17.7.1 PIE-WA acknowledges and agrees that during the Term, it will have access to certain confidential information of PMG, including but not limited to confidential or proprietary business information, curriculum materials, software, property rights and data, know-how, trade secrets, customer and vendor lists, supplier and distributor lists, billing practices and procedures, operating manuals and procedures, pricing policies, operational methods, marketing plans or strategies, financial information, budget information and procedures of PMG ("the Confidential formation").

17.7.2 From and after the commencement of the Term, PIE-WA shall keep secret and retain in strictest confidence and shall not use for the benefit of itself or others, all or any of the Confidential Information.

17.7.3 Promptly following the termination of this Agreement for any reason, PIE-WA shall immediately deliver to PMG all Confidential Information in its possession, together with all notes, records, memoranda, correspondence files and other papers, magnetic tapes, software, discs, manuals and other information in any form relating to PMG (including all copies of these materials). PIE-WA acknowledges that it does not have and cannot acquire any rights to these materials.

ARTICLE 18 DISPUTE RESOLUTION PROCEDURE

18.1 Mediation. In the event that any controversy claim or dispute between the parties arises relating to the terms of this Agreement, or the breach thereof, the parties hereby agree to initially attempt to settle such disputes by a non-binding mediation, before a single neutral mediator (the “Mediator”), administered by J.A.M.S./ENDISPUTE. The Mediator shall be assigned at random by J.A.M.S./ENDISPUTE and shall take place within Los Angeles County.

18.1.1 The mediation shall commence within forty-five (45) calendar days from the date of the receipt of the Mediation Demand sent by the aggrieved party (“Receipt Date”), and shall be concluded no later than sixty (60) calendar days from the Receipt Date. In determining the Receipt Date, the notice provisions of this Agreement shall apply.

18.1.2 The administrative costs of conducting the mediation shall be shared equally between the parties.

18.2 Binding Arbitration. In the event that the parties are unable to resolve any dispute regarding relating to the terms of this Agreement, or the breach thereof, through non binding mediation pursuant to Section 18.1, above, such dispute shall be determined by binding arbitration in accordance with the rules of J.A.M.S./ENDISPUTE. The parties may select any third party arbitrator, including a retired jurist, or other independent party. Any determination of the arbitrator shall be binding on the parties, and may be entered in any court with proper jurisdiction for enforcement thereof. The costs of the arbitrator shall be borne equally by the parties.

ARTICLE 19 MISCELLANEOUS

19.1 Standard of Interpretation. Except as otherwise provided herein, the parties shall perform all actions required herein in a reasonable and timely manner.

19.2 Notices. Any and all notices, demands or other communications required or desired to be given hereunder by any party shall be in writing and shall be validly given or made to another party if served either personally or, if deposited in the Unites States mail, certified or registered, postage prepaid, return receipt requested. If such notice, demand or other communication be served personally, service shall be conclusively deemed made at the time of such personal service. If such notice, demand or other communication be given by mail, such shall be conclusively deemed given forty-eight (48) hours after the deposit thereof in the United States mail, addressed to the party to whom such notice, demand or other communication is to be given as hereinafter set forth.

19.3 Governing Law and Construction. This Agreement shall, in all respects, be governed by the laws of the State of California applicable to agreements executed and to be wholly performed within the State of California. Nothing contained herein shall be construed so as to require the commission of any act contrary to law, and wherever there is any conflict between any provision contained herein and any present or future statute, law, ordinance or regulation contrary to which the parties have no legal right to contract, the latter shall prevail but the provision of this Agreement which is affected shall be construed and limited only to the extent necessary to bring it within the requirements of the law.

19.4 Severability. The provisions of this Agreement are severable, and if any one or more provisions shall be determined to be judicially unenforceable, in whole or in part, the remaining provisions shall nevertheless be binding and enforceable.

19.5 Arm's Length Agreement. This Agreement has been negotiated at arm's length and between persons (or their representatives) sophisticated and knowledgeable in the matters dealt with in this Agreement. Accordingly, any rule of law or legal decision that would require interpretation of any ambiguities against the party that has drafted it is not applicable and is waived. The provisions of this Agreement shall be interpreted in a reasonable manner to affect the purpose of the parties and this Agreement.

19.6 Entire Agreement. This Agreement, together with the Charter Agreement, constitutes the entire agreement of the parties with respect to the subject matter hereof and supersedes any and all other written or oral negotiations, understandings or agreements among the parties with respect to the rights and obligations assumed herein and contains all of the covenants and agreements among the parties with respect to such rights and obligations.

19.7 Binding Agreement. The party's rights and obligations under this Agreement are personal and shall not be assignable. Subject to the foregoing, each of the terms and provisions contained herein shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, personal representatives, successors, and assigns.

19.8 Cumulative Remedies. No remedy conferred by any provisions of this Agreement is intended to be exclusive of any other remedy, and each and every remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity. Except as otherwise provided herein, the election of anyone or more remedies by any party, shall not constitute a waiver of the right to pursue other available remedies.

