

CHARTER SCHOOL SERVICES AGREEMENT
BETWEEN
SCHOLAR ACADEMY
AND
ACADEMICA WEST, LLC

CHARTER SCHOOL SERVICES AGREEMENT (the “**Agreement**”) by and between **Scholar Academy**, a Utah nonprofit corporation (the “**School**”), and **Academica West, LLC**, a Utah limited liability company (“**Academica West**”).

RECITALS

- A.** The School has received a charter (the “**Charter**”) from the Utah State Charter School Board (the “**Authorizer**”) to operate a charter school.
- B.** The School is governed by its Board of Directors (the “**Board**”).
- C.** Academic control and freedom are integral to the success of the School, and the Board must have complete autonomy and control over its academic program, staffing needs, and curriculum.
- D.** The School desires to ensure that its charter school receives professional support services and is operated in accordance with the requirements of its Charter and applicable laws.
- E.** Academica West was established to provide professional support services and consulting to charter schools.
- F.** Academica West’s mission is to provide tailored business, administrative, governance and compliance services and support to its clients, enhancing the charter school’s ability to achieve its unique focus and vision.

G. Academica West personnel are familiar with the governmental agencies with which charter schools interact and applicable legal requirements associated with the establishment and operation of charter schools and charter school facilities.

H. Academica West personnel are familiar with the various local, state and federal funding sources for charter school programs and have successfully obtained grants and other forms of revenue and financing for charter schools.

I. Academica West personnel regularly attend state and national meetings and conferences for charter school operators and consultants in order to remain informed about developments in the charter school community.

J. Academica West provides support to a network of charter schools, and these schools benefit from having access to a uniform, system-wide reporting, accounting and recordkeeping system.

K. Based on the success of other schools with which Academica West has worked, the Board's assessment of the School's needs and Academica West's capabilities, the School believes that contracting with Academica West will allow the School's administration to more fully focus on accomplishing the School's educational mission and achieving the Board's vision. The Board believes that such a relationship will benefit the School and ultimately allow it to be more successful.

L. The School and Academica West desire to enter into this Agreement for the purpose of having Academica West provide governance, business, administrative, and compliance services to the School as set forth herein.

AGREEMENT

1. Relationship between the Board and Academica West

(a) The parties acknowledge that the Board retains full authority and responsibility for the governance of the School.

(b) Academica West's role will be to advise, assist and consult with the Board and the School's principal or director (the "**Principal**") and to provide the services and support set forth in this Agreement.

(c) Academica West will perform its duties under the direction of the Board and in accordance with the Charter, the policies and procedures established by the Board, and applicable law.

(d) Academica West will keep the Board informed of its activities as necessary to enable the Board to perform its responsibilities.

(e) Academica West will advise and make recommendations to the Board and Principal for the establishment of the systems that Academica West believes, based on its experience, are in the School's best interests and are necessary to accomplish Academica West's duties.

(f) The Board will review advice and recommendations made by Academica West and act upon them in the Board's sole discretion.

(g) Academica West will cooperate and coordinate with the Principal in connection with their respective areas of responsibility. In managing the School, the Principal will consult with Academica West personnel in connection with Academica West's areas of responsibility and will endeavor to utilize Academica West's services and expertise.

(h) The Board may consult with Academica West in order to establish standards and monitoring criteria for the Board to evaluate whether the School's mission is being accomplished.

(i) The Board and Principal will exercise good faith in considering Academica West's recommendations, including but not limited to those concerning policies, rules, regulations and budgets.

(j) The Board and Principal will exercise good faith in complying with requirements of the Authorizer and applicable laws and regulations.

(k) The Board and Principal will cooperate with Academica West to enable Academica West to fulfill its obligations under this Agreement. Cooperation will include, but not be limited to, providing Academica West with timely notice of special Board meetings; timely submitting to Academica West required forms and reports; and timely furnishing Academica West with all required information, documents and records.

Governance

2. Board of Directors' Meetings

Academica West will schedule, coordinate and attend regular and special Board meetings and facilitate compliance with legal requirements regarding the conduct of public meetings and record keeping for such meetings.

4. Policy Development

Academica West will consult with the Board regarding the development and drafting of Board policies.

5. Board Development

Academica West will consult with and assist the Board regarding board development

needs. Such assistance may include coordinating, researching, and planning for board training and retreats.

Business

6. Coordination of Start-up Activities

Academica West will assist the Board to establish timelines and complete activities pertaining to school start-up and operation. Academica West will coordinate any remaining legal formalities necessary to form the School as a non-profit corporation, including but not be limited to drafting and filing Articles of Incorporation, Bylaws, Utah Registration for Exemption from Corporate Franchise or Income Tax, and Form 1023 Application for Recognition of Exemption Under Section 501(c)(3) of the Internal Revenue Code.