19.9 Modifications. No amendment, change or modification of this Agreement shall be valid unless in writing, stating that it amends or modifies this Agreement, and signed by all of the parties hereto.

19.10 Additional Acts. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances and shall do any and all acts reasonably necessary in connection with the performance of their obligations hereunder and to carry out the intent of the parties hereto.

19.11 Counterparts. This Agreement may be executed in one or more counter- parts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

19.12 Waiver. The waiver by any party to this Agreement of the breach of any provision of this Agreement shall not be deemed a continuing waiver or a waiver of any subsequent breach, whether of the same or another provision of this Agreement.

19.13 Captions. The captions appearing at the commencement of the paragraphs hereof are descriptive only and for convenience in reference. Should there be any conflict between any such caption and the section at the head of which it appears, the section and not such caption shall control and govern in the construction of this Agreement. The reference to paragraph numbers herein shall be deemed to refer to the numbers preceding each section.

19.14 Force Majeure. Neither party shall be liable if the performance of any part or all of this contract is prevented, delayed, hindered or otherwise made impracticable or impossible by circumstances beyond the reasonable control of the other party including but not limited to acts of God; strike; riot; fire; flood; natural disaster; accident; epidemics, pandemics, quarantines or outbreak of communicable

Exhibit A

Startup Services

The following Startup Services will be provided by PMG to PIE-WA during the Startup Period pursuant to the terms of the Agreement and at the hour rates listed below.

- A. Strategy and Business Development Consulting – **\$150/hour**
- B. Accounting & Payroll Services – **\$145/hour**
- C. Operations and Facilities Management Services – **\$110/hour**
- D. Instructional Design & Training Services – **\$110/hour**
- E. Board Relations Services – **\$105/hour**
- F. Human Resources Services
 - 1. Policy, Compliance, Employee Relations – **\$140/hour**
 - 2. Compensation, Safety, Risk Management – **\$95/hour**
 - 3. Benefits, Recruitment and Onboarding – **\$65/hour**

Exhibit B

PMG Services

The following PMG Services will be provided by PMG to PIE-WA after the Startup Period and during the remainder of the Term pursuant to the terms of the Agreement.

- A. Provide access to the Program which consists of a particular combination of recommended products specifically compiled as an educational program menu unique for PIE-WA's use and meets all requirements of the Charter Petition between PIE-WA and WASD. (See Article 7)
- B. Implement, as deemed necessary, a leadership development program and youth impact program ("Extra Programs").
- C. Periodically review the educational product market to identify appropriate curriculum and instructional materials for use in the Program and any Extra Programs. (See cost allocation in Section 7.5)
- D. Train PIE-WA teachers and instructional aides in delivery of the Program to students. (See cost allocation in Section 9.5)
- E. Provide administrative support staff to assist PIE-WA.
- F. Provide all human resources services needed by PIE-WA, including but not limited to advertising for and recruiting teachers and instructional employees, screening prospective new employees, making staffing and employment recommendations to PIE-WA, planning and conducting team building events for PIE-WA staff, and coordinating all employee benefits.
- G. Provide computers for the use of each teacher. (See cost allocation in Section 5.7)
- H. Provide administrative services needed for operation of the school, including program development, facilities management and management of day-to-day operations.
- I. Obtain waivers as may be necessary for operation of the PIE-WA's multi-track calendar.
- J. Provide all accounting services, including all bookkeeping and accounting services.
- K. Arrange for an annual audit of PIE-WA to be performed by an auditing firm approved by PIE-WA, and any other such audits as may be necessary according to the Agreement. (See cost allocation in Section 6.3).
- L. Provide to PIE-WA the following reports: monthly report of expenses incurred for reimbursement, monthly ADA or student attendance reports, reports required for the sponsoring WASD, budget reports, year to date budget variance reports, quarterly reports on the account balance, quarterly reports on the contribution of excess revenues, and quarterly reports on the use of charter funds. Upon reasonable request, PMG shall provide additional financial data and other data concerning the charter school to PIE-WA in a format and structure reasonably directed by PIE-WA.

- M. Locate and secure facilities adequate to meet the needs of PIE-WA and the Program, lease or otherwise contract with third parties for the use of facilities for school purposes. (See cost allocation in Section 5.2).
- N. Provide all property management services needed to maintain the PIE-WA's learning centers and to keep the learning centers in clean and professional order and repairs. (See cost allocation in Section 5.8)
- O. Furnish all learning centers with adequate desks, chairs, books, bookcases and other furnishings appropriate to maintain the learning centers' clean and professional appearance and suitable for the conduct of the charter school. (See cost allocation in Section 5.8)
- P. Provide computers for students in each learning center with Internet connections and printing capabilities. (See cost allocation in Section 5.7)
- Q. Arrange or provide IT and other technological support to PIE-WA. (See cost allocation in Section 5.7)
- R. Procure all insurance needed for operation of the charter school by PIE-WA. (See cost allocations in Article 16)
- S. Periodically, or as requested by PIE-WA, arrange for independent evaluations as described in the Agreement. (See cost allocation in Section 6.4)
- T. Provide or arrange for further instructional and operational support, program development, or administrative services as needed, consistent with the methodology established in the Agreement and subject to pricing as agreed to by the parties.