7. Financial Reporting and Recordkeeping

Academica West will accurately maintain the School's financial records and will coordinate with the Principal to ensure accurate and timely financial reporting as required by the Authorizer and applicable law. Academica West will prepare and file the School's annual Form 990 tax return.

8. Bookkeeping and Payroll

Academica West will provide bookkeeping services for the School, including accounts payable, bank statement reconciliations and related services. Academica West will coordinate compilation and submission of the School's employee payroll.

9. Budgeting and Financial Projections

(a) Academica West will coordinate with the Principal and Board members in order to prepare annual budgets and financial forecasts for the Board's review and approval.

(b) Academica West will prepare amended budgets and consult with the Board on financial matters as requested.

(c) Academica West will consult with the Principal on the administration of the budget adopted by the Board in order to assist the Principal in sound financial decision making.

(d) Academica West will provide accounting and financial information to the Board and the Principal on a regular basis as requested by the Board and Principal.

10. Audits

The Board will select and engage a proven and reputable accounting firm to conduct its annual financial audit. Academica West will coordinate with the selected accounting firm, including planning, field work, financial statement preparation, and distribution of the completed audit to all required state agencies and debt instrument holders, as applicable. In addition to the financial audit, Academica West will also coordinate the school's annual October 1st enrollment audit, and annual student membership testing as required by law.

11. Grant Solicitation

Under the direction of the Board, Academica West will work with the Principal to apply for funding earmarked for charter schools by the Utah State Office of Education Charter School Office as it becomes available. Additionally, Academica West will apply for one private grant per academic year at the request of the Board and/or Principal. It is the Board's responsibility to identify grants that the School can feasibly manage and for which it can provide any necessary matching funds.

12. Financing Coordination

Academica West will coordinate obtaining loans from private and public sources as requested by the Board.

13. Facilities Funding

Under the Board's direction, Academica West will assist in the solicitation of state, federal, or local government funds earmarked for school facilities development, improvement, or acquisition as well as other sources of facilities funding that may become available to the School from time to time.

14. Facilities Identification, Expansion, Design and Development

Academica West will coordinate with the Board concerning the School's initial and ongoing facilities needs. In connection therewith, Academica West will assist the School in planning the design of new facilities or the expansion of existing ones. In connection with the expansion, design, development and construction of new or existing facilities, Academica West will recommend and assist the School to retain qualified professionals in the fields of school design, architecture, engineering, development and construction. Academica West will ensure that the facility will comply with, or otherwise be approved with respect to, applicable laws governing the use of the facility as a public school.

15. Purchasing Support

Academica West will coordinate with the Board and the Principal in connection with the School's purchasing needs, including soliciting bids, researching options, obtaining information, negotiating and acting as the School's liaison with vendors, and assisting with compliance of applicable purchasing and procurement laws.

Administrative

16. Administrative Consulting

Academica West will consult with the Principal regarding administrative issues, the development of administrative procedures and practices, USOE rules and regulations, and other

issues identified by the Board, the Administration, and/or Academica West in order to assist the Principal in performing their duties.

17. Student Information Systems

Academica West will remain up to date on issues related to the student information system and assist School staff in utilizing the student information system employed by the School.

18. Authorizer and USOE Representation

At the Board's request, Academica West will serve as the School's liaison with the Authorizer and Utah State Office of Education officials. In connection therewith, Academica West personnel will attend state meetings and public hearings and report important information to the Board and Principal.

19. Charter Expansion or Amendment Coordination

At the request of the Board, Academica West will consult with the Board in order to determine the terms of any proposed expansion or charter amendment. Academica West will coordinate the actions necessary in order to apply for such expansion or amendment with the Authorizer.

20. Human Resources Administration

(a) Academica West will coordinate with the Principal to identify and recruit qualified teachers, paraprofessionals, administrators and other staff members and education professionals for positions in the School. The Principal, under the direction of the Board, will retain discretion and authority regarding the employment of administrators, faculty and staff for the School. Academica West will assist the Principal and the Board in preparing employment agreements and employee manuals for the School. All administrators, teachers, staff members,

and education professionals will be hired as employees of the School.

(b) Academica West will consult with the Principal and Board regarding employment-related issues that arise in the School.

(c) Academica West will propose to the Board a professional employer organization to assist in the performance of human resource, employee management and payroll services for the School. The Board will retain discretion regarding which professional employer organization to use. Academica West will act as the liaison between the School and any professional employer organization the Board retains.

Compliance

21. Reporting

Academica West will coordinate and assist in the preparation of all reports required by the Authorizer and other applicable law. Reports will be submitted to the Board or Principal for approval, as appropriate, and Academica West will coordinate the delivery and review process established by the Authorizer.

22. Recordkeeping

Academica West will coordinate with the Principal regarding the maintenance of the School's records. Academica West will facilitate compliance with applicable legal requirements related to recordkeeping, including but not limited to maintaining confidentiality of all pertinent records and responding to records requests.

23. Student Recruitment, Enrollment and Registration

Academica West will assist the Board and Principal in the development and implementation of the Board and Principal's plan for marketing and the recruitment of students. Academica West will assist the School in developing and implementing a student enrollment and

registration process to ensure compliance with the restrictions and limitations of the Charter and applicable law regarding recruitment and admission.

General Terms

24. Initial Term

The term of the Agreement will commence on September 1, 2013 (the “**Effective Date**”). The initial term of the Agreement (the “**Initial Term**”) will be five (5) years from the Effective Date unless the Agreement is terminated as specified below.

25. Termination

The Board may terminate this Agreement prior to the end of the Initial Term in the event that Academica West fails to remedy a material breach of the Agreement within sixty (60) days after receipt of written notice of such breach from the Board. Material breach by Academica West would include, but is not limited to: (1) failure to properly account for revenues or expenditures for and on behalf of the School; (2) failure to comply with (a) policies, procedures, rules or regulations duly adopted by the Board, (b) any law, or (c) the provisions of the Charter; (3) gross negligence or willful misconduct of any Academica West personnel in connection with the School; or (4) Academica West’s failure to perform services pursuant to this Agreement, which failure materially interferes with the Board’s ability to fulfill its responsibilities.

Academica West may terminate this Agreement prior to the end of the Initial Term in the event that the School fails to remedy a material breach of the Agreement within sixty (60) days after receipt of written notice of such breach from the Board.

26. Base Compensation

The School will pay Academica West a fee of Four Hundred Dollars (\$400.00) per student for the first five hundred and fifty (550) students enrolled at the School, and Three

Hundred and Fifty Dollars (\$350.00) per student for every student enrolled in excess of five hundred and fifty (550) students (as determined by the School's audited October 1 count), per annum. The fee will be payable in monthly installments. The per-student fee will be adjusted yearly by an amount calculated as follows, but in no event will the fee be lowered:

The per-student fee may be increased in proportion to annual percentage changes in the weighted pupil unit between the Base WPU and the Adjusted WPU. "Base WPU" means the weighted pupil unit for Utah as of the Effective Date. "Adjusted WPU" means, for each year in which the Agreement is in effect, the weighted pupil unit for Utah as of each anniversary of the Effective Date. In the event Academica West intends to increase the per-student fee pursuant to this paragraph, Academica West will notify the School at least sixty (60) days prior to implementing any such fee increase. The School may review Academica West's performance pursuant to this Agreement during the sixty (60) day period. In the event the School identifies any breach by Academica West of its performance under this Agreement, the School must notify Academica West regarding the breach prior to the expiration of the sixty (60) day period, and Academica West must remedy such breach prior to any fee increase becoming effective.

27. Miscellaneous

(a) Neither party will be considered in default of this Agreement if the performance of any part or all of this Agreement is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, hurricane, riot, fire, explosion, war, act of God, sabotage, accident or any other casualty or cause beyond either party's control and which cannot be overcome by reasonable diligence and without unusual expense.

(b) This Agreement will constitute the full, entire and complete agreement between the parties hereto. All prior representations, understandings and agreements are superseded and

replaced by this Agreement. This Agreement may be altered, changed, added to, deleted from or modified only through the voluntary, mutual consent of the parties. Any material amendment to this Agreement will require approval of the Board.

(c) Neither party will assign this Agreement without the written consent of the other party; such consent will not be unreasonably withheld.

(d) No waiver of any provision of this Agreement will be deemed or will constitute a waiver of any other provision unless expressly stated.

(e) If any provision or any part of this Agreement is determined to be unlawful, void or invalid, that determination will not affect any other provision or any part of any other provision of this Agreement and all such provisions will remain in full force and effect.

(f) This Agreement is not intended to create any rights for any third party beneficiary.

(g) This Agreement is made and entered into in the State of Utah and will be interpreted according to the laws of that state.

(h) Every notice, approval, consent or other communication authorized or required by this Agreement will not be effective unless it is in writing and sent postage prepaid by United States mail, directed to the other party at its address hereinafter provided or such other address as either party may designate by notice from time to time in accordance herewith:

Academica West, LLC
352 N. Flint St.
Kaysville, UT 84037

Scholar Academy
943 Tanglewood Rd
Tooele, UT 84074

(i) The headings in the Agreement are for convenience and reference only and in no

way define, limit or describe the scope of the Agreement and will not be considered in the interpretation of the Agreement or any provision hereof.

(j) This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one Agreement.

(k) Each of the persons executing this Agreement has the full power and authority to execute the Agreement on behalf of the party for whom he or she signs.

THIS AGREEMENT was approved at a meeting of the Board of Directors of the School held on: September 19, 2013. At that meeting, the undersigned individual was authorized by the Board to execute a copy of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Scholar Academy,
a Utah nonprofit corporation


Sandra Shepard, Board President

ACADEMICA WEST, LLC,
a Utah limited liability company


Jed Stevenson, Manager