Exhibit C

CONFIDENTIALITY APPENDIX

WHEREAS, the Family Educational Rights and Privacy Act (FERPA), 20 U.S.C. 1232g and its implementing regulations codified at 34 C.F.R 99. 1 et seq. make personally identifiable student information in education records confidential and, subject to certain exceptions, prohibits the disclosure of such information to third parties,

WHEREAS, FERPA and its implementing regulations allow for an educational agency or institution to share personally identifiable student-level data with contractors performing work on their behalf,

WHEREFORE, Pathways Management Group, Inc. (hereinafter referred to as “PMG” and Pathways in Education-West Ada, Inc. (hereinafter referred to as “School”) do execute this appendix (“Appendix”) subject to the terms and conditions specified herein.

1. Services Provided

This Appendix is being executed contemporaneously with a Management Services Agreement by and between PMG and School to provide management and other services related to charter schools.

2. Privacy Compliance

This Appendix is entered into by PMG and School in accordance with the provisions of the Family Educational Rights and Privacy Act, 20 U.S.C. Section 1232(g), et seq., (FERPA). PMG and School hereby acknowledge that all document or other material in which student information is contained or which is derived from a student’s education records are deemed confidential pursuant to FERPA and will not be disclosed by PMG and School to any third party.

3. Access to Information and Computer Systems/Information Storage, Retention, and Disposition Policies

PMG and School shall each maintain the data, whether in hard copy or electronic form, in an area that has limited access and may only be accessed by authorized personnel. PMG and School shall not permit removal of the data from the limited access area. PMG and School will ensure that access to the data maintained on computer files or databases is controlled by password protection. PMG and School shall establish procedures to ensure that the target data cannot be extracted from a computer file or database by unauthorized individuals. PMG and School shall maintain all physical products containing student-level data in locked cabinets, file drawers, or other secure locations when not in use.

4. Audits

PMG shall permit School or its authorized representatives to carry out security or audit checks pertaining to security and usage of student data. PMG shall cooperate with School. School may request at any time an audit of student data that is in the possession of PMG. School or its authorized representative shall have access at all reasonable times on working days during working hours at business premises to employees, together with records, books and correspondence and other papers and documentation or media of every kind and employees pertaining to this Appendix that are necessary to carry out such security and audit checks. School or its authorized representatives shall have the right to reproduce and/or retain copies at its expense of any of the aforementioned information and documents.

5. Security Breach

As used in this Appendix, “Security Breach” means any act or omission that compromises either the security, confidentiality or integrity of student information or the physical, technical, administrative or organizational safeguards put in place by School and PMG that relate to the protection of the security, confidentiality or integrity of student data, or receipt of a verifiable complaint in relation to the privacy practices of School and PMG or a breach of this Appendix relating to such privacy practices.

School and PMG shall take reasonable steps and best efforts, in accordance with industry standards and applicable laws, to prevent security breaches. School and PMG shall also take reasonable steps, in accordance with industry standards and applicable laws, to immediately remedy any security breach and prevent any further security breach, each at its own expense in accordance with standard practices and applicable law.

School shall provide PMG with the name and contact information for an employee who shall serve as the primary security contact and shall be available to assist as a contact in resolving issues and fulfilling obligations associated with a security breach, as well as the name and contact information of an employee to serve this role when the primary contact cannot be available; PMG shall immediately notify School in writing of a security breach after PMG becomes aware of it; and

Immediately following the notification of a security breach, School and PMG shall coordinate with each other to investigate the security breach. School and PMG agree to cooperate in handling of the matter, including: (i) assisting with any investigation; (ii) providing physical access to the facilities and operations affected; (iii) facilitating interviews with employees and others involved in the matter; and (iv) making available all relevant records, logs, files, data reporting and other materials required to comply with applicable law or industry standards and as otherwise required and (v) providing any notices to persons or organizations affected by the security breach as required by law.

School and PMG shall ensure that all procedures implemented to address a Security Breach shall be in compliance with all applicable state and federal laws.

6. Disposal of Information

PMG agrees that at the termination of this Appendix and the Management Services Agreement, it must return all data to School in a usable electronic form, and erase, destroy, and render unreadable all School data in its entirety in a manner that prevents its physical reconstruction through the use of commonly available file restoration utilities, and certify in writing that these actions have been completed within 30 (thirty) days of the termination of this Appendix or the Management Services Agreement or within 7 (seven) days at the request of School, whichever shall come first.

7. Survival

PMG’s obligation under Clauses 2, 3, 4, 5, and 6 shall survive expiration and/or termination of this Appendix and the Management Services Agreement